



BUDGET WORKSHOP MINUTES

Wednesday, April 12, 2023

Station 32, 8905 Koch Field Road, Flagstaff AZ

1. CALL TO ORDER

Chair Timney called the Budget Workshop to order at 4:08 pm.

2. ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM

Members Present: Board members Jim Timney, Robb Faus, Rick Parker, and Jim Duskocil

Members Absent: Scott Walton

Administration: Deputy Chief Mark Wilson, Deputy Chief Chris Fennell, Battalion Chief Torsten Palm, Labor rep Casey Robinson, Administrative Officer Vivian Fennema, and Administrative Assistant Tammy Schieffer.

3. Pledge of Allegiance

4. DC Mark Wilson

- Went through the Budget slideshow presentation he prepared which reviewed **Labor and Admin goals**, (*Compensation Market Adjustment, Benefit coverage, CEP pay, and building fiscal capacity and contingency*) **future Capital needs** (*Type 3, 2nd set of turnouts, new east side station*), **expected base/ongoing costs** (*6% increase in hard costs, tuition reimbursement, Redemption Counseling services, CEP training 1/yr*), **New revenue + IGA/MOU** (*5% increase in A/V, Marijuana Tax, lease options for non-operational station*).
- Reviewed the Benefit options we will offer this year to employees and their families. This year we are going with just 2 options: PPO \$750, and HDHP \$2500 (SFMD will contribute \$165/mth into HSA acct for HDHP members).
- Mill Rate Options: DC Wilson showed spreadsheet with all the different options for budgeting current and future needs.
 - Currently approved for FY23/24 mill rate of 3.375
 - Moving to 3.50 for FY23/24 which would allow for meeting goals set by Labor
 - Future Capacity at 3.75 in FY24/25.

General Discussion (Comments will be listed by speakers initials Chair Jim Timney JT; Rick Parker RP; Robb Faus RF; Jim Duskocil JD; DC Mark Wilson MW; DC Chris Fennell CF; BC Torsten Palm TP, Labor Rep Casey Robinson CR)

CR: 90% of the guys here are extremely happy with the pay scale. It's not that we are unhappy, it's the "Why am I a 20-year Captain, and only a Step 6". It's not the pay scale they are unhappy with, it is where they are at on it.

JT: If they are not unhappy with the pay scale then why can't we bump them up to the correct step?

MW: At the 3.375 there is no room for changing the pay scale, the only way to possibly address the compaction issue is by increasing capacity via a 3.50 mill rate. The money would have to be pulled from the 50k increase allotted to the Emergency Fund.

CR: The board is doing a phenomenal job addressing compensation, they look down the road and they have a

bright future.

JD: The guys who have been here forever cannot focus on what step they are on. We are doing the best we can here. We have a pay plan in place now, where were you before, you had nothing. Why are we using Highlands as a comparison for wages? We can only pay what we can.

MW: Board direction 2 years ago was “Who do we want to use as a standard? Let’s focus on Highlands because they are our neighbor and a true competitor.”

JD: What is our market? Is it really Highlands? They have Forest Highlands out there and you cannot compare those homes to what we have in our district as far as A/V’s

MW: Right now, we are really close to Highlands and it would be nice in the future if we have a candidate from the GFR recruitment process not automatically chose Highlands because they pay more. That is why I am showing you a 5-year budget. It shows stability, capacity, growth, compensation.

RP: We need to figure out how to pay our guys more with the money we have coming in.

MW: There are a lot of options and different ways to go with the budget, I just need Board direction in order to come up with a proposed Chief’s Budget. What do you feel the taxpayers can support? If you feel they can support a 3.50, this is what it does for us from a sustainability standpoint.

JT: Wants to poll all board members to see what they are thinking regarding the mill rate increase. He said in his opinion 3.375 is out of the question.

RF: So you are saying that staying at the 3.375 is not sustainable and we should go up?

JT: I don’t think we should be in a position of marking time, we needs to advance a little bit.

RF: It seems logical to me that we increase the mill rate and continue to do so to avoid further compression in the pay scale. I am definitely at the 3.50 at this point. It should help with retention and some of the station stuff we have to deal with. It’s not that much in the grand scheme of things.

RP: If a guy says he has to leave because he isn’t making enough money, then he just needs to leave. We pay what we can afford!

CR: My take on this, Rick, is “if you are not happy here, I will do everything I can to get you a job somewhere else cuz I don’t want you here.” We respect what the board is doing for us, and if someone doesn’t want to be here, then we don’t want them here, bringing our culture down with negativity or looking at your guys in a bad light, we got your back. The people we have been hiring lately, this place has an extremely bright future. So we are still doing a good job.

RF: We have guys looking at their benefits package and understanding the big picture; realizing that if you take into consideration they don’t pay for health premiums that is additional money to them. Maybe we can’t pay as much as Highlands, but our benefit package is way better than theirs.

RP: Have we looked into lease option for turnouts?

MW: By the time you paid them off you will have incurred an additional 25% cost, so we would rather pay for them outright. Is there a policy on how to rotate set 1 and set 2 of turnouts?

TP: Says there is nothing in policy but the practice is to rotate them. We have used a company who can do a complete inspection of the turnouts after their expiration date (10 years) and they can “certify” that they are still good to use. We have some of those as 2nd sets for the guys.

JT: If we exceed the 80k for revenue from the marijuana tax, can we put that towards salaries? He wants to see the pay scale increase as much as we can afford.

MW: It would be one-time money. We cannot do bonuses or anything like that with extra funds. It is illegal. Anytime we have extra ongoing money we will come to the board to see if there is a way to compensate our members using that ongoing revenue.

MW: What I need now is your perspective or a consensus.

JD: I was leaning more towards the 3.375, just because we hit the covered market adjustments, 3.50 isn't much of a jump tax wise. I don't see an end in sight. Doesn't matter what I think anyway (with the rest of the board voting 3.50).

RF: I'm 100% at 3.50. It has to do with our long term goals (more centralized location)

RP: 3.50, and the reason is if we stay at 3.375 and something comes up down the line it won't be such a big jump for people. We would be even farther behind next year.

JT: I'm at 3.50, it's been obvious throughout this whole time. 3.375 is life support- nothing more. We need to plan ahead and start putting some away. So the consensus is 3.50%

MW: So I just need some clarifiers. When we bring a budget to you, there is a 2 year Chief's Budget and a 5 year outlook budget. Do you want to see a progressive increase in rates over the 5 years? Or just a flat 3.50 over the 5 years.

Board would like to see both. If something goes south, we can always change it after the first year. Any adjustments the board wants to see can be changed.

RP: Looking at 6% market instead of 3%.

RF: I agree 6%

JT: I don't think we can retain our personnel at 3%. \$7000 for medic.

JD: We are getting direction, from what the chief has already put in, and then it's board here is your selection pick it. We've had this conversation before, back with other board members that we need the information flow is going towards more of expectations that we sign off on.

RP: That is not what I feel about it.

JD: I know that is my personal opinion on it. It is what it is, majority rules, that's why there are 5.

JT: Speaking on the board perspective Jim, I think your concern on that is absolutely valid. I can see historically, that is exactly what has happened, the board has been rubber stamped. I'm sure it should not be, I am not sure it is now.

JD: I hope not, but some of the things, the processes. I have been a board member for a long time, I have seen all the angles all the ins and outs.

JT: Its always in the back of my mind, but right now, it is far more professional that it was

RF: I don't have all the history that you all have, I just want to express that I think it is very important to speak your mind on this so that I have some frame of reference to what the past has been like here.

RP: My take on this- I read everything I listen to labor and admin, and if I don't agree I say so. I trust admin to do their due diligence. As far as raising mill rate, I hate to do that because I have to pay them and answer to my wife. I have faith in administration, and I am not a follower.

ADJOURNMENT

Motion to adjourn by Board Member Parker, seconded by Board Member Duskocil.

Vote Conducted. MOTION PAST ALL IN FAVOR

AYES: Timney, Faus, Parker, Duskocil

Budget Workshop Adjourned at 6:20 pm

Respectfully submitted by:

Robb Faus, Board Clerk