

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

### Call to Order:

The Meridian Rural Fire Protection District meeting for August 22, 2022, was called to order at 6:00 p.m. by Commissioner Ward. Roll call was taken.

Attendees: Commissioner Marvin Ward, Commissioner Randy Howell, Commissioner Derrick Shannon, Councilman Joe Borton, Fire Chief Kris Blume, and Attorney John Fitzgerald

### Approval of the Agenda:

Motion was made and seconded to approve the meeting agenda as presented. Motion approved.

### Approval of the minutes:

Motion was made and seconded to approve the minutes from the July 11, 2022, MRFPD meeting. Motion approved.

### Public Hearing for Fiscal Year 2023 Budget from October 1, 2022 through September 30, 2023 for the Meridian Rural Fire Protection District, pursuant to Idaho Code Section 31-1422.

*(Budget Hearing portion of the meeting minutes transcribed verbatim)*

Commissioner Ward: We will now proceed to the Public Hearing for Fiscal Year 2023 Budget from October 1, 2022 through September 30, 2023. We have here a sign-up sheet, just set that right there in case anyone does come up. And then, alright, the proposed (inaudible)...This is the time and the place for the public hearing on the Meridian Rural Fire Protection District's proposed budget for fiscal year 2023 which is October 1, 2022 through September 30, 2023. This hearing is being conducted pursuant to Idaho Code Section 31-1422 as required by Idaho's Fire Protection District Law. By Way of background, the Meridian Rural Fire Protection District's Commissioners have prepared the proposed budget in conjunction with the City of Meridian's proposed fire department budget. The District has caused the proposed budget to be published in accordance with Idaho Code Section 31-1422, specifying this date and time as the date and time for any person to appear and present testimony on the proposed budget. Anyone who wishes to testify on the budget is requested to sign the sign-in sheet listing your name, address and telephone number. When you testify, please state your name and address for the record. Randy Howell, a Meridian Rural Fire Protection District Commissioner and the Treasurer, will now give a brief overview of the proposed budget. Randy if you would please.

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

Commissioner Howell: So, the budget that is in front of you is very similar to the budget, the draft budget that we talked about last month. Currently it is...the only change that we made since that last meeting was underneath the Revenue line 84. We did go through the L2 process with Kathleen Roma our accountant and for the ladder truck we have an obligation of \$144,072.00, would be our portion of that. And so there was \$65,000.00 in capital that we could utilize in foregone money and so I put it in here for discussion to see if you guys had any interest in utilizing those funds. This year in our line 86 we are going to be utilizing \$600,000 of our fund balance that we have above and beyond the projected taxes we're utilizing. We are going to be tapping into that about \$600,000.00. So it would have been about \$660,000.00. So that is helping offset, tapping into that fund balance. Could be one advantage. So I don't know if we have ever utilized foregone money as a District and so that could be a reason not to. Just thinking of pros and cons. Not saying that would be a reason not to, but we never have, and so we do have close to \$5,000,000.00 in our reserves at this point. I'm not saying we have to go get it or whatever. I do look down the road and have a concern of our long term financial situation but I just put it in there, I'm not advocating for it or against it, I just want to talk about it and if there's good reason maybe to do that, we can do that, or if not we can remove it.

Commissioner Ward: So is this a one time? For this particular item, this is a one time, foregone is a one-time thing, right?

Commissioner Howell: No, every year you can go for foregone. I've heard rumors that that door might be closed down the road by the state legislature. It hasn't been. We have about \$700 and some thousand, when we were going through the L2, we have about \$700 and some thousand that we would be eligible to go get, not just for capital. And I've never done it, I don't understand the process but we could go get additional dollars. It's kind of rolling. And I don't know, anybody else jump in on foregone, because I'm no expert, but it's kind of a rolling thing based on how much you take, the percentage you take in your levy, and what you don't take, there is remaining money that, that's why they call it foregone. You could have went and gotten more, taken more each year, but you didn't. So, I think it goes back three years on foregone money and so it's kind of a rolling process based on what you have done in the past. So that's my best recollection of it. Like as I said, as Kathleen walked me through the L2 process, she said you guys are eligible to get this \$65,000.00 for capital if you want. So I said, I'll put it in and we can discuss it and see if we want to do that or not. I did talk to John last week about it and he said the only thing he wants to do is, if we do decide to do it, it would be contingent that there isn't a step or anything we have missed previously like on a notification or something else.

Commissioner Ward: That was going to be my next question, what's the process? What do we have to do to do that? Is that something that Kathleen could help you with?

Commissioner Howell: Well, yeah, and John. And so there is a resolution that would have to be put in place and I sent John a sample resolution that North Ada County Fire and Rescue was utilizing. There would be a resolution and then some sort of notification to the County. I believe it would be in that L2 form is where I believe and they would want a copy of that resolution that we had passed. That is my understanding, I don't know if you John have checked into it any further, but...

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

Attorney Fitzgerald: Let's digress for a second. Over the budget years, the Meridian Rural Fire Protection District has not budgeted the full amount that they could of. So they have foregone amounts in the past. There is a statute, it is Idaho Code section 63-802, and specifically sub-section D that allows non school districts to go back and collect those foregone amounts. There are limitations on that, in that, in what category those, the purpose of those funds are being collected. If it is for the purpose of maintenance and operation, it can only increase your budget by one percent. If it is for capital projects which would be like an acquisition of land it can only increase the District's budget by three percent. In addition to those parameters, there needs to be notice that is specifically given to the tax payers to go collect the foregone amount. In my discussions with Randy, when he brought this up, there were two things that came to mind. One was, in terms of what the impact was on the dollar amount to the overall budget. The inclusion of \$65,000.00 in the budget is clearly within the parameters, particularly for the purpose of capital improvement. The other is a question of notice and public hearing. The Statute does provide that it needs to be specifically noticed that the budget includes foregone funds. It also needs to have a specific resolution to that effect.

Commissioner Howell: A follow-up resolution after the notice?

Attorney Fitzgerald: Correct. So if the Commissioner are inclined to say yes, we would like to seek the foregone funds, then in looking closer at the statute, I think that there should be just as a (*inaudible*) option or a course of action is to specifically to back it out of the budget that is being considered tonight and (*inaudible*) option and then on the following months, let's have a specific notice that goes out to the public that the District is going to seek the foregone funds and then amend the budget to that effect.

Commissioner Howell: So this doesn't provide enough notice?

Attorney Fitzgerald: I went back and looked at the notice and the Statute and I'm concerned that the notice is insufficient. I'm not saying that it's not sufficient. The question would become if anybody came in and questioned that amount and whether or not notice was sufficient.

Commissioner Ward: So this is not something that specifically has to be taken now, but we can work on getting that in the meantime.

Attorney Fitzgerald: Correct.

Commissioner Ward: Okay.

Commissioner Howell: There's no deadline?

Attorney Fitzgerald: Not at this point.

Commissioner Howell: Ok, I didn't check with the County because I was under the understanding that it kind of went with this L2 and the budget process. I'll double check.

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

Attorney Fitzgerald: It says that anytime a District may “in any following year, recover the forgone increase by certifying, in addition to any increase otherwise allowed, any or all of the increase originally forgone”. So the Statute is presently providing it is any foregone in any year. So, again, I’m not saying the notice was insufficient, but it could be more sufficient.

Commissioner Howell: So what is your guys’ thoughts on utilizing foregone dollars. Do you have any...

Commissioner Shannon: Is there a punitive element to going back and requesting that? I mean, we have never done it as a District, so...from a fiscal perspective, do they....

Commissioner Howell: Well, I think there will be a small fiscal impact to our constituents. It will affect their tax rate, right? And so it could go up. I don’t know what the number is. It’ll affect taxes, right? And so, that’s where that money comes from is taxes. So by going back and getting foregone, we are going above and beyond what we have the ability to get in our current year.

Commissioner Ward: Aren’t those dollars already pigeon-holed away? There not going to raise anybody’s taxes right?

Commissioner Howell: They’re not pigeon-holed. I think you go...it will affect your tax bill and my tax bill this next budget year.

Commissioner Ward: (*inaudible*)

Commissioner Howell: Uh, possibly. And I don’t know and from a Counsel perspective... I don’t think Cities...it’s not a common thing to utilize foregone.

Councilman Borton. Yes, very rare. Yes, extraordinary growth.

Commissioner Howell: It could be perceived by the public as a negative thing, raising taxes, you know. But there are Districts and government agencies that do it regularly, right? And there are some that don’t.

Attorney Fitzgerald: If I could chime in again? I submit that it is really need based and historically the budget has been...you’re not collecting the total amount of revenue that you were allowed to collect in good years and that’s what you’re going back and clawing at is that. So it will affect the amount of money that is collected, but it’s not in excess of what could have been collected over the prior years. So, yes it may be perceived negatively, but you’re not necessarily going back and claiming more than that District could have gotten in the past.

Commissioner Ward: I’m kind of forgetting what we could get, but I see doing it in the right way and helping our efforts in keeping our budget solid, you know with the (*inaudible*) back up..Meridian City budget. It would be just a little bit of a help for us. As you said, looking to the future to maybe move that way.

Commissioner Shannon: I don’t want to pay any more taxes as a constituent so personally, I don’t necessarily favor that.

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

Commissioner Howell: That's fair. So comparing last year's to this year's budget, we are at \$1,429,663.00 so one and a half million and this year we are almost \$3 million. Now a million of that is this money, \$1.1 million, as a placeholder for staffing for Station 7. So that would take our budget down to about \$1.9...or \$1.8 million, so that's almost a 20 percent increase from \$1.4 to \$1.8 so it's a significant increase. We have a ladder truck which doesn't happen every year but we may have had one last year...maybe we paid it the year before. I think it was the year before actually but we just took delivery of it this year. No, ladder truck carry forward. Our portion of that was \$22,000 and this year, maybe we paid a portion of it, I don't know. But this is \$144,000.00. So there are some things, our budget is significantly higher than it was in last year's budget. We put in \$765,000.00 into our funds last year based on...projected on how much we had coming in and how much we had going out and this year we are going to spend \$600,000.00 and so we are \$1.3 (*inaudible*) in that way too, right, and so this would save us \$65,000.00 out of our reserves or we can spend the \$65,000.00 out of our reserves. I think it would be very minimal money, but I hear what you are saying Derrick, so I'm not...that's a very fair statement about increasing taxes and all that, so do we take a vote on that? How do we do that John as far as discussion in regards to this?

Attorney Fitzgerald: That will come with the adoption of the motion to adopt the budget. So at this point, you are explaining to the public what the budget consists of. And then the Chairman will, if you have concluded your comments on the budget, the Chairman will open the public hearing inviting anyone from the public to come and testify.

Commissioner Howell: I don't know if there is anything else that jumps out that we maybe that we didn't discuss last month. We do have the placeholder for the personnel; odds are we are not going to spend that because those stations aren't going to be ready. I'm not sure, I think in some conversations with the Chief, maybe the City was going to help fund part of the front end of it and then maybe look at us for the next year. I'm not exactly sure what the City's thinking in regards to...they are going to have to onboard some people for that station that's opening in September or October. And so, maybe these funds will get utilized. I was thinking you were saying that the Mayor was thinking about maybe funding the front of the new hire.

Fire Chief Kris Blume: My discussions with the Mayor regarding the funding of the staff, specifically for station 7, he's more concerned about the opportunity in the FY24 and FY25 budget cycles but still being able to fund the staff for station 7 for that period of time. And that was sort of the cost of building two stations at one time was not being able to fund the staff in a consecutive time, not having station 7 and station 8 come on at the same time. So the staff assistance really was needed in FY24 and FY25, hoping that...

Commissioner Howell: Because Station 8 was general fund money and not impact money, is that what...the money would have been traded I guess, because all of station 7 is all impact fees?

Fire Chief Kris Blume: Correct, and again largely, station 8 was out of general fund. I think, in fact, what was it, 30% was impact fees. I don't even think it was that high, no so it was...there was supposed to be, and there should be, a cost savings realized by doing two stations simultaneously. Obviously the community's need far exceeds two fire stations but the ability for the City to fund the staffing...the model that was created had an interval hiring of station 7 coming on first and then a year or two years later having station 8 coming on to allow the funds to accrue and be able to have a balanced CFP in the long term. That was the thing. Shortening that time brought it into...and again past history where the Rural has helped out with station 6 with the staffing, providing a service to the constituents of the Rural that are in need of that service to that area.

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

Commissioner Howell: So, these funds may be utilized in this budget year, is what you are saying?

Fire Chief Kris Blume: Here's the thing, the stations aren't built and I think to your point, or to your question, when the stations open, that's when, hopefully the Rural will say yes, we would like to provide the funding for the staffing for those stations. I can give you guys an update in a little bit on where we are at, but with some supply chain issues, we are probably looking at an opening at October of next year. So, yes, there is a chance that those funds, we would not be requesting any of those funds in FY23.

Commissioner Howell: Because you are still going to be hiring?

Fire Chief Kris Blume: Correct

Commissioner Howell: And the City's going to cover the hiring in FY23's budget is what I was understanding the Mayor was saying correct?

Fire Chief Kris Blume: Correct

Commissioner Howell: Okay. So if we want to change our budget, I mean, I don't know what it changes in our budget, but if we don't need that \$1.1 million in there, we could reduce our budget and that would bring it down significantly. I don't know about zero, or leave it in there, it could be carried, or you know we are going to have to re-approve next year's budget. Same process next year, right?

Commissioner Ward: So realistically, the station's not going to open till a year from now, about?

Fire Chief Kris Blume: That's the timeline we are looking at. And again, that's the realistic timeline. That's sort of where we started. With the delay that it took us to get final approval, we were looking at the end of August, September. There's been some CME block shortages that's been...they are still continuing to move forward but that sort of slowed things down a little bit, two weeks is where we are at so...but then again to Commissioner Howell's point, it's not going to be one of those things where the doors open and we go find people to attend to the fire station so more than likely there would be a portion of that that we would probably request prior to the opening of the fire station, you know, for the on-boarding and training of the staffing. But again, I don't know what that dollar amount is right now and I certainly don't want to put you guys on the hook for funds that aren't going to be utilized. What if we have a couple more delays now or November or December or next year? However, if we stay on time, on target of where we are right now, maybe we would say, hey, we would really like to start utilizing the funds for the 12 person staff in July through October. And again, I don't know if we are going to onboard them, bring them into the system, they are specifically dedicated to the staffing modeling of station 7 per the discussions that we've had. But, again, it's kind of the unknowable unknown right now. They are approved, they are under construction, and they are on contract. We have a CMGC that's managing the project, but we just don't have an open date.

Commissioner Ward: I guess it's something that could be played with, but on the other hand, it might just be good to just leave it and then next year carry it forward.

Commissioner Shannon: At this point in the hearing, do we need to make a determination on the line item 84?

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

Attorney Fitzgerald: Not at this point, no.

Commissioner Ward: Any discussion on that \$1.1 million?

Attorney Fitzgerald: I think you are getting ahead of yourself. I think what you need to do, this was the opportunity to explain it, now we need to open up the public hearing.

Commissioner Ward: Ok, anything else in there we need to talk about Randy?

Commissioner Howell: No, I don't think so. I think we have talked about everything.

Commissioner Ward: Before opening the public hearing and taking any public testimony, do any Commissioners have any questions or comments about the proposed budget or Mr. Howell's summary and explanation of the proposed budget? (*no comments*) We will now open the public hearing. Would anyone in the audience like to testify regarding the proposed budget?

Councilman Joe Borton: Yes, you bet. As a citizen in the District that can provide a little testimony. It's a great budget explanation. It's fantastic Randy. I appreciate how you walked through it. I need to sign in too. I just think the inclusion of the shared labor cost is a really important part. I think you have worked hard in collaboration with Council to show that continued commitment. We are full speed ahead on two stations. We are doing things bigger and faster than we have ever done before and I think the works been done really well side by side with you guys to make that happen, capital and labor. It's a big number, but it's a big part of making it happen. It may be October, I think it affords some flexibility in how you determine to staff up and when you start onboarding. The scent that we have is that the Commissioners are all-in in getting 7 and 8 running as soon as possible and staffed as soon as possible. So my public recommendation would be to include it and do the budget as you have proposed here which really does embody the partnership that we've all been working on and is important so that we are not doing the next budget year trying to figure out the when and what and how, I think this captures that. I think it's a great budget, work well done.

Commissioner Ward: Thank you. Anyone else? Is there anyone else that would like to testify? There is no one else at this point. We will now close the public hearing. Is there any information presented during the public hearing that creates any additional thoughts or analysis from the Commissioners that prompts any discussion regarding or modification to the proposed budget?

Commissioner Shannon: Given our cash position and our asset position with land holdings and historical fact that we have never taken foregone, I don't know if it's in our best interest to go after those monies because we are not really in a position that we need it necessarily, and I do understand that down the road that we have more than a million dollars' worth of property that we could sell down at Water Tower if we needed funds in the future so that would be my recommendation on the foregone. That is as a constituent. I don't want to pay one dollar more in taxes ever. And I don't want to go back to constituents and say hey, even though it might be minimal. So that's my thought.

Commissioner Ward. Fair points. I like those. Any comments Randy?

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

Commissioner Howell: Yeah, I don't disagree with anything that Derrick said. I think that (*inaudible*), whatever you want to call it, pride, that we haven't had to utilize foregone because we have been able to manage our budget and we have been fortunate to have the collection to be in the situation that we are in. So I'm vanilla on this whether we do it or not. If I felt like you two were very interested, I wouldn't say no, but there is a concern. But I'm not opposed to saying no either. So I just threw it out there as an option so if it's something you two had an appetite in.

Commissioner Shannon: I think it's a great option. I just think we are in just such a good position presently.

Commissioner Ward: It's something we can always do later if we need to.

Councilman Borton: As the liaison, I think Derrick's point is well made to not take foregone when you have reserves shows the type of fiscal restraint and discipline that the legislature wants you to have and if they are going to tinker around with foregone, and if you choose not to take it, you are demonstrating a great example of what they want you to do and it might play a role in minimizing the legislature's desire to tinker with foregone because one of their proposals is always is to eliminate it forever. Some folks, with that fear of taking it, which is kind of backwards, it's really not what you should do, you use it if you need it, and it's required to serve your purpose, but what you're doing is showing restraint that they want you to have. So as a taxpayer, I think it's great to avoid utilizing if you can and it sounds like you can with the reserve you have. I think it's very sound that you brought that concern up. So as a liaison, I definitely appreciate the discussion on that.

Attorney Fitzgerald: So at this point, unless there is any other comments, then we can open up the floor for motions. And there are two motions to be had. The first motion is to enter into the agreement with the City to share the budget on that allocation split, 92% and 8%. What has happened in the past, is the City wants that documented and that's what the first motion would be is to adopt the Memorandum of Understanding with the City of Meridian with the budget allocation. The budget is based on 8% of the City's Fire Department budget. The second motion would be the motion to adopt the budget which the motion should specifically identify the removal, if that's what the Commissioners are inclined to do, I believe that would be line 84, which is the recovered foregone for capital projects. So that's the motions that would be open.

Commissioner Ward: I would now entertain the two motions. The first proposed motion is the motion to approve the Memorandum of Understanding Agreement between the City of Meridian and the Meridian Rural Fire Protection District for the contract service fee and the capital outlay expenditure budget allocation of 92% City of Meridian and 8% Meridian Rural Fire Protection District which will be Resolution 22-002. Motion seconded. Roll call vote:

Commissioner Ward: Yea

Commissioner Shannon: Yea

Commissioner Howell: Yea

Motion carries.



# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

Commissioner Ward: The second motion is to approve the Meridian Rural Fire Protection District's budget for fiscal year 2023 (October 1, 2022 to September 30, 2023), which will be Resolution 22-003 with the removal of line 84, which is Recover Foregone for Capital Projects which the Meridian Rural Fire Protection District has decided not to include in their budget for fiscal year 2023 budget.

Attorney Fitzgerald: As a point of clarification, the expense because you are taking it out of the revenue, that means the Use of/Contribution To fund increases.

Commissioner Ward. So that increases line 86, the Use of/Contribution To fund balance by...

Commissioner Howell: I would say by the amount that we are removing out of Recovered Foregone for Capital Projects.

Commissioner Ward: So that would be \$666,213.00, does that sound right?

Commissioner Shannon: Yep

Commissioner Ward: Any seconds on that?

Commissioner Shannon: I second that.

Commissioner Ward: Roll call vote.

Commissioner Ward: Yea

Commissioner Howell: Yea

Commissioner Shannon: Yea

*(End verbatim portion of the meeting minutes)*

### Treasurer's Report:

- Approve and pay bills as follows:

- ✓ Check #5436, City of Meridian, \$95,141.09, June 2022 A, B, & C Budgets, Invoice #2911
- ✓ Check #5437, Fire Code Consultants Northwest, \$1,034.75 for inspection fees, Invoice #MRFD\_JUN\_2022 and #MRFD\_JULY\_2022
- ✓ Check #5438, John Fitzgerald, \$1,383.74 for general legal services, Invoice #2022-08
- ✓ Check #5439, Judy Gerhart, \$360.00 for administrative services, Invoice #8-13-2022-2
- ✓ Check #5440, Kathleen Roma & Associates, \$213.25, Accting and Payroll, Invoice #68193
- ✓ Check #5441, State Insurance Fund, \$126.00, Worker's Comp, Statement #26435407

Motion was made and seconded to approve and pay checks numbered 5436 through 5441 as presented. Motion approved.

# Meridian Rural Fire Protection District

33 E. Broadway, Suite 210 - Meridian, Idaho 83642

## Meeting Minutes – August 22, 2022

- Current net cash position is currently \$5,075,097.80.
- US Bank Statements and the LGIP Statements for June and July of 2022 were presented for review and reconciliation.
- Commissioner Howell met with CFO Todd Lavoie and the monthly bookkeeping fee of \$150 has been removed on future billings from the City.
- L2 completed with assistance from Kathleen Roma.

### Old Business:

1. Department update, Chief Blume: Update on the 2 new fire stations; everything is on target except for a slight two week delay. The City's project manager, Stacy Redman is doing a fantastic job. We have a mini academy going on with 2 individuals. Planning on bringing on 9 new personnel the end of October. No other hires expected until spring.
2. Commissioner Howell has received notification that their property on Water Tower has overgrown weeds again; over 10 inches tall. Commissioner Howell did find someone to mow the weeds for \$250.00. Commissioner Howell will have this same person also spray the weeds to prevent future mowing.

### New Business:

1. Memorandum for Administrative Assistant. The MOU entered into between the City of Meridian and the Rural Fire District in 2015 to augment the salary of the Fire Department's Administrative Division Manger due to the additional administrative duties that that position was providing to the District was discussed. The support that the previous Administrative Division Manager gave to the District has ended with her departure from the City. The MOU provided that the District pay \$2,000 annually to the City to augment this position's salary for additional assistance to the District. Because that support has ended, it was suggested to notify the City that the District wishes to cancel this MOU. Attorney Fitzgerald outlined the admin duties in the MOU and discussed which of the Commissioners could take on specific tasks. Deposits for the District will continue to be handled by the Fire Admin staff with the current system that is in place. Motion made and seconded to give notice to the City of Meridian to discontinue and cancel the MOU, Resolution number 15-001. Motion approved. Attorney Fitzgerald will prepare the notice to the City.

Motion was made and seconded to adjourn the August 22, 2022, meeting of the Meridian Rural Fire Protection District. Motion approved. The meeting was adjourned at 7:07 p.m.