



Sedona Fire District

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SFD CITIZENS' ADVISORY COMMITTEE MEETING
Station #1 – 2860 Southwest Drive – Sedona – Multipurpose Room
Monday, April 3, 2017 / 1:00 PM

~ MINUTES ~

I. Call to Order/Roll Call

Committee Present: *Board Member* – Tim Ernster; *Citizens* – Gary Johnson; Lonnie Lillie; Caryn Maxwell; Gene McCarthy; Wendy Tanzer; Dave Watters; *Staff* – Firefighter Greg Eberlein; Captain Pat Ojeda; HR Manager Betty Johnson; Assistant Chief Jeff Piechura

Committee Absent: Lonnie Lillie

Others Present: Fire Chief Kris Kazian; Gabe Buldra – SFD Finance Director; Michael LaVallee – Stifel Managing Director; Tricia Greer – Recorder to Board

Committee Chairman Tim Ernster called the meeting to order at 1:00 PM.

II. Pledge of Allegiance to the United States of America

Board Chairman Tim Ernster led the Pledge of Allegiance.

III. Approval of Minutes

A. Discussion/Possible Action: Minutes of March 27, 2017 Committee Meeting

As not all Committee Members were able to review the Minutes prior to this meeting, the item was tabled until next week.

IV. Discussion/Possible Action: Schedule Station 1 Tour

Assistant Chief Jeff Piechura asked the Committee if they would like to schedule an additional meeting to complete the Station 1 tour of facilities or extend one of the scheduled meetings by an hour. The Committee chose to begin the next meeting on April 11th at 12:00 Noon (instead of 1:00 PM) to tour Station 1.

V. Open Dialogue/Review of Information/Questions

Gene McCarthy stated he is reasonably new to the area, but served for 30 years in the fire service; he believes the Sedona Fire District fire and EMS area is the most challenging and complex he has ever seen; he stated his appreciation of staff giving a tour of the facilities to the committee. Mr. Ernster stated his agreement and all the staff were courteous and helpful on the tour. Chief Kazian said he hoped the tour helped the committee formulate an understanding of the needs we have as an organization, structurally, and as Mr. McCarthy mentioned the challenging complexities of our district and how people try to overlay their thoughts of how the district should be run – either having spent 30 years in a fire service career or never having served in public safety; but the reality is SFD does have significant complexities that create opportunities for us to provide the best service possible – which does not mean a fire station on each corner or getting to every home in 30 seconds; that is understood, but being able to do the greatest good for the greatest number of people. Captain Ojeda reminded the committee to speak directly into the microphones, so important information can be heard on the videos of these meetings for the public.

VI. Bond Presentation (Mike LaValle of Stifel)

A. General Obligation Bonds

- 1. How Bonds Work**
- 2. Options including Bonding Capacity**
- 3. Typical Strategies for Determining Bond Amount Requests**

(Note: This meeting's presentations may be accessed in their entirety here:

*<http://www.sedonafire.org/wp-content/uploads/2016/05/4-3-17-Finance-Presentation-Bond-Committee.pdf> and <http://www.sedonafire.org/wp-content/uploads/2016/05/4-3-17-Stifel-presentation-Sedona-FD-GO-Election.pdf> or on our website at www.sedonafire.org, under "Public Info", "Board Meetings", and then, "Meeting Minutes". **SFD encourages you to watch the video of this meeting to hear the discussion and committee questions on our YouTube channel here:** <https://www.youtube.com/watch?v=1N1G3I2DbOQ>.*

Chief Kazian stated the Agenda lists the items that will be reviewed during today's meeting; he noted the presentations may not follow the exact order of listed items. He then introduced Mike LaVallee of Stifel who had presented a similar program about bonding to our Fire Board a few months ago. Mr. LaVallee said Stifel works in financial matters with local communities all over the state; he specializes in fire district financing and others in his firm work with cities, towns, and state agencies; Stifel also has worked with the Sedona-Oak Creek School District and the City of Sedona on bonds. He reviewed results of previous fire district bond elections since 2004 including Northwest, Summit, Sun City, and Daisy Mountain Fire Districts (pages 4 and 5 of presentation). He said all fire district elections have passed since about 2000, generally by 60% majorities; this is because of the public safety element and as long as the community knows what projects the bond is needed for and that it is not for "wish lists". For example, Daisy Mountain Fire District passed a \$16.23 Million bond, and pointed out once an election passes, the bonds do not all have to be sold right away – they can be sold over a period of time, typically 10 years, although that is not a legal requirement. He said for purposes of today's presentation, they have projected estimates for a \$15 Million bond for SFD, stretched out in 3 different bond sales over a period of time. Mr. LaVallee pointed out there were very few fire district bond elections between 2009 and 2014 because of the recession; now, fire districts are requesting bonds because of new levy limits of Prop 117 and being at the \$3.25 tax rate cap, which makes it impossible to fund capital projects; therefore, they need to ask voters for capital through a bond; at this time, he is working on several fire district elections for this cycle.

Mr. LaVallee then covered the timeline (page 7) for the November 7, 2017 election; typically, elections will be called by the Board in June, and worst case scenario is July 10th, although doing it that late is problematic with vacations, Board meetings, etc. That also allows Stifel time to put together a voter information pamphlet – if the Board so chooses. Mrs. Maxwell asked if a district would be allowed to do more advertising besides the voter pamphlet and when would that start; Mr. LaVallee said the voter pamphlet is optional for fire districts – some districts, such as Daisy Mountain, decided not to do one because they felt going door to door with literature and forms was more effective; a citizens' committee formed a political action committee (PAC) filed with the county which allowed them to raise money to produce "vote yes" literature; however, Sun City did create a voter pamphlet to send in the mail.

Dave Watters asked if any other Verde Valley departments are looking for a bond this election cycle; Chief Kazian responded, not this cycle, but possibly, next year. Mr. Ernster asked what restrictions are on the district as far as putting out information about a bond election. Mr. LaVallee said to answer that question, the district would hire a bond attorney who would send "dos and don'ts" about the election for staff and elected officials; however, if the bond is called for election, he recommends the district not

producing any literature on district site that is “pro bond”; that should be done by the PAC or citizens’ committee. Chief Kazian added that the district would be able to provide factual information or other documentation that would address capital needs and costs. Mrs. Maxwell asked if he meant that this citizens’ committee would be staying in place going forward; Wendy Tanzer said this committee, as an arm of the SFD Board would be officially disbanded, and then, citizens willing to participate could be in a PAC. Captain Ojeda said Daisy Mountain produced “palm” cards and information sheets and he asked if those would come from a PAC as well, and also, if a Facebook page could be created only for bond information without “pro or con” statements. Mr. LaVallee responded the cards from Daisy Mountain went out after the election was called, so he is fairly certain the PAC created them. He said you would need to talk to the bond lawyer about Facebook, but clarified it would be separate from the district’s website. Captain Ojeda responded it would be separate and perhaps handled by the PAC; he also pointed out Daisy Mountain’s employees handed out the palm cards (which were factual information, not “pro bond”). Mrs. Tanzer said her opinion is the SFD website could have the same information as on the voter pamphlet information, and any pro/con literature would be from a PAC. He then showed the Overall Election Timeline on page 8.

Mr. LaVallee then summarized Frequently Asked Questions which can be found on pages 10 – 12 of the presentation below:

- General Obligation Bonds require voter approval.
- Districts can borrow up to 6% of Assessed Valuation (AV).
- Fire Districts are not required to sell bonds in the 10-year window that is stipulated for school districts, cities, and towns, although most districts try to stay within that period.
- Bond proceeds can be used for any capital items – land, facilities, apparatus, technology, or refinancing current debt – and the bond issue costs.
- Bond issuance costs are typically up to about \$50,000 in administrative costs for each bond sale – and would be included in the amount of the requested bond.
- There are restrictions to selling bonds, besides statutory, regarding capacity; there are also Federal restrictions – after the bonds are sold, an entity has 3 years to spend the funds.
- Anyone looking for a fixed income product may buy bonds, such as mutual funds, insurance companies, hedge funds, and high net-worth retail investors.
- Bonds are typically sold in \$5,000 denominations maturing in any year up to 30 years from issuance.

Mr. LaVallee then moved to page 14 for Sedona Fire District information including AV for the last 10 years; he said the up and down from the recession is typical of most agencies in the state. The blue column is the real market value (which used to be called secondary valuation) and was used to determine district bond tax rate 3 years ago; however, since Prop 117 was implemented in 2015/16, the orange column was added – which is the limited assessed value and now all tax rates for bonds are based off that number. The general fund budget is based off the information in the orange column; the blue column shows the overall trend in growth. In the estimated figures for FY 2017/18, the year-over-year change for limited property value is 5.4% and the year before that was about 4%, so that indicates a healthy growth for the tax base. He explained the boxes at the top of page 14 show the 10 year averages – one starting in 2016/17 going back 10 years and the other one includes 10 years with the FY 2017/18 estimate – both of which are fairly flat due to the recession and now, a little bit of growth; this determines the property tax rate for bonds; in the figures, Stifel used the assumption that AV would stay flat to be conservative. He reviewed page 15 showing the bonding capacity for SFD, which is currently about \$30 Million and next year, would be \$32 Million; he pointed out, however, SFD does not need that much for capital projects and would not request anywhere near that. He then reviewed page 17 with graphs showing estimated debt

service requirements and projected impact on the secondary tax rate – and illustrates the projected dates of bond sales over the years for short-term projects such as trucks and computers (5 to 10 year repayments) versus long-term projects such as buildings with a useful life of 30 to 40 years (up to 20 year repayments). Mr. LaVallee said the district would be making principal payments (column 3) and based on the useful life of the project; as an example, bonds would not be paid out longer than 3 or 4 years for a computer, and years 6 through 12 could cover apparatus and vehicles; he said Stifel would make sure SFD was paying off enough to cover shorter term projects and years 11 through 20 would cover the long-term projects such as facilities. He said a question may be, why would we not just do 10-year debt; one thing that requires attention is the phrase “intergenerational equity” which means for long-term projects, residents currently living in the district would absorb the bulk of the payments and those who move to the district in years 11 through 20 will enjoy the benefits of the fire service projects, but not pay for them.

Mr. LaVallee pointed out the estimated interest rate columns for the various bond payments are also on Page 17 with footnotes explained on the next page; they are “placeholders” because we have no idea what the rates will be in the coming years; however, there will be a not-to-exceed interest rate on the ballot question – typically 10% or 12%. Mrs. Tanzer asked if the bond repayment interest rate fixed on each bond sale; Mr. LaVallee responded, yes and General Obligation Bonds in Arizona for most issuers are fixed rate. He referenced column #2, and said Stifel left the combined valuation flat through the years as a conservative estimate; he said they know it will not remain flat and hope that it grows; there is still the same debt service payment (column #9), and taxpayers’ tax rates will begin to go down from 18 cents; at the bottom of the page, the average annual tax rate over the years is \$0.1738 per \$100 of AV. Page 19 shows the Estimated Average Cost to Taxpayers using the \$0.1738 figure; the average home tax value (not market value) in Sedona is \$345,162 which means each home’s cost is estimated at \$59.99 – about \$5.00 per month.

The appendix of the presentation – beginning on page 24 gives examples of other options available for capital funding if SFD does not go to bond – essentially those are lease purchase or pay as you go. Before the 2000s, most fire districts used lease purchases because they had plenty of flexibility within their tax rate and no levy limit; fire districts are now shifting to bonds because if you get permission from the voters, that tax rate is above the levy limit – and many districts are struggling within their tax rate or levy limit. Additionally, General Obligation Bonds typically have lower interest rates. For short-term capital needs, some districts use “pay as you go”, which is an option, but that calls in the intergenerational equity issue.

Mr. Ernster commented in the past, some municipalities have charged individuals who want to put a pro or con argument in a voter publicity packet; he asked if that is legal for a fire district; Mr. LaVallee said if SFD decided to do a voter pamphlet, it would have a public section for pro and con statements, but he has never seen where a fee could be charged for those; he said he would look into it. Captain Ojeda pointed out the “pay as you go” method means saving capital reserves, meaning the budget is artificially inflated, which shows a few million dollars extra in the account, but actually, that money is slated for a capital project; some Boards want to expend it, as has been done here in the past. Mrs. Tanzer said in the unlikely event, the fire district would go bankrupt, how would the bond obligation be handled; she asked if the bond holders would go directly to the taxpayers. Mr. LaVallee said a bond lawyer could answer that, but after Detroit and other governmental entities during the last recession filed for bankruptcies, it has raised questions depending on each state’s constitution. He finished his presentation at 1:53 PM.

VII. Options for Funding Capital Projects

A. Fund via Bond – Outcomes and pros/cons

B. Fund via Mil Rate – Outcomes and pros/cons

C. No New Funding and continue operating as is – Outcomes and pros/cons

Chief Kazian asked if there were any questions about the pay as you go, mil rate, or bond options presented by Stifel; Mrs. Maxwell commented she likes the idea of intergenerational equity in that people pay as they live here and not only long-term residents, such as herself, paying for everything – she said that means everyone who gets the benefit of this district shares in paying for it. Chief Kazian said we could lease purchase or use a certificate of participation, but it comes with a higher interest rate because it is less stable than a bond and the district would be limited to a mil rate; he said years ago, our AV was over \$800 million, but dropped during the recession and now is at \$500 million, which means we cannot keep the mil rate as low as before; this is why we have come to the citizens to explore options of why a bond might make sense; he does not believe we should levy in our tax rate to sweep the funds over to save for years and even so, if we saved \$300,000 a year – that would mean raising the tax rate and after 10 years of \$300,000 each, we would only have about \$3 million to build a station that we need now.

Mrs. Maxwell commented the other challenge is the Board changes, and if they have different ideas of how they want to spend that saved money, a future Board might decide against it. Chief Kazian pointed out even if we go to bond, a future Board could still say we know you need a station and you have bonding capacity, but we are not going to use the bond. Mrs. Maxwell commented that is good because if something happened in the economy again, we would have some control to limit the expenditures. Mr. Ernster asked if grant funding is available for fire districts for capital projects tied back into Homeland Security; Captain Ojeda, who writes many of SFD's grants, responded that many Homeland Security grants have "dried up" and he does not believe those grants could be used for capital projects unless they were specifically focused on terrorism issues. Chief Kazian commented SFD continues to write grants; however, it is not the same as post-2001; he stated we report monthly to the Fire Board on what grants are in process, as well as in our annual report.

Chief Kazian then introduced Finance Director Gabe Buldra Gabe; he is contracted to be SFD's Finance Director from the James Vincent Group and also provides finance services to 12 fire districts in the State of Arizona, and follows the best practices for financial management and planning. Mr. Buldra stated grants are a great alternative, and we should continue to pursue them, but we cannot base financing on projections of getting grants, nor can we use them for long-term planning for capital needs; we are talking about high dollar infrastructure for the organization and will show the impacts on various strategies, whether we go for bond, pay through the mil rate, or by lease purchase.

Mr. Buldra gave a fire district funding overview showing some of the challenges we have. SFD's primary source of funding – about 80% – is from tax levy based on our Assessed Value multiplied by the mil rate. He said a high tax rate does not reflect poor management because if you have a low AV, you have to compensate to bring in tax dollars to fund operations. Fortunately, SFD is in a high net assessed value area, but other parts of the state are not, which makes comparisons from district to district difficult. 20% of SFD's funding is from non-tax levy including ambulance billing; there are issues that impact our ambulance revenue such as changes in call volume; a new initiative is the community paramedicine program, which has paramedics checking on residents post-discharge from the hospital, which will decrease the number of patient transports. Also, there are potential changes in our ambulance reimbursement rates. Another revenue is from Telecommunication rents on our cell towers which may not always be available, as companies could choose to move their equipment from our towers. Wildland Fire revenue is a good source of alternative revenue, but it is not predictable as it is always uncertain how many wildland fires will occur each year.

Prop 117 has limited the growth for purposes of calculating taxes and went to limited property value, which changed the assessment calculation and limited growth to 5%. The tax rate for Arizona fire districts is capped at \$3.25 – this is an important reason why we are considering a bond, and why from a financial stance, a bond gives the district capacity in our operating levy as costs rise; this means we can only hope for an increased AV or consider cutting services. Mr. Buldra stated from 2011 to 2014, SFD lost 42.5% of our AV – this was an impact of the downturn of the economy and now, with Prop 117, it will take at least 10 years to recover; in recent AV from the counties, we have only recovered 15.8%. Mr. Buldra’s illustrated effect of Prop 117 can be seen in slide #4 of his presentation.

Mr. Buldra commented on an interesting issue in Sedona, which was the decline in SFD levy was artificially created by a former Fire Board to fund operations instead of using the tax rate; he said it is important to have a fund balance, but the public perception piece is why the organization has that amount of funds. Slide #5, “Current Planning Constraints”, is covered below:

PSPRS Contribution rate 34.85%: Another challenge for fire districts is the state-mandated rate increase of Public Safety Personnel Retirement System (PSPRS); SFD’s rate increased to 34.85% - up from 23% last year and some other districts were increased much more. This increase represents \$660,000 to be added to next year’s budget. He said although we try to plan for known issues, this was unknown – no one at the district has any control over this as it is purely based on PSPRS and how the actuarial sets the rates. PSPRS recognizes the problem and is working to bring down the assumption number. This leads into discussing the capacity of the levy, and not having enough funds to absorb unexpected issues; if we increased the tax rate to pay for the PSPRS increase, we would quickly reach the cap of \$3.25.

Hall Decision Payout: A related financial challenge is the Hall decision which is part of the PSPRS matter; a court case determined the State constitution was violated when public safety and judges’ pension contribution rates were increased; now, some firefighters will be refunded those funds; SFD will have to reimburse them upfront and will get a credit from PSPRS to offset future contributions, but it creates cash flow problems for us.

Workers Comp: There could be significant decreases in Workers Compensation premiums in FY 2017/18, but based on past experience, we know there could be a significant increase in FY 2018/19. SFD is participating in discussion and research regarding a Workers Comp Risk Pool to help balance and level off our Workers Comp rate going forward. Mr. Buldra said fire departments in Arizona are limited on the number of Workers Comp providers because firefighting is a high-risk job; this “monopoly” means premiums tend to be high, but joining a risk pool is essentially owning our own policy, so we do not have to base premiums on projected losses because the group would not worry about making a profit. Chief Kazian added this pool will be put in place for special districts in Arizona – school districts do something similar, and they have amassed \$220 million assets versus giving it to insurance companies; it is part of our plan to find a smoother way to budget that affects the mil rate. Mr. McCarthy said it is important for the public to understand these things that come from “left field”.

Health Insurance: Mr. Buldra said healthcare is also a nationwide issue; he has corporate clients who are seeing 20% increases in healthcare costs, with an average of 15%. SFD has been combating the “norm” through instituting a Wellness program which actually allows us to see a 1.4% decrease in health care costs next year. Slide #6 shows the Healthcare Cost Trend and Savings. Chief Kazian said this shows the savings SFD has had and will continue to have in healthcare costs because of changes we have made to the plan, as well as the Trend Neutralizer program, high deductibles, and Wellness with physicals and

other health initiatives; this gives us the opportunity to have even greater savings in the future. This represents a \$400,000 savings, which if not done would represent another \$.08 on the mil rate.

Slide #7 is Financial Planning for SFD and shows SFD needs to address growth of the fund balance. The Government Finance Officers Association recommends governmental entities keep an unrestricted fund balance based on certain criteria – one is volatility of revenue and expenses; use of operating to fund capital, use of operating to fund debt service; organizational needs; all the different criteria is put together and analyzed to come up with the recommended fund balance and for SFD, that means a need of 14 to 16% of our operating levy in unrestricted fund balance, which is just over \$3 million; last fiscal year ended at \$1.7 million in unrestricted funds. He said the Hall decision is a good example of why these funds are needed, as well as rising operational expenses, market conditions, and legislative changes. SFD needs a healthy fund balance to absorb one-time unexpected occurrences and to bridge to the next change; if an organization does not have the capacity for funding in the levy, the fund balance can bridge costs.

Mr. Buldra said we are looking at scenarios of flat growth or at a 2% growth to have the fund balance to smooth over before seeing assessed value increases. Mrs. Tanzer asked in the event that AV stayed the same, would we still as a fire district be able to increase by 5%; Mr. Buldra responded, no, because Prop 117 limited the growth in AV to 5%, and another limit is 8% levy growth meaning we could raise the tax rate up to a max of 8% year over year, but it is an accumulative number; however, SFD can go up to the \$3.25 mil rate. Chief Kazian referred to last week's presentation by the county tax assessors and said the maximum we can do at \$3.25 is about \$17 million; if we did not have the \$3.25 cap, our 8% limit is about \$22 million. Mrs. Tanzer commented that is because SFD has managed the mil rate well.

Slide #8 is "10 Year Capital Improvement Plan"; currently, SFD has a 10-year CIP with \$13.8 million in capital items for infrastructure, fleet, and technological equipment, but does not include any station upgrades; that is projected to be another \$8.25 million; to fund capital needs, essentially, we need \$1.3 million every year out of the operating levy, not all of which will be bondable. If we tried to fund all that through our operating account, it would drastically affect the tax rate over the next 5 to 10 years. He said by ignoring needs, it creates a greater cost down the road in increased maintenance and repair. Chief Kazian said SFD can take credit for its Telecom division and keeping up with technology; our Telecom Manager, Bob Motz, is a "miracle worker" for finding savings on equipment on eBay or other sources to keep our crucial infrastructure intact.

Mr. Buldra said due to the PSPRS impact, we reduced the capital budget by \$238,000; this does not mean those capital items are not needed, but we have re-prioritized and delayed. Mr. Buldra said a bond would remove some large capital – fire stations, fire trucks versus computers – from the operating levy. Mr. Buldra said we can purchase shorter useful-life items from the bond through earlier bond proceeds; best practice is to pull out those large capital items that cannot be funded through a normal operating budget. He said another option is lease purchase or certificate of participation; it is called a lease purchase because statute requires that special districts cannot get traditional loans. A certificate of participation is similar to a lease purchase, but is a hybrid between a lease purchase and a bond. Those are options for fire districts to borrow money or to pay for capital.

Slide #9 illustrates "Moderate Assessed Value Growth" – this is what we are basing current projections; we do show a market correction in FY 2023/24. The red line at top is our cap rate; the first line on top is where the mil rate would be through lease purchase to pay for station upgrades. Chief Kazian said that is only \$7 million of lease purchase – not the estimated \$15 million bond funding. Mr. Buldra said the middle line is our status quo; it illustrates our tax rate with a bond, which is a smoother line with less

fluctuation and more capacity. Unfortunately, fire district funding statewide is in crisis due to legislation limiting revenue growth but increasing expenses. Mrs. Tanzer asked if Mr. Buldra was talking about lowering the mil rate due to the bond; he responded, yes, we are talking about lowering the operating mil rate, but with a bond rate on top; this presentation shows the benefits of a bond to help effectively manage our operating budget.

Slide #10 regards “Market Correction Assessed Value Growth” – this illustrates lease purchase is almost unsustainable at the 10 year point; we have to look at alternatives rather than tax levy. Mr. Buldra pointed out the ending of each scenario is the same – our expenses are still rising at a rate faster than our revenues.

Chief Kazian said we opted to highlight those larger ticket items, but there are plenty of other small daily actions we take, such as restructuring our copier lease program to reduce costs. He pointed out the McGladrey audit done a few years ago for \$180,000 because some people were concerned about our spending; the recommendation was to aggressively pursue savings through modifying some programs, most of which have been implemented. Mrs. Maxwell asked Mr. Buldra what he considered the biggest question mark; he responded the biggest challenge right now is a combination of not having a fund balance that meets the needs of an organization the size of SFD; this is the result of decisions made in the past that reduced our mil rate at a time when AV was dropping.

Chief Kazian said we will have architects here next week and the engineer’s report with very preliminary estimates from construction companies. Mr. Watters referred back to a former statement that the goal is to have a \$3 million fund balance and currently only have \$1.7 million; he believes it is challenge to convince the public why there is a need for that much unrestricted savings; Mr. Buldra said something most people do not understand is SFD is not a city or a large organization backed by other funding – what we have is what we have – and it is necessary for unexpected circumstances. Also, fire districts are not allowed to just charge and maintain a large credit balance – we have to pay every month and we have to fund when the state tells us to pay for huge increases in pension funds.

Mr. Ernster asked if a bond rating agency would look at issues, such as fund balance, as good financial practice for fire districts; Mr. Buldra said Mr. LaVallee had pointed out we would be rated and yes, our financial practices would be analyzed, as well as the history of our AV, collection rate, overall financial health, and the unrestricted fund balance. Mrs. Maxwell asked if we would get the bond rating before voting; Mr. Buldra replied, no, it would come from the bond counsel. Mr. McCarthy asked Mr. Buldra what his “gut feeling” would be for SFD’s bond rating; Mr. Buldra said he has no doubt that SFD would receive a favorable rating and the higher they rate us, the lower the interest rate on a bond.

VIII. Cost Impacts

A. Possible Bond Impacts on Property Owners

IX. Budget Forecasting and Long Range Planning (Gabe Buldra of James Vincent Group – External Finance Director)

A. SFD Funding Sources and Historical Data for Alternate Revenue Options

B. Planning Ahead

C. Best Practices for Fire District Financing

D. Bond Impact on the Budget versus Lease Purchase Option and Fund from Levy

E. Financial Decisions Made by SFD to Reduce Expenses

X. ADJOURNMENT

Chief Kazian reminded all that the next meeting is scheduled for 4/11/17 beginning at Noon to complete the tour of Station 1. Architects will be present to give their assessment of station needs, as well as presentation of the engineer's report. Staff will try to get the engineer's report out to the group for review prior to the meeting. Additionally, Chief Kazian and Mr. Buldra will send the committee the SFD Capital Improvement Plan for the next 10 years. Mr. McCarthy asked the Chief to clarify for the public what the "CIP" program, which was previously mentioned; Mr. McCarthy has a sense it is a good thing – especially with the aging of our community and urged the Chief to continue to communicate with the community. Chief Kazian said the CIP is Community Integrated Paramedicine which is a program to provide in-home post-hospital follow-up visits to residents. This program helps prevent return stays in the hospital for those patients. Chief Kazian also announced SFD is celebrating its 60th anniversary this month and asked everyone to follow us on Facebook, as we are posting a photo each day to commemorate the organization's history. Mr. Ernster noted there was no one from the public present at the meeting and no one requested to speak. The meeting was then adjourned at 3:15 PM.

Original signed by Tricia Greer

Tricia Greer, Recording Clerk to the Committee

:tg