



# Sedona Fire District

2860 Southwest Drive, Sedona, Arizona 86336  
Telephone (928) 282-6800 FAX (928) 282-6857

## **PUBLIC BUDGET WORKSHOP** **Station #1 – 2860 Southwest Drive – Sedona – Multipurpose** **Room Tuesday, May 13, 2025 / 1:00 PM**

~ MINUTES ~

### **I. CALL TO ORDER/ROLL CALL**

- A.** Salute to the Flag of the United States of America and Moment of Silence to Honor all American Men and Women in Service to Our Country, Firefighters, and Police Officers.

Board Chair Helen McNeal led the Pledge of Allegiance and asked for a moment of silence to honor all law enforcement officers who passed since the last meeting.

- B.** Roll call of Board Members

Pursuant to notice, a Budget Workshop of the Sedona Fire District (SFD) was called to order by Chair Helen McNeal at 1:00 PM on Tuesday, May 13, 2025. A quorum was present and the meeting, having been duly convened, proceeded with business.

**Board Present:** Helen McNeal – Chair; Corrie Cooperman – Clerk; Diana Christensen; Scott Springett; and Lance Waldrop – Members.

**Others Present:** Fire Chief Ed Mezulis; JVG Finance Director Gabe Buldra; Human Resources Manager Keona Freeman; IT Specialist Josh Clounch; Attorney Bill Whittington; Virtual Attendees: Sara Simonton – JVG Employee and SFD Captain David Rodriguez.

### **II. BUDGET WORKSHOP**

- A.** Public Forum:
  - 1. Public Comments
  - 2. Executive Staff Response to Public Comments

No members of the public requested to speak.

- B.** Discussion/Possible direction to Staff regarding proposed Fiscal Year (FY) 2025/2026 SFD Budget.

Chair McNeal then opened the Budget Workshop session for a discussion and possible direction to staff regarding the FY 2026 Sedona Fire District budget. Ms. McNeal said the goal of the meeting is to have all the Board Members' questions answered and to feel comfortable with the proposed budget. She then called on Fire Chief Ed Mezulis and Finance Director Gabe Buldra for the presentation.

Chief Mezulis expressed his appreciation to staff and to the SFD labor groups for a good process this year. He then stated the budget numbers presented today are purposefully different from last month and that the budget will be presented at next week's Regular Board meeting for possible formal adoption.

Mr. Buldra asked if the Board had questions and began a page-to-page review of the proposed budget. Ms. McNeal pointed out corrections needed to remove staff members no longer with the district and also to remove former Fire Board Chair Dave Soto's name and to change her from Clerk of the Board to Chair of the Board. Mr. Buldra said staff believe this is the final proposal with a \$0.06 tax increase. Ms. McNeal asked about the decrease in salaries and wages; Mr. Buldra replied the reason for that is we have removed former-senior employees' salaries from the budget, which were replaced with new hire salaries.

Board Members and staff then discussed specific account line items for clarification. It was noted the dispatching fees decreased; Chief Mezulis said he met with senior staff members of the Cottonwood Communications Center to discuss ideas that could decrease costs on a more permanent basis in the future. For this year, a new model was implemented based on square miles of districts and call volume; this resulted in a decrease in costs back to the 2022 level, but with the understanding of a 5% automatic increase next year. Chief Mezulis pointed out future increases in call volume would also impact fees.

Based on questions from the Board, individual line items were discussed; JVG's associate Sara Simonton contemporaneously made all requested changes and corrections to the budget including the removal of election costs of \$33,000 as there will be no election this year. Board Clerk Corrie Cooperman asked how the revenues in assessed valuation of property taxes were projected; Mr. Buldra explained, historically, the growth rate over a five-year period is reviewed and recently, it has been strong, but from the market perspective, a slowing is indicated. Prop 117 limits property value to grow no more than 5% year over year until full cash value of property. Conservative projections are used for safer assumptions because there is a huge difference between full cash value and limited property value; theoretically, we should continue to see limited property value rise by 5% (noting the assessor will not give agencies that full amount). Chief Mezulis emphasized the substantial projects being planned for our community with high dollar commercial real estate assets. Ms. Cooperman asked if our revenues from Sedona commercial property taxes are still decreasing and Mr. Buldra replied they have levelled out to 15%; Chief Mezulis stated 15% on a \$100 Million commercial project would result in increases for SFD.

Chief Mezulis and Mr. Buldra clarified that the architect's fees for Station 4 were incorporated into the station's costs and do not appear as a separate budget line item. The Board requested better descriptions in line-item notes for easier understanding of ongoing costs, as well as new or additional items.

A lengthy discussion of the Capital Improvement Plan was held. The original assumption of approximately \$10 Million for construction of Station 4, included a 20-year note at 4%. As costs come in, the district is now assuming the station will be \$12 Million and SFD will use \$3 Million cash without the risk of greatly depleting our capital fund balance (funded through our tax levy and revenues, such as wildland). Mr. Buldra expressed concern about the capital fund balance in FY 2029 of only \$1 Million for an organization as large as SFD and of apprehensions about funding future capital needs, possibly requiring debt financing for smaller capital items. In each monthly Finance Report, rolling cash flow indicates figures at the start of the year with updated monthly actual amounts and projections for the end of the fiscal year. This year, staff estimates \$21.5 Million total cash on hand, which sounds good – but of that, \$10.6 Million will be for capital fund and related projects, \$1.7 million for end leave liability (a previous Board resolution restricted \$2,000,000 as a designated restricted fund balance), which leaves \$7.2 million in uncommitted or unrestricted funds – it is a “pretty healthy” financial position until FY 2029 and there is no expectation to pull from our unrestricted fund balance; however, if we have a failure of expensive equipment to replace, we would not have enough cash on hand for funding.

Chief Mezulis added that the proposal for a 20-year note with 4% interest assumed for Station 4 is at the Board's discretion and using JVG's very conservative numbers, we may have an opportunity to reduce the station payments and the number of years in the loan. A strong unrestricted fund balance helps ensure SFD has a higher credit rating for future funding – possibly future bond financing which would mean lower interest rates and savings to our taxpayers. Chief Mezulis pointed out this year, SFD has \$1.5 Million funding for capital; the alternative to funding \$3 Million and financing over a 20-year note is to have Board direct staff to increase the mil rate by a number of cents to increase capital fund balance (which he is not currently endorsing). Ms. McNeal stated the Board is pleased that staff has reduced the mil rate from the initial proposed amount. Mr. Buldra believes we must watch how funding unfolds over the next few years before recommending mil rate increases for capital. A brief discussion was held about costs of future apparatus replacement funding with the difficulty of projecting out farther than 5 years. Mr. Buldra said the \$7.2 Million in uncommitted restricted funds is a good amount in terms of percentage of our budget.

As there were no other concerns or questions expressed, Ms. McNeal reminded the Board, the Fiscal Year 2026 SFD budget will be discussed and possibly approved at the May 20<sup>th</sup> Fire Board meeting.

### **III. ADJOURNMENT**

The meeting was adjourned at 2:13 PM.

---

**Corrie Cooperman, Board Clerk**

:tg