



## Tallahassee Fire Protection District Minutes of the Board of Directors Special Meeting August 17, 2022

David Levy called the Special Meeting to order at 2:00 p.m., on August 17, 2022.

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**Directors Present:** David Levy, Cynthia Boyle, Tamara Becht, Kristen Sanders  
(In person @ TFPD Main Station)  
Christopher Parker (By teleconference) A quorum is present.

**Directors Absent:** None

**Firefighters/Volunteers Present:** Chief Mark Norris (In person @ TFPD Main Station)

**Public Present:** None

**Purpose of Special Meeting:** To review and accept the proposed 1<sup>st</sup> Amendment to the FY 2022 District Budget and to begin discussion of a proposed FY 2023 District Budget.

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### **PUBLIC INPUT:**

No members of the public were present.

### **ADMINISTRATIVE ISSUES:**

**Motion:** It was moved by David Levy and seconded by Kristen Sanders to amend the FY 2022 District Budget and that the Draft 1<sup>st</sup> Amendment to the FY 2022 District Budget be accepted by the Board.

Chris began discussing the proposed budget amendment.

The amendment is needed due to:

- Deployment Income Out-of-District: Added to our Revenues was \$100,761 which is the actual already received in Deployment Income through July 2022; plus we are projecting an additional \$75K in Deployment Income due to a current Texas engine deployment.
- Administration Expense: This expense was increased by \$10,900 to reflect a \$5K deductible plus a \$5.9K recommended increase.
- Additional Operations Expenses: The Personnel subcategory was increased from \$59,950 to \$67,300 to reflect a salary increase; the Deployments Expense reflects \$60,558 already incurred through July 2022 plus an additional anticipated expense of \$50K for the current Texas engine deployment.

In an effort to correct some incorrect information about budget amendments, Cindy prepared and read the following:

#### Management and Monitoring:

Per Statute, the Treasurer must keep a record showing the amounts authorized by the appropriation and the expenditures drawn against that appropriation amount. A record of the transfer of moneys from one fund to another must be kept. This record must show at all times the unexpended balance in each of the appropriated funds.

Triggers Resulting from Management and Monitoring:

- Excess Income:  
Per Statute, after adopting the final budget, should we receive unanticipated revenue or revenue not assured at the time of the budget adoption (other than property tax mill levy), we may authorize the expenditure of such funds by enacting a supplemental budget and appropriation.
- Excess Expenditures:  
Per Statute, our YTD expenditures cannot exceed the expenditure appropriation amount submitted to DOLA. We cannot expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditures of money in excess of the amount appropriated. Once we begin to approach the expenditure appropriation amount, we must begin -- and submit -- a budget amendment. If at any point, our YTD expenditures exceed the total expenditure appropriation amount we must stop both expenditures and anything that would create a financial liability until the appropriation is increased and submitted to DOLA. All check writing must stop until a budget amendment is submitted to DOLA; and due to the "incur any liability" language, we also must stop credit card use, authorizing deployments, or anything else that commits us to an expenditure beyond the appropriation. Any action or expenditure made beyond the appropriated amount is considered invalid and void.

Per Statute, should we find that we are exceeding any submitted individual expenditure budget number (in our case, Administration and Operations), we can simply reallocate funds from one expense category to another (provided there is excess to do so) without changing the overall appropriations total, but due to transparency, past history and our Budget Message it must be done with the appropriate notice & resolution. An explanation must appear in our Minutes. If an excess does not exist, another budget amendment is required.

- Preparation:  
New budget amendment expenditure totals require research and the gathering of pertinent information. All new expenditure totals should represent the YTD actual total, plus any outstanding invoices/billings/commitments, plus the budgeted amounts for the remaining months in the year.

Adoption of the new Budget Amendment (also applies to the Adoption of a new District Budget):  
Once a budget amendment is adopted, or a reallocation between expenditures is approved:

- the Treasurer must update the budget accordingly in QuickBooks. These become the new basis for monitoring spending against the appropriation amount.
- the Secretary must file copies of the amended budget and resolution with DOLA. Any and all supporting or explanatory documentation must be filed in Google Drive. These become the new "compare to" benchmarks for any future budget comparative analysis.
- the Treasurer also retains copies of the supporting documentation/assumptions provided by Administration and Operations, and any other workpapers that were part of the basis for the proposed budget amendment.

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And to address two comments made in one of Chris' emails:

We **cannot** exceed any submitted budgeted amounts even if we have a positive fund balance.

- As previously mentioned, per Statute this is not allowed. Just because we have the available cash, does not mean we can blow past the submitted budgeted appropriation amounts. Those amounts are submitted for a reason.

We **cannot** outsource the preparation of any proposed budget amendments or proposed annual budgets to Erika.

- The Statutes, our Bylaws, our Policies & Procedures and past practices require that both are OUR responsibility – the Board and the Chief.
- The Board and the Chief are responsible for providing updates and data to whomever is compiling the amendments or the budgets; AND
- ALL are responsible for reading, questioning and approving whatever is proposed.

There were no responses to the request for additional discussion. The Motion was voted upon. There were four ayes in the affirmative and one nay vote. Therefore, the Motion carried.

**Motion:** It was moved by David Levy and seconded by Kristen Sanders that a Public Hearing & Special Meeting be scheduled for Wednesday, August 31, 2022 on the adoption of the 1<sup>st</sup> Amendment to the FY 2022 District Budget; that the Treasurer post a copy of same for examination at the Fremont County Clerk's Office and arrange Notice in the Canon City Daily Record newspaper; and that the Secretary post a copy of same and Notice on the TFPD Website. There were no responses to the request for discussion. The Motion was voted upon and carried unanimously.

Begin Discussion of a Proposed FY 2023 District Budget: Chris has already met with Chief Norris and they discussed Operations budgeted numbers for three hours. Chris began discussing the FY 2023 Budget Summary spreadsheet.

We need to "true up" our fund balance in our budget with what is actually in our financial statements. Our actual unrestricted fund balance is currently \$168,518. In talking with DOLA, we must carry forward our Ending Projected Fund Balance (currently projected at \$119,292) into FY 2023. In order to "true up" the fund balance, we need to work any changes through our revenues and expenses. Chris would like to add two new line items: (1) Difference between actual Restricted Fund Balance and projected fund balance for \$82,993 and (2) Difference between actual Unrestricted Fund Balance and projected fund balance for \$49,226. In discussion with Chief Norris, we need to pay our personnel and we need new fire apparatus – so it is appropriate to bring in our Restricted Funds and use those funds for Capital Projects.

Chris began quoting DOLA deadlines for filing our FY 2023 District Budget. Cindy pointed out that we must follow Statutory deadlines for filing:

- October 15: Submit the proposed budget to the Board and then publish/post notice of budget and hearing. Last year we adopted the District Budget on November 8.
- December 15: Adopt budget and appropriate moneys. Last year this was done on December 13. We must adopt our budget before certifying mill levies to the County.

Cindy to email the Board members the Statutory deadlines.

Back to the Budget Summary (Revenues section):

- Chris increased the Property Tax Revenue by 6% which is an historical value.
- Our Donations will remain at \$5,500.
- Chris and Chief Norris agreed to \$7,500 for Response Income In-District.
- We do not know if there will be Deployments Out-of-District so we are not showing a budgeted amount. This is a conservative approach.

Chris then began discussing the Expenses section:

- For Administration, Chris did a straight 8% across-the-board increase which is the current CPI inflation increase. He feels the increase of \$40K over last year is a little high, but it is his best estimate at this time which is \$127,377.
- For Operations, Chris used the 8% CPI increase figure again and added a salary increase amount for a budgeted total of \$207,627.

- For Capital Projects, we will need a vehicle (possibly more than one) and a LifePak in 2023. Currently budgeted at \$37K, but this total will likely increase. Chief Norris stated that we should probably bring the budgeted amount up to \$55K. Chris will make this change.

Chris then discussed Depreciation which is a non-cash expense and impacts our net fund balance. In relation to our leased engine, we have been depreciating this vehicle and deducting the lease payment for the vehicle – we should do only one or the other – not both. The lease liability is a debt and there is no expensing of a debt payment. The payment of the lease should be charged to the debt, and then we simply depreciate the engine. This is a \$24K issue.

Chris then moved into a discussion of the details on his submitted spreadsheet. He addressed six target areas for budget reductions:

- Election Fees – Chris wanted to eliminate for 2023. Both Chief Norris and Cindy corrected this as we will have three open positions for the May 2023 election. We must have a budgeted number. Cindy continued that for all past elections, our Designated Election Official (“DEO”) was Donna Toeroek and it was done on a volunteer basis. Donna will no longer be taking on this volunteer role. For 2023, our election should be run by Legal. We need to check with Legal for their projected fees. Chief Norris mentioned that he might want to take on the DEO role. Cindy cautioned that should we need to run a full election, it would take up a lot of his time. Chief Norris will continue to think about this. In the meantime, we will add \$4K to the Election Fees budgeted amount.
- Training – Based on past years actual numbers, we are reducing by 25% to \$7,500. Chief Norris concurs.
- Firefighting Supplies – Based on past years actual numbers, we are reducing by 25% to \$18,750. Chief Norris concurs.
- Fuel Mutual Aid – We have never kept track of fuel for mutual aid so we should eliminate. For 2023, we will add \$3,700 to the Fuel In-District account for a budgeted total of \$18,700.
- EMS Supplies – Based on past years actual numbers, we are reducing by 25% to \$5,625. Chief Norris concurs.
- Building Repairs & Maintenance – Based on past years actual numbers, we are reducing by 25% to \$6,000. Chief Norris concurs.

Dave asked Chief Norris if it looked like the County was going to help us out with our need for an additional vehicle and LifePak (in addition to what we added to the FY 2023 budget). Chief Norris stated there is almost a 100% chance of the County helping with a vehicle and he has been contacted several times. The problem is every time he is contacted, the vehicle he goes back to get is already gone. He would like the Board to approve allowing him to put down a deposit on a vehicle so that we can secure the vehicle or put a hold on it. Once that is done, he can get all the paperwork/information together and submit it to the County so that they can appropriate the money. He feels the County is going to give us enough grant money so that we can purchase a vehicle and a LifePak.

At this point, Chief Norris stated that he had recently received information on other grant opportunities for vehicles, and has found someone that can help him work through the grant process. He will continue to work on this.

Dave and Chief Norris agreed that \$10K would likely be the deposit we would put down on a vehicle as long as we get assurances from the County that they would reimburse us for the deposit amount.

Chris questioned if the vehicle need was urgent for this year – which would mean another budget amendment – or could we wait until 2023. Chief Norris stated the County money must be spent by the end of 2022; it cannot wait until 2023. Chief Norris asked if we could use the money that has been set aside for vehicles (asset sales for repurposing) for the \$10K deposit.

Board members were uncertain if the \$10K vehicle down payment would require a budget amendment. Chris stated he would check with his DOLA contact to see if we need to do a budget amendment even though we expect to get reimbursed by the County. We cannot change the budget amendment that we approved at the beginning of this meeting.

In going back to the proposed FY 2023 District Budget, Dave wanted to make it clear that the numbers shown on the spreadsheet for a salary increase are proposed numbers only.

Dave then wanted to confirm the \$128,410 amount shown as our projected ending Fund Balance for 2023. Chief Norris stated that amount was going to change due to the previously agreed to new total of \$55K for Capital Projects. Chris interjected the ending Fund Balance amount will change not only due to that, but due to depreciation and the engine lease payment. For account #4118 Lease Payments, we are currently showing a budgeted amount of \$24,127 which Chris expects to go away in 2023 based on GASB 87. The leased engine is on our depreciation schedule, we have the asset, and we are depreciating it – as well as deducting the lease expense. We must do one or the other – not both. On the 2023 Budget Summary, we will need to work in depreciation of \$60K but will also remove the engine lease payment because it is not a lease expense – it should go towards a reduction of debt.

Chris will update his spreadsheets with all the suggested changes made previously during this meeting and email the Board.

Kristen questioned as to whether or not we could just purchase the vehicle upfront. Chief Norris will ask the County that question – making sure we would get reimbursed.

#### **NEXT PUBLIC HEARING & MEETINGS:**

- Public Hearing & Special Meeting – Wednesday, August 31, 2022, at 2:00 p.m.
- Board of Directors – Rescheduled to Wednesday, September 7, 2022, at 2:00 p.m.
  - Above meetings to be held at the TFPD Main Station.

#### **MOTION TO ADJOURN:**

It was moved by Kristen Sanders and seconded by Tamara Becht to adjourn the meeting at 3:05 p.m. The Motion was voted upon and carried unanimously.

Respectfully submitted by Cynthia M. Boyle, Secretary to the Board.