

BOARD MEETING - April 21

Meeting Purpose

Review FY25 audit, current finances, and FY27 budget.

Key Takeaways

- FY25 Audit: Received a "clean" (unmodified) opinion with no findings. Cash reserves are strong at 6.75 months of operating expenses, within the 6–10 month target.
- FY27 Budget: The proposed \$1.91M budget requires a ~\$111k cut to reach the \$1.8M target, likely by eliminating the part-time program to protect full-time staffing.
- Squad Sale: The squad remains unsold after two weeks on the market. Its sale is critical to fund the upcoming engine refurbishment, which is on hold.
- New Scholarship Committee: A three-person committee will be formed to review applications for the Clara Edwards Scholarship, ensuring an impartial process.

Topics

FY25 Audit Review

- Auditor: Alex from Love Bailey presented the FY25 audit, which received an "unmodified" (clean) opinion.
- Financial Highlights:
 - Operating income: \$530k
 - Fund balance increase: \$241k
 - Cash balance: \$623k (up \$361k) → 6.75 months of operating expenses
- Clarification: A \$1.6M "pension net" figure was identified as a future liability, not an expense, and is being amortized over five years.
- Recommendation: The auditor suggested Greene Finney as a potential outsourced accountant, noting they simplify the audit process.

Current Financials & Debt

- Cash Position:
 - LGIP: \$839,697.95 (\$786k unrestricted)
 - Operating Fund: \$73,912.04

- Total usable cash: ~\$850k
- FYTD Tax Revenue: \$1,638,585.55. Projected to finish the FY at \$1.73M–\$1.75M.
- Debt Overview:
 - Squad & boat loans: Will be paid off soon.
 - Holston Station loan: ~\$607k remaining on a \$1M loan.
 - Tahoe & F-250 loan: ~\$50k remaining.
 - Lease-purchase: ~\$600k (new this year).
 - Total debt: ~\$1.5M.
- Recent Expenses:
 - New supply hose: \$11,273
 - Utility truck transmission: \$9,073 total cost; Chevrolet covered 50%, extending the warranty to 3 years/100k miles.
 - Tahoe collision repair: \$4,746 total cost, split with the community. Paid out of pocket to avoid an insurance claim.

FY27 Budget & Staffing

- Budget Target: Reduce the proposed \$1,911,363 budget by ~\$111k to reach a \$1.8M target.
- Primary Strategy: Eliminate the part-time personnel program.
 - Rationale: Protect full-time staffing for the new Holston Creek station and avoid depleting cash reserves.
 - Impact: Ends a key pipeline for hiring full-time staff from the part-time roster.
- Other Options Considered:
 - Shifting health insurance costs to employees was rejected as it would only save ~\$20k, far short of the target.
 - The budget is already "skimmed" of other operational expenses.

Vehicle & Equipment Updates

- Brush Trucks: In service using old reels; new reels are still pending.

- Vehicle Lettering:
 - Engine: Returning to a classic gold leaf design with a white stripe. Will be re-lettered with "Holly Springs Fire Rescue District."
 - Rescue: Reviewing design mock-ups. Board consensus favors "Rescue 46" at the top and "Holston Creek" on the door.
 - Tanker: Proofs were incorrect; awaiting new versions with "TAN 36 KER" in gold leaf.
 - Side-by-Side: Lettering is challenging due to vinyl not adhering to the textured plastic.
- AFG Grant: New hose and nozzles are in service. Awaiting grant reimbursement; will use the line of credit if funds aren't received by the end of April.
- Seagrave Engine: Going to Leslie in Rock Hill for ~2 weeks to fix air leaks, AC, a steering leak, and a horn button.
 - Temporary Replacement: Running Inman Community's 2009 spare engine, which has working AC, to keep personnel comfortable.

Facilities & Scholarship

- Gym Remodel: The new gym is nearing completion. The room is painted, floors are down, and equipment is installed. A graffiti wall design is being considered.
- Future Project: A mezzanine is planned over the bunk rooms to create a new storage area, freeing up the current "hallway to nowhere."
- Clara Edwards Scholarship: To ensure impartiality, a new three-person committee will be formed to review applications.
 - Proposed Members: Blake Chastain, Mary-Lou, and the pastor at Holston Creek Baptist.

Next Steps

- Chief:
 - Contact Blake Chastain, Mary Lou, and the Holston Creek Baptist pastor to form the scholarship committee.
 - Schedule the committee's first meeting before the next board meeting.
 - Finalize the FY27 budget, incorporating the necessary ~\$111k cut.

- Request new tanker lettering proofs from the vendor.
- Follow up on the AFG grant reimbursement; use the line of credit if not received by April 30.
- Board:
 - Review the FY27 budget at the next meeting.