

TANGENT RURAL FIRE PROTECTION DISTRICT
Budget Committee Meeting
Minutes – May 5, 2014

BC Members Present (Citizens): Brian Becker, Jay Parmele, Scott Richards, Chris Meyer, Travis Boshart
BC Members Present (Board): John Dunn, Mel Brush, Paul Strombeck, Stan Lathrom
BC Member Absent (Board): Bruce Riley
Others Present: Chief Casebolt, Asst. Chief Vonasek, Office Admin. Duckworth

Board Chair Dunn called the meeting to order at 7:00 p.m.

I. ELECTION OF BUDGET COMMITTEE OFFICERS:

Action: Instead of nominations, Jay Parmele volunteered to be Chair for tonight's meeting. Upon formal vote, he was confirmed 9-0 (Riley was absent).

Action: Chris Meyer then volunteered to be Secretary of the Budget Committee. No formal vote was required.

II. BUDGETING PROCESS EXPLANATION: Prior to tonight's meeting, the Budget Committee had received a copy of the budget timeline, a booklet outlining their duties, Board minutes from the past year, and a copy of the proposed budget for 2014-15. Chief Casebolt, as the budget officer, thanked all the committee members for their willingness to serve and then shared the following:

- TRFPD's budget year is July 1 through June 30. Staff determines its budget priorities and builds the budget on those (Jan.-March, 2-hr. meetings every two weeks w/much research in between).
- Oregon budgeting law permits Board to give direction as staff builds the budget.
- Board cannot take any action on budget (w/exception of staff salaries) until heard by BC.
- Board had work session on proposed budget on March 19 to ask questions/give feedback. Some numbers have changed since then.
- Budget tonight is a "proposed" budget. After BC passes it tonight, it becomes an "approved" budget. Then, after the Board holds a public hearing and passes it in June, it becomes the official "adopted" budget that we file w/State.
- BC can ask questions and by formal action can change the proposed budget (by no more than 10%, but can't change staff salaries); however, Board has final say at the public hearing in June.
- BC = 10 members (5 Board; 5 citizens; equal voting rights). Quorum required to hold meeting = 6. Majority to pass the budget or any motion = 6.
- As BC member, only requirement is tonight's meeting, but welcome at public hearing.

- III. DELIVERY OF FY 2014-15 BUDGET MESSAGE:** Budget Officer Casebolt then read the budget message aloud in its entirety, emphasizing that the following were major considerations when developing the budget: 1) Continuing to increase our unappropriated ending fund balance; 2) Increasing the appropriation to our Equipment Reserve Fund; 3) Updating the District's communications technology; 4) Supporting our volunteers with increased funding for education, training, equipment, and uniforms; 5) Increasing our Contingency dollars; and 6) Completing the remainder of the District's major building projects.
- IV. CALL FOR PUBLIC COMMENT:** Tonight's meeting was advertised in the Albany Democrat-Herald and posted on the District's website a minimum of 7 days prior to the meeting in line with Oregon public meeting laws. Chair Parmele asked for public comment at this time, but no public citizens were present at the meeting.
- V. BUDGET REVIEW AND DISCUSSION:** Casebolt explained that the proposed budget is divided into three sections: 1) the official State budget documents; 2) the District's "working budget" which is much more detailed than the State forms; and 3) an appendix with explanations for the major changes in line items over last year's budget. He further explained that the Fire District budgets money across three funds: 1) a General Fund, which is the actual "operating" budget and includes the categories of resources, personnel expenditures, materials & services expenditures, capital outlay expenditures, transfer expenditures, contingency, and debt expenditures (we have none); 2) an Equipment Reserve Fund—this is like a savings account to purchase major pieces of apparatus for the District. General fund monies are transferred to this special reserve fund every year in order to save for large apparatus/equipment purchases; and 3) a Building/Facilities Reserve Fund, which operates like the Equipment Reserve Fund, only it's used to build new facilities or make major repairs to existing buildings.

Oregon budgeting law dictates which categories we must include in our budget (see V.1. above), but we can use any numbering system we want for the line items.

At this point, Chief Casebolt proceeded through each line item of the "working budget." Explanations/clarifications for many of the items are already included in the appendix of the budget itself. Therefore, those explanations will not be repeated in these minutes. Line items listed below are those which required further explanation or were questioned by Budget Committee members.

GENERAL FUND:

1000 – Income Resources – The bulk of the District's resources to develop a new budget comes from cash carryover from the current budget and newly levied property taxes for the new budget year. The projected income for 2014-15 is considerably larger than 2013-14 due to a much larger cash carryover from the current year than expected, better than expected property tax revenues, and unexpended appropriations from the current budget.

1001 – Beginning Cash on Hand – The method for calculating this line item is referred to in the appendix of the budget document.

1002 – Fire District Current Tax – Generally, this is calculated using the projected total District property valuation (acquired from the County Assessor's office) multiplied by the permanent tax rate multiplied by the actual collection rate. Historical data is also used.

2000 – Personnel Services –

2010 – Clothing/Uniforms (for Chief & Asst. Chief) – This was doubled over last year to allow for uniform purchases for a third staff firefighter, which was asked for in a recent SAFER grant application; since the District did not receive the grant, not all of this line item will be spent.

2032 – Part-time Employees – This item was increased by \$1,000 to allow for additional instructors for specific trainings as needed.

3000 – Materials & Services –

3003 – Internet Cost for 911 Communications – For purchase of additional mobile PC tablets for use in the various apparatus. They can be programmed with electronic mapping and commercial/industrial pre-fire plans for faster response times and better knowledge of building layouts/utilities, etc. on the scene.

3004 – Pagers – This is being eliminated as the District doesn't use them.

3005 – Active 911 – This is a new program which allows volunteers to quickly alert the station if they will be responding to a call, shows them where the incident is and the best route to get there.

3007 – Incident View – This is the program that is used on the PC tablets, and it provides the same electronic mapping as the Albany, Corvallis, and Lebanon Fire Departments use. The cost for the program is high for this first budget year because of licensing fees, but will drop significantly in subsequent years.

3009 – Staff Cell Phones – The Board previously approved \$360/yr. maximum for the Chief's use of a business-only cell phone.

3015 – Dues & Education – One of the major goals of this budget is to improve the education and training of our volunteers and staff; thus, this major heading is almost double the cost over last year. The District now has more volunteers, and many more are interested in more classes, trainings, and conferences. There are also two new “sub” line items (3019 – subscriptions) and (3020 – medical licensing), which previously were included within other categories but have now been separated out for better clarification of expenditures. Line item 3018 – education now includes \$2,000 for officer development to begin to provide training for those volunteers who seek to become our next generation of leaders—battalion chiefs and lieutenants.

3055 – Station/Office Maintenance – The main increase in this line item is the addition of IT support (which the District has never had before). If a computer needed repair, it was just taken in for repair and the employee tried to work without it for a couple of days. Because of all the new technology we have, including all the tablets in the rigs, it is necessary that we have reliable support 24/7. After researching several companies that provide this service, staff and the Board agreed that purchasing IT support from the Linn County Sheriff’s Office would be the best alternative. They provide remote support to our computers and MDT’s, on-site visits when necessary, storage, remote log in, e-mail on cell phones, better website options, etc. The cost the first year is \$6,500 but will drop to half of that next year.

This line item also provides for some other maintenance that we haven’t had before (PPE maintenance of aging turnouts) and a hose lift inspection. Also, our overhead roll-up doors are aging and require more service than in previous years.

3071 – Annual PMS Checks – The annual pump testing, which was originally under 3072, is now included with this line item.

3085 – Professional Services – The large increase in this item is due to: 1) the hiring of an architect who can draw up the specs, handle the bid process, and oversee the project management of the two main building projects for the year; and 2) a contract w/Lexipol (a policy-writing company for police and fire departments) to provide operational and administrative policy templates that are based on Oregon law and best practices. The Lexipol service also provides testing for understanding of the policies for all District employees/volunteers, which is very important in meeting OSHA requirements. Tangent Fire will be the first District in Oregon to sign w/Lexipol; but because complete, best-practice, standard policies would definitely reduce a number of fire districts’ liability issues, SDAO is looking into how they could partially compensate Districts who participate.

3110 – Medical Supplies (consumables) – This line item has been split between 3110 and 4016 (medical equipment) to better reflect those purchases that are consumables vs. those that are capital outlay.

3130 – Volunteer Expenses – The \$ figure for this line item has doubled from last year due to: 1) increasing the annual grant to the Volunteer Assn. from \$5,000 to \$10,000 (this grant had been the same since 1996); 2) appropriating LOSAP (retirement plan for volunteers) forfeited funds (received in 2013-14) from unvested participants to current LOSAP member accounts; 3) appropriating

LOSAP contributions (\$5,000 aggregate total) to 2006-08 District LOSAP members because of a lapse in District contributions during those years; 4) outfitting all volunteers w/appropriate uniforms when representing the District at fairs, schools, parades, etc.; and 5) initiating a fitness evaluation program for all staff/volunteers who desire such an assessment.

3140 – Addressing System – Many of the address signs at District properties are damaged and need to be replaced.

4000 – Capital Outlay –

4001 – Buildings, Grounds & Additions – This increase provides for: 1) an awning for the front door, which is needed during bad weather; 2) turning the old bay into a new classroom, which would be larger, ADA accessible, and serve as an EOC in emergencies; and 3) remodeling the old upstairs classroom into more living quarters for volunteers who wish to spend the night to be available for calls. Partial fund for these projects will also be through the Building Reserve Fund.

4011 – Personal Protective Clothing – The District needs more turnouts and accessories to accommodate: 1) the increase in the number of our volunteers; 2) additional sizes of turnouts; and 3) replacement of worn turnouts. Staff is creating a replacement cycle for PPE to provide more consistency to this line item. The winter safety jackets are an additional item that the volunteers need in cold weather. The jackets will be reflective and provide a barrier for blood-borne pathogens.

4013 – Rescue – This would provide a battery-powered rescue tool for the command rig.

4015 – Miscellaneous Equipment – Major pieces of equipment to be purchased would be: 1) a thermal-imaging camera for the command rig; we currently have one on engines 71 and 72; 2) more radios; and 3) SCBA cylinders (several SCBA masks were purchased during 2013-14 to meet new NFPA standards).

4030 – Office Equipment – Both the Chief's and Asst. Chief's offices are in need of updates. The Asst. Chief's office is the old radio room, and he currently doesn't even have a desk. The layouts of both offices are not functional for their current duties.

4040 – Water Resources Development – This line item was significantly reduced for this budget as all the water tanks necessary for the District have been purchased and put into place. This money is for maintenance only.

5000 – Contingency & Transfers to Reserve Funds –

5010 – Equipment Reserve Fund – A large appropriation is budgeted for this fund as the District is saving for the cash purchase of a pumper/tender within 2-3 years.

BUILDING RESERVE FUND:

No appropriations are planned for this fund as all major building projects will have been completed. \$40,000 in expenditures are planned to assist w/funding the new classroom/upstairs remodeling projects.

EQUIPMENT RESERVE FUND:

An \$85,170 appropriation is budgeted for this fund to help build the balance for an eventual cash purchase of a pumper/tender within 2-3 years. The budget includes a \$20,000 capital outlay figure (only to be used for an emergency repair); however, no specific equipment purchases are planned for the year.

VI. DISCUSSION: Becker commented that there appears to be a very large cash carryover (approximately half of projected property tax revenue for the year) and questioned if there was an opportunity for the District to use any of its funding to provide taxpayers any relief (ex. could the Department be spending some of this money to improve the District's fire ratings, which would reduce home insurance premiums?). Chair Dunn responded that, in fact, the District has been doing just that (ex. 1) increasing our water tank purchases for better water coverage throughout the District; 2) modernizing our equipment and apparatus w/better technology and newer rigs; 3) improving our training facilities; and 4) asking for an ISO evaluation in 2011, which did, in fact improve our fire ratings, but only minimally). Unfortunately, many districts have put into place (at considerable expense) equipment/services that were suggested would improve their ratings and, which, in fact, did not. And for Tangent Fire, until the District has a water system with hydrants throughout, it is very difficult to get rating improvements.

Meyer stated that a large cash carryover is good; it shows efficiency and money spent wisely. Parmele asked about timeframes for apparatus replacement. The Chief and Asst. Chief responded that the life of a piece of apparatus varies from 10-30 years. The District plan is that a new engine be purchased every 10 years and the oldest one rotated out.

Becker then asked what an appropriate cash carryover for our District should be. Casebolt shared that at a minimum, it would be \$150,000 - \$200,000, the amount necessary to carry the District from July 1 (beginning of the fiscal year) through November (when the bulk of our property tax revenue is received). However, more is good so that we can continue to fund our reserve funds at the needed levels and maintain a healthy contingency for emergencies. Several committee members then commented that they felt that the Board and staff were doing a fine job of fiscal management—the District has no debt, the buildings are being maintained, our equipment replacement is good, the department is being modernized, and our volunteer base is growing.

VII. MOTION/VOTE TO APPROVE FY-2014-15 BUDGET

Parmele moved that the Budget Committee of the Tangent Rural Fire Protection District approve the proposed budget for the 2014-15 fiscal year in the amount of \$1,288,740, which includes \$305,670 for Personnel Services; \$277,960 for Materials and Services, \$234,700 for Capital outlay (for all

funds); \$85,170 for Interfund Transfers, \$60,000 for Contingencies, and \$325,240 for unappropriated ending balance and monies reserved for future expenditures. The motion was seconded by Meyer and it passed 9-0 (Riley was absent).

VIII. MOTION TO APPROVE THE AD VALOREM PROPERTY TAX RATE FOR FY 2014-15:

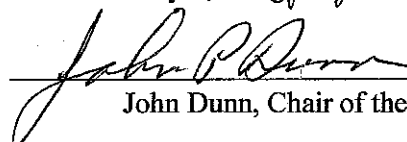
Parmelee moved that the Budget Committee of the Tangent Rural Fire Protection District approve property taxes for the 2014-15 fiscal year at the rate of \$2.5739 per \$1,000 of assessed value for operating purposes in the General Fund. It was seconded by Meyer and passed 9-0 (Riley was absent).


Chair Parmelee adjourned the meeting at 9:04 p.m.

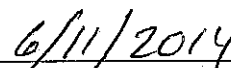
Minutes submitted by Karen Duckworth
Office Administrator

APPROVED BY:


Chris Meyer, Budget Committee Secretary


John Dunn, Chair of the Board


Date


Date