

# MOSIER FIRE DISTRICT

Proposed Budget for Fiscal Year 2014 – 2015

## BUDGET MESSAGE

The Budget Committee is meeting in conjunction with the regularly scheduled Board meeting, at 7PM on Thursday, May 8, 2014. The intent is to review and approve a budget for the Mosier Fire District for fiscal year 2014 - 2015 at this meeting. If absolutely necessary, we can fit one more meeting in before the next Board meeting in June, at which time the Board needs to adopt a budget.

Civilian volunteers on the Budget Committee are Scott Baker, Susan Gabay, Mark Cherniak, and David Povey. Also asked to serve: Mike McKeag, Kathleen McAllister, Steve Seymour, Marc Berry, Jeanne Reeves, Darrel Roberts, Jan Leininger, Donita Wilson, Jack Huskey, Mac Jervey, and Gay Jervey.

### **CAPITAL RESERVE FUND AND PROPOSED TAX RATE:**

The proposed budget assumes no change in the tax rate from the current fiscal year 2013 - 2014 -- \$1.65 per thousand.

The overall budget for 2014-2015 is notable for having no budgeted transfer into the Capital Reserve Fund. The main reason for this is increased budgeted expenses in supplies, both in the General Fund and in the Grant Fund, reflecting my priority to equip several new EMT's and current EMT's whom I expect to transition to a higher scope of practice, and a need to replace and augment hoses and nozzles.

I do not expect our actual expenses will top out in these and several other General Fund line item requirements in 2014-2015, so I anticipate we will nevertheless transfer some amount of unspent budgeted operating funds into the Capital Reserve Fund late in the fiscal year, but likely not in an amount close to previous years, where we have transferred as much as about \$40,000 unspent budgeted operating funds above and beyond a budgeted transfer into reserves.

Because of the lack of budgeted transfer into Capital Reserve, I think it's prudent for the Budget Committee and Board to at least consider raising the tax levy from \$1.65 as of July 1, 2014. Each penny of additional levy translates to approximately \$1,000 additional tax revenue to the Fire District, up to the permanent rate limit of \$2.10. So, for instance, raising the levy by ten cents to \$1.75 would create about \$10,000 additional revenue while affecting a tax-payer whose property is assessed at \$200,000 by increasing his/her property tax bill by \$20.

One argument in favor of raising the levy is that we're clearly at a point where budgeting for capital costs is getting squeezed, at a time when our Capital Advisory Committee has seen very preliminary analysis for apparatus replacement and station development which suggests we may face some difficult choices based on what we can afford in our range of options even assuming we maintain historic levels of savings into Capital Reserve. Emphasis on "preliminary" as the Capital Advisory Committee is less than half-way through its process.

Raising the levy now by a small amount may give the Fire District some breathing room and establish a precedent for phasing in future increases in stages.

On the other hand, the Budget Committee and the Board may be better served by waiting for a complete report from the Capital Advisory Committee, expected sometime after July 1, 2014, before considering any change to the levy.

On the Capital Reserve Fund more generally, loans and expenses for 2014-2015 are based on consensus recommendations from the Capital Advisory Committee on Phase One of ultimately at least four phases, giving the Board flexibility in how to replace our “workhorse” engine and a water tender.

### **GRANTS:**

We have applied for one federal grant for new structural fire hose and special equipment for interior operations (thermal imaging camera, gas detector, rescue breathing apparatus), and two state grants – one for new wildland fire hose and protective equipment, and one for radio equipment to facilitate our communication in what is now a “dead” zone just east of our district boundary. Matching funds for these grants are included in the budget, and noted as a transfer out at Line 49 on Form LB-30.

None of these grants have yet been awarded, and there are no fixed announcement dates for awards.

Line 32 of Form LB-30 (General Fund Requirements) for Fire Supplies may see reduced actual expenses if any of the budgeted grants is awarded. Without the grants, we will likely spend all of Line 32 on a first step toward purchasing items requested under the grants.

### **GENERAL FUND:**

As noted above, much of the change in budgeted operating funds in the proposed budget is due to the cost of equipment and training for EMT's. We may be looking at reimbursing training expenses for recently graduated EMT's, as well as upcoming training costs and equipment for current EMT's expected to enroll in an Advanced EMT class this fall.

Line 13 on Form LB-30, for Contracted Services at \$23,000, largely represents projected costs to develop plans for a new station, which began in the current fiscal year but have not yet required much expense.

Budget Committee members, thank you again for helping the Fire District!

Respectfully submitted,

/s/

Jim Appleton, Mosier Fire Chief