

DRAFT

Budget Message for 2017-2018

The proposed Mosier Fire District budget for the coming fiscal year, July 1, 2017 – June 30, 2018, differs only slightly from previous budgets.

As in prior years, most line items in the budget remain fairly unchanged from year to year. A summary of specific line item changes can be found below in the Notes section.

In overview, the three main differences in the proposed budget are:

- A) in capital expenses, reflecting the start of lease payments on the new minipumper (E81);
- B) in grants, reflecting a request for a new tender, and a separate request for funds to hire a training officer and equip new volunteers; and
- C) a new method of determining the Capital Reserve fund which more accurately captures the true balance of this fund, as set out in the attached Cash Flow Analysis (accounting for our actual bank balances as compared to the LB forms). On this last item, we have not been consistently transferring into the CRF year to year, leaving a discrepancy with our actual balances, and Rhonda has ensured that those discrepancies are now corrected.

Two unexpected infusions of funds -- one a \$10,000 bequest, the other about \$18,500 from Union Pacific reimbursing Chief Appleton's time and the use of our equipment following the June 3, 2016 derailment – present the Budget Committee and the Board with decisions on whether and how to allocate.

Chief Appleton's recommendation is that the Union Pacific reimbursement be earmarked for a carefully considered and planned program for volunteer training, which may spread over more than the coming fiscal year either in coordination with or in lieu of the grant request for a training officer, and that the Giswold bequest be earmarked for long-term investment in either facilities or equipment, possibly in a special capital fund. Especially as we begin to see results from a feasibility study for a new station, we need to consider how we handle a bequest as setting a precedent for a broader capital campaign undertaken only after competent advice and thorough planning.

As of April 19, 2017, the one enormous wildcard for budgeting is the potential for a settlement with Union Pacific through the Team Mosier Intergovernmental Agency. That process is completely separate from the Fire District Board at this time, though we have had some briefings as to the development of the scope of Team Mosier's requests and a rough idea of the timing of negotiations, but not as to the substance or status of those talks.

There is simply no point in attempting to budget for a potential settlement at this time. If and when we have a clear indication of settlement terms agreeable to the Board, the Budget Committee can reconvene and assist with a plan for allocation of settlement resources, possibly requiring an amended budget resolution.

## NOTES

- a. Included in Available Cash on Hand for 2017 -2018 are Unallocated funds of \$28,434. These are funds in Cash On Hand – they have not been allocated to any fund:

- a) \$10,002 Griswold Bequest
- b) \$18,432 UP Reimbursement for Equipment Use and Personnel Costs

See the accompanying Cash Flow Analysis for complete data.

- b. Two grants were applied for in 2016 that we have a good chance of getting:

- a. Assistance to Firefighters (AFG), \$360,000 total budget (Federal share \$342,858, MFD share \$17,142), for a custom water tender. This will be awarded sometime before July, put to bid, and may or may not be complete before June 30, 2018, meaning it may get bumped to the next FY. The payment will not become due until delivery, typically. We will assume for budgeting purposes that we will include in 2017-2018 budget.

- b. Staffing for Adequate Fire and Emergency Response (SAFER), \$283,132 total budget breaks down as follows:

\$162,652 spread over four years, salary for recruitment and retention coordinator;  
FY 2017 – 2018 \$162,652 divided by 4 = \$40,663

\$63,924 also over four years, benefits for coordinator  
FY 2017 – 2018 \$63,924 divided by 4 = \$15,981

\$56,556 (50% year 1, 20% each in years 2 & 3, 10% year 4) equipment (personal protective equipment for new volunteers)  
FY 2017 – 2018 \$56,556 divided by 2 = \$28,278

no MFD match

Year 1 should be our FY 2017 - 2018, though may be partial if the grant isn't awarded in time for a July 1 start, meaning ultimately, we may spread this over five FY's but let's budget Year 1 as if it's complete in 2017 - 2018.

- c. The following Materials and Services were increased from last year to this new proposed year:

- **Salaries and Wages for Chief** – increase of \$2974 to allow for cost of living adjustment
- **Salaries and Wages for PT Bookkeeper** - increase of \$2700 to allow for increased hours from 20/month to 25/month and include a raise and cost of living adjustment
- **Salaries and Wages for PT Clerk** - increase of \$1100 to allow for raise and cost of living adjustment
- **Medical/Other Expenses** - increase of \$3083 for health insurance premium increases from SDAO
- **Cell phones** – increase of \$1000 to include added cell phone for Volunteer Coordinator and increases in rate
- **Legal Fees** – General – increase of \$1500 to allow for more policy issues
- **Contracted Services** – increase of \$12,000 to allow for implementation of SDAO assessment (Union Pacific Reimbursement funds could be used for this)
- **Vehicle Insurance** – increase of \$3000 to cover additional vehicles
- **Worker's Comp Insurance** – decrease of \$2000 consistently have received discounts for longevity rebate and safety adherence
- **Group Life** – increase of \$250 to allow for more volunteers to take advantage of this option