

Mosier Fire District
Budget Committee Meeting
April 26th, 2022 6:00PM
By Zoom

Budget Committee: Phil Evans, Kris McNall, Todd Reeves, Joanne Rubin, Steve Fisher, Joe Sacamano, Barb Ayers, Wayne Haythorn, Wade Root
Staff: Mike Renault
Public: Susan Froehlich

The meeting began at 18:08 after the group decided to begin discussions even though Chief Renault was not yet present as he was responding to a medical call.

Public Comment: Susan Froehlich stated that she thinks the Joint Use Facility (JUF) is awesome, but that she wants the district to pursue grants and look at how we can make the JUF smaller and less expensive rather than raise taxes.

Kris asked Susan to let her know if she had any specific ideas for possible grants. Todd asked Susan to submit comments to the JUF committee and the City Council.

There was significant discussion about the JUF. Several members of the budget committee stated that they did not have enough information to decide on a tax increase. Barb asked for background information, and more detail on ownership and Operations and Maintenance (O&M) agreements. Kris reviewed some of the numbers for current costs and funding sources for the JUF, and pointed out that with the old budget it was still short a million dollars or so.

Given Mike had not yet joined the meeting, the group agreed that they could review forms and gather information and if they had questions they would ask Mike when he joined. Kris showed a summary form of the district values and historical and expected tax revenues. Recent years have seen the district valuation increase by more than 3%/year due to new construction, and our tax collection rate has been at least 95%. Todd asked whether we have to approve the budget as a whole, or whether we could approve it form by form. Kris said she thought that either option was acceptable, as long as a majority of the budget committee agrees on how we do the approval and then approves the budget. There was then discussion about how the budget committee approves the budget and the board adopts it. The board can change the budget but only within certain limitations. Kris said that she would check the amounts.

Kris then began reviewing the various LB10 forms that show the proposed capital financing of the JUF, including the new Mosier Center Fund, the UP JUF Fund, the UP Dry Hydrant Fund, and the Capital Reserve Fund. Barb asked whether we could run the fire district if we approve the proposed \$915,000. Kris said yes, but asked the group to look at the forms and see for themselves. All of the UP monies from both the JUF and the Dry Hydrant funds would go towards the JUF, as well as 148,070 from the General Fund. Kris pointed out that the money

would come from the General Fund because most of our assets are currently in the General Fund rather than Capital Reserves.

Phil asked about interest in the JUF fund. Kris stated that the numbers in this year's budget come from our audits and that interest rates have dropped in recent years. Barb asked whether the goal of the Dry Hydrant fund had been met. At that point Mike joined and explained how the pumping system the district purchased meets that need.

Kris asked whether Mike wanted to review the funds already discussed and he said not unless people had questions. Mike then addressed Barb's prior question about running the district while paying for the JUF, and pointed out that the district is now better equipped and trained and we have a plan going forward.

Todd asked about insurance and Mike said that all of our vehicles are insured for what insurance will cover, but in the event of a total loss we would probably have to pay more for a replacement vehicle. There was further discussion about insurance and Mike explained that the buildings are insured but for smaller items we would have to pay to replace them.

The group then discussed possible tax revenues and how much money the district has. At \$1.65/\$1000 tax revenue would be around \$253k, at \$2.00/\$1000 tax revenue would be around \$306k.

There were further questions about our total cash position after spending \$915k on the JUF, and why there is so much money in the General Fund (most likely accounting issues) and how we should probably move some of that money into the Capital Reserve fund. There was discussion that we should also ensure that we have an appropriate amount of money in the LGIP fund vs the checking account. The proposed budget transfers \$200k from the General Fund to the Capital Reserve Fund.

Todd stated that he agreed with the LB10 forms presented.

Phil asked about which fund we would need to use to make payments on the loan if we get it. Kris stated that we could do it a variety of ways, but that we would not need to pay on the loan for at least one, and probably two, fiscal years. Kris explained that the extra tax money would be saved for future apparatus purchases until the loan payments began, then would mostly be used for loan payments, but would gradually increase so that we could finance the district's apparatus replacement plan. The proposed budget allocates that money for vehicle replacement within the Capital Reserve Fund, so when we need to purchase new vehicles the Board can approve the purchase without needing a special budget hearing. Todd stated that he approved of the dedicated vehicle replacement fund,

Todd pointed out that we need to fix some extra numbers in a column.

The group then discussed the Giswold bequest fund. We have not spent much of it on volunteer awards, and have not allocated spending any of it this year.

The discussion then returned to the possible tax increase from \$1.65 to \$2.00. Joanne and Barb both stated that they need more information on how much the building will cost and what the ownership and O&M agreements will be. Wade agreed more detailed information would be good. Phil said we will have more information next week, and that a final decision will not be needed for almost two months. Kris stated that it sounds like our JUF members, Todd and Phil, need to push to make the agreements happen. There was extensive discussion about needing more certainty on at least the deal points of the agreement(s).

Phil stated that he thought we could get by with \$1.95. Kris stated that we had used \$2.00 for the Business Oregon Pro Forma, a 5 year looking forward financial plan, and that \$2.00 was also based on funding the Capital Advisory committee apparatus replacement plan. Kris feels safe apparatus is the most important.

Barb asked about tax compression and Kris confirmed that we won't be subject to it.

Mike stated that the district's portion of the JUF would be valued at around \$2.75M. Kris asked where he got that number and he said it was based on an even split of cost per square foot across the facility. Kris stated that when she had analyzed the estimate she had gotten a much lower cost for the bays because they have less expensive prefab metal construction than the remainder of the facility, so she will be interested to see what the new more detailed estimates show.

The next budget meeting will be on Thursday May 5, 2022 at 6:00 PM. The Budget Committee will discuss new information from the JUF meeting, continue the discussion of the tax increase and capital expenditures, and revisit the next draft of the General Fund LB30.

The meeting adjourned at 19:53