



**POLK COUNTY FIRE DISTRICT NO.1**

1800 Monmouth St., Independence, OR 97351

Phone: 503-838-1510 Fax: 503-838-1235

Ben Stange, Fire Chief

Central Fire Station  
Station #90  
1800 Monmouth St  
Independence

Airlie  
Station #80  
14775 Airlie Rd  
Monmouth

Pedee  
Station #70  
12485 Kings Valley  
Monmouth

Buena Vista  
Station #40  
11350 Church St  
Independence

May 13, 2019

**Budget Message and Transmittal Letter for Fiscal Year 2019-20**

Polk County Fire District No.1 Board of Directors, Budget Committee, Patrons, and Members,

It is an honor to present for your consideration the Polk County Fire District No.1 Budget for Fiscal Year 2019-20. This Budget, like previous Budgets, has been constructed through the collaboration of many members of the District. I would like to thank all those who played a part in this process. As always, our Office Administrator Susan Shepard has been indispensable in the budgeting process.

Before I address the financial status of the District and highlight some of the changes in this year's Budget I would like to take a moment and explain the Fire District's budgeting to those who may be picking up this document for the first time. In order to understand the area we protect, the services we offer, our method of staffing, and the way we are governed, I would encourage you to read the page titled, 'District Demographics and Profile.'

Our Budget is comprised of six Funds.

1. General Fund: The General Fund includes resources from taxes and other sources, mainly ambulance service revenue. The expenses within the General Fund are Personnel Services (wages and benefits), Materials and Services, Capital Outlay, and Debt Service.
2. Equipment Reserve Fund: The purpose of the Equipment Reserve Fund is to set aside resources from year to year in order to save for purchases of apparatus and expensive equipment. The District uses an Equipment Replacement Plan to anticipate needs from this Fund.
3. Grant Fund: From time to time the District receives grants and this Fund is set up to track grant resources and expenditures.
4. Mark and Mildred Laudahl Fund: The Laudahls were loyal residents of our community and left a generous donation to the Fire District. This Fund accounts for the earned interest from the donation and expenditures incurred in their honor.
- 5 & 6. Bond Capital Projects Fund and Bond Debt Service Fund: In 2014 the Fire District passed a two-million dollar Bond. The Bond Debt Service Fund tracks the repayment schedule. All expenses of the Bond Capital Projects Fund have been complete.

Our Budget is a public document – it is, after all the public's money. The District presents the Budget to our Budget Committee for review, deliberation, and approval. These are public meetings and public comment is always welcome. After approval from the Budget Committee a Budget Hearing is held, then the Budget is presented to the Board of Directors for adoption by resolution. A complete schedule of the budgeting process is included in your Budget materials.

*"Serving Because We Care"*



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Before introducing the 2019-20 Budget, I'd like to review the 2018-19 Budget passed by the Committee and approved by the Board last year. In the Fiscal Year 2018-19, the District hired one additional Firefighter/Paramedic allowing four full-time employees available for response 24 hours a day, 7 days a week. The District was able to hire a part-time Fire Inspector to fulfill some of the duties handled by the Fire Marshal who was laid-off in 2012 due to budget cuts.

In addition to hiring personnel, the District pursued the re-chassis of an ambulance and the purchase of a Type VI fire engine (commonly referred to as a "grass rig"). We have signed contracts for both of these, however due to delays in receiving the Ford chassis, neither will be received until Fiscal Year 2019-20. After two years of searching for a reasonably priced, fuel efficient unmarked vehicle, we located and purchased one from the State of Washington.

We pursued solutions to the increasingly cramped living quarters at Station 90. One aspect of this was altering portions of two large bedrooms in order to create an additional bedroom. Another part was beginning work on a modular building on the east side of the property. After beginning work with surveyors, utility providers, and the City of Independence it became clear that the cost vs benefit needed to be re-evaluated, thus the project is currently on hold.

There were various other projects budgeted for and completed throughout the year. A few of these included; painting, fixing and replacing the roof at Station 80, purchasing IV pumps, updating some of our MDT's, installing five new bay doors at Station 90, and purchasing a turnout dryer, which was purchased through a matching grant from SDAO.

As we approach the end of Fiscal Year 2018-19, we expect to receive approximately 4.5% more in current year taxes than in the previous Fiscal Year 2017-18. In addition to our regular collection of prior year taxes, the District received \$40,000 from a 2009-10 Comcast litigation settlement with the State of Oregon. Revenue from other sources increased around 6.5%. Essentially all of this increase is attributed to revenue from state mobilizations. It appears that ambulance transport revenue will end similar to Fiscal Year 2017-18.

Our personnel costs rose by 11%. A large amount of this was expected with the hiring of 1.5 additional FTE. There was an unexpected expense with one of our employees being off on injury for five months. Materials and Services expenses rose by around 4.5%, once state mobilization was removed (which is reimbursed by the State). The Board of Directors transferred the money the District collected from the use of equipment on mobilizations into the Equipment Reserve Fund (approximately \$95,000).

As for this Budget being presented to the Budget Committee for Fiscal Year 2019-20, you will see that the District will operate with no needed cuts or postponing of maintenance. Largely due to contractual agreements, salaries and wages have been budgeted to allow for a 5.4% overall increase. In the past we have budgeted far more tight for this category which has presented difficulties when we have to spend more than budgeted for mobilizations and fulfilling staffing needs when an employee is off work for an extended period of time.

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The largest increases in the 2019-20 Budget are in employee benefits, which we anticipated. Last year it was pointed out in the budget message that while our insurance costs were not increasing that year, it was an exception to the norm. As expected, our insurance rates are rising by 10% for the Fiscal Year 2019-20. The largest increase in employee benefit costs is PERS. PERS rates are increasing between 17% and 28% depending on the classification of the employee. The District anticipated these increases and as a result we have budgeted, spent, and levied taxes to allow for the absorption of these costs during this Fiscal Year.

Most of the line items under Materials and Services have anticipated spending very close to previous years. We will continue to grow and improve by enhancing our Chaplain program, working with local law enforcement on a mass-notification system, purchasing a new treadmill, and updating some of our aging AED's to name just a few. This year, there is also money budgeted to begin a Length of Service Award Plan, or LOSAP for our volunteers. These plans are one of the few ways to legally offer a financial benefit to volunteers.

Notable items needed to continue to maintain and update our facilities include installing a new, more energy efficient heater at Station 70 (Pedee), and more efficient lighting at Station 80 (Airlie). At Station 90 we will be replacing one of the inefficient original furnaces and duct work.

The only specific project budgeted for from the Laudahl Fund is to complete the bay door replacement project. This includes replacing the remaining four original bay doors.

It was noted earlier that neither the re-chassis of the ambulance nor the Type VI engine were received in Fiscal Year 2018-19, therefore, both of these vehicles are budgeted for in Fiscal Year 2019-20. The only additional equipment purchased from the Equipment Replacement Fund will be a trailer for teams to deploy on state mobilizations.

At the end of Fiscal Year 2019-20 the District will need approximately \$1,011,000 to operate from July through November until taxes are collected. For that reason, you will find an unappropriated ending fund balance of \$1,011,000 leaving \$102,000 in contingency.

I would like to thank District patrons for taking interest in the Fire District and our Budget. I would like to thank our staff for all the help and input in the budgeting process, and I would like to thank the Budget Committee and Board of Directors for your time and your thoughtful consideration of this Budget.

Respectively Submitted,

Ben Stange, Fire Chief  
Polk County Fire District No.1