



POLK COUNTY FIRE DISTRICT NO.1

1800 Monmouth St., Independence, OR 97351

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

Ben Stange, Fire Chief

May 18, 2020

Budget Message and Transmittal Letter for Fiscal Year 2020-21

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 2020-21. 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.

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



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Before introducing the 2020-21 Budget, I'd like to review the 2019-20 Budget passed by the Committee and approved by the Board last year. There were no major personnel changes in the previous Budget. The largest purchases were the completion of the rechassis of an ambulance as well as a new type VI brush vehicle.

In addition to these large purchases we continued to prioritize maintenance of our existing equipment and facilities. We completed painting at both our Airlie and Pedee stations. The Airlie station had its roof repaired and the lighting upgraded to do away with the 8' long flourescent lights and install new LED lights. The Pedee station got a new heater so we are no longer reliant on baseboard heating, a change that we have already seen save us hundreds of dollars on our electric bill. At the Independence station we replaced the final original bay doors through the Laudahl Fund. We will also be completing flooring work on the second story before the end of the current fiscal year. As far as equipment, once again we have managed to ensure that every vehicle, every ladder, and every foot of hose has been tested and certified to meet NFPA standards.

We were pleased to receive two grants in 2019-20. The first was one we have received before from SDAO for \$4,432. This was a matching grant that allowed us to upgrade the lighting around the Independence station. The second grant was one we have never received before from the Spirit Mountain Community Foundation. This grant was for \$10,041 to assist with the purchase of three new ventilators, replacing our existing ventilators that we have had for more than a dozen years that do not have the technology prevalent in the industry today.

This past fiscal year we continued to try and care for our people. For the first time ever, we made a deposit into a Length of Service Award Program. Several of our volunteers met the requirements of the program and are receiving money in an account that they will have access to after they retire from the District. We also purchased a new treadmill. This rounds out the completion of the "cardio room" at Station 90. Three years ago the only cardio option was using a treadmill or stair climber sitting next to the tenders out in the bays. Today career and volunteer personnel have access to a rowing machine, stationary bike, elliptical, and treadmill all housed in a comfortable room with music, television, and a water fountain. We also once again subscribed to the Public Safety Employee Assistance Program for all of our personnel, both career and volunteer.

We continued to collaborate with other agencies. We share a group of Chaplains with Monmouth and Independence Police. This past year we took on all these costs and submitted invoices to Monmouth and Independence in order to split the cost three ways. This was successful. We also joined several agencies from Monmouth, Independence, Dallas, and the County, to be a part of a County-wide emergency notification system. This too is something we were able to share costs for.

As far as Fiscal Year 2020-21, as we enter this year there are many unknowns. COVID-19 is present in every moment of our day to day lives as individuals and certainly as first responders. This year as much as any, it is important to note that the Budget is a "plan." We do not completely know what impact COVID-19 will have on our organization so it is

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important that we stay aware, cautious, and adaptable. Receiving so much of their revenue from income tax, the State has already seen huge impacts. With a majority of our revenue coming from property taxes, we have yet to see similar revenue decreases but are very aware that at some point this source of revenue will likely be impacted. We also experienced a drastic decrease in call volume during the onset of the pandemic resulting in a sudden decrease of medical transports. While it seems that these numbers may be beginning to increase again, if transports were to remain at this level the District would see a drop in revenue of nearly \$200,000.

We expect to start the Fiscal Year with a beginning balance of around \$1,700,000. We expect our beginning balance to be extremely close to last year meaning that all the revenue the District received was put directly back into the service we provide. Revenue will be similar to previous years. The biggest difference is a more conservative number for medical transport revenue given the previously cited COVID-19 concerns.

Our personnel costs will increase. This is the final year of a three year contract with labor and the proposed Budget recommends the same salary increases for non-represented employees as the Union. The exception to this is for the increase in workload and hours our Office Administrator will be taking on which we will get to shortly. With PERS rates only changing every two years (according to the State's biennium) we will see no changes in our PERS rates. Last year our insurance costs remained flat but this year the costs will be rising once again. There are two notable personnel costs. The first is that we would like to increase our part time Fire Inspector to 32 hours per week. Last year's Budget was for a half-time Fire Inspector (20 hours per week). Part way through the year the Board approved expanding his hours to 24 hours per week since we could do so while still staying within the budgeted amounts for personnel. We are incredibly fortunate to have Fire Inspector Crafton on our staff. He has done an amazing job working with the cities, County, and members of the community. His only limiting factor right now are hours we're allowing him to work. The second major personnel cost will have an impact across all aspects of our District. Fiscal Year 2020-21 will be Susan Shepard's last year serving as the Office Administrator for Polk County Fire District No.1. She is incredibly committed to setting her replacement up for success with books, notes, spreadsheets, and all kinds of tools to ensure a seamless transition. This will, however, be a major transition. This Budget includes the opportunity for us to bring in a new Office Administrator in January so they are able to shadow Susan going through everything from end of year tax documents, to health insurance renewal, to grant documentation, to budget preparation and on. For such a vital position I appreciate Susan's interest and willingness to take the time to ensure our success moving forward.

Our spending on materials and services will be similar to the previous year. There are a couple items, such as training and education as well as protective clothing, that we deferred spending during the final months of Fiscal Year 2019-20 but expect some of that spending will happen in the first half of Fiscal Year 2020-21. Two items that have been reduced are ambulance billing service and dispatch. Last year we changed ambulance billing providers. This has increased the workload on our end but has also resulted in cost savings. The



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reduction in dispatch cost is a result of the 911 tax on cellular phones passed by the legislature.

We have no major expenditures out of the Equipment Replacement Fund but will transfer \$75,000 from the General Fund. The annual deposit of \$75,000 will aid in ensuring that the District's Equipment Replacement Fund remains solvent through 2025-26. We have budgeted to allow for the sale of our heavy rescue just as we did last year. This piece of equipment is 20 years old and at some point will require repairs and upgrades disproportionate to its use. While we are not 100% confident that this sale will happen this year, we would like to budget for that opportunity. We believe that we can provide the same service without this vehicle but the transition is complicated. Our neighbors in Dallas made the same transition with the sale of their heavy rescue this past year so we will lean on them for advice moving forward.

The only expenditure we have budgeted from the Laudahl Fund is for an electronic reader board. This is something that has been talked about for a long time. According to ODOT, our Independence station has an average of 11,400 vehicles go past every day. Having an electronic reader board would allow us to post messages to the community faster than our current set-up and could make it look very appealing from the street.

The District has budgeted for a contingency of \$50,000. With so many unknowns at this moment it is important that we have the ability not only to tighten our spending but also to absorb unforeseen costs. This leaves approximately one million dollars as an unappropriated ending fund balance. This is the money needed to operate from the end of Fiscal Year 2020-21 through November when we collect a majority of our taxes.

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,

A handwritten signature in black ink that reads "Ben Stange". The signature is stylized and cursive.

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