



Budget Committee Meeting

Thursday April 28, 2022

Meeting Location: Remote Video Conferencing

6:00 p.m.

MINUTES

1. **CALL TO ORDER PER ORS 192.610 to 192.690** – at 6:11 p.m.
 - a. ORS 192.650- The meeting is being recorded

2. **INVOCATION** – by John McAdoo

3. **FLAG SALUTE** – Done.

4. **ROLL CALL:**

Paul Miller—Present

Matt Day—Present

Ken Oliver—Present

John McAdoo—Present

Matthew Silva—Present

Karen Hovda—Absent

Bruce LaLonde—Present

Maureen Stevens—Absent

Michael Silva—Present

Also present at this meeting: Financial Officer Nikki Meyer, Deputy Chief Joseph Smith, Assistant Chief Alan Lashbrook, Lieutenant Jesse Metheny

Also present via Zoom: SMC, Lieutenant Benjamin Rollicheck

President Silva noted that 7 members are present; therefore, a quorum is recognized.

5. **CHANGES TO THE AGENDA**

Add B-1.2—Appointment of a Budget Officer.

6. OPEN SESSION BUSINESS ITEMS

B-1 Appointment of Budget Committee Chair

Background: The Budget Committee needs to have a chairperson appointed.

Action requested: Nominate and elect chairperson

Director McAdoo made a Motion; Seconded by Director Miller; to appoint Matthew Silva as Budget Committee Chair; Roll Call Vote; Passed unanimously.

B-1.2 Appointment of Budget Officer

Background: The Budget Committee needs to have a Budget Officer appointed.

Action Requested: Nominate and elect Budget Officer.

President Silva made a Motion; Seconded by Director McAdoo; to appoint Chief Ian O'Connor as Budget Officer; Roll Call Vote; Passed unanimously.

B-2 Presentation of the FY2022-23 DRAFT Budget Documents

Background: The Budget Officer presents the DRAFT budget for Fiscal Year 2022-23.

Action Requested: Review and discuss the DRAFT budget, make preliminary recommendations for changes. Discuss tax rates. No action on approving the budget is requested at this meeting.

Chief Ian O'Connor introduced the FY 22-23 Budget Document and commented that this years' Budget Document was unique because it was created without the best of historical information given the dissolution of the IGA between CFD and ERFD. Chief O'Connor presented the Introduction, Mission Statement, Vision Statement and Core Values Statement. He explained that those Statements guide the district through the budget process.

Chief O'Connor described the Personnel Summary, which included the 13.75 current FTEs, and a proposed 19.75 FTEs should the Firefighter SAFER grant be awarded. He noted that beginning in April, the district is finally fully staffed.

Chief O'Connor stated that the district has been very successful in obtaining ARPA and WUI grant funding for this fiscal year. He added that applying for grants is a continual process and the district could receive award notices at any time for the grants currently in the review process. Bruce LaLonde asked if more grants could be pursued if there were more allocated administrative staff and Chief O'Connor answered he did not believe so. Bruce LaLonde suggested hiring additional staff to write for grants to bring added revenue to the district. Chief O'Connor mentioned that a Grant Coordinator position definitely crossed his mind.

Chief O'Connor commented that the Division Goals and Objectives included input from Chief Officers. He added that those goals and objectives were presented in January and helped to drive the budget process.

Chief O'Connor noted that Director McAdoo indicated the History portion of the Budget Document should be corrected to reflect in 1906, the Fire Station was located at Broadway/4th, not Main/4th.

Chief O'Connor cited the demographics, the ISO rating, current tax rate, and annual property tax receivables.

Chief O'Connor delivered the Budget Message and noted the district's accomplishments. He also mentioned economic factors, including Covid 19, inflation and supply chain issues, which created many continual challenges for the district.

Bruce LaLonde asked what would occur if the district could not spend the allocated funds within the fiscal year and Chief O'Connor explained that like grants, the district would carry the funds forward. There was some discussion regarding carryover and challenges regarding obtaining Turnouts and certain EMS supplies in a timely manner.

Chief O'Connor commented that long-range financial planning will continue to develop as the district moves forward. He stated that the revenue forecasting encompasses an 8% to 9% increase of the District's 2021-2022 tax-year assessed value as referenced in the annual Clackamas County Tax Assessor report. He added that the District will realize the guaranteed 3% residential property increase at an estimated 95% collection rate.

Chief O'Connor reported that the overall proposed **General Fund revenue and projected cash carry forward is \$7,357,715.**

Chief O'Connor explained that the Personal Services budget reflects an increase of 18% or \$457,600 because of the new CBA, step increases, a 5% COLA increase, and the department operating at full staffing levels. He explained that the SAFER grant has not yet been decided; however, should the district receive the grant, no match is required for the lifetime of the award. He added that all benefits have been increased by 8% as a recommendation of the Special Districts Association of Oregon and WHA Insurance. Chief O'Connor announced that the total **Personal Services** for the general fund is proposed at **\$2,546,616** which is 66% of the annual resources or 34% of total resources, an 18% increase from FY21-22.

Chief O'Connor stated that the total **Materials & Services** are proposed at **\$1,082,122**, which is 28% of annual resources or 14% of total resources. He added that the amount includes the final payment to Clackamas Fire District for their Contract for Services.

Chief O'Connor commented that the Budget Message includes **Capital Outlay** items, which contains operational capability increases, firefighter safety, health and wellness, and training needs.

GENERAL FUND REVENUE & RESOURCES

Revenue

Chief O'Connor explained that the net working capital is the anticipated **cash carry forward**. He added that the figure is a moving target projected to be **\$3,545,660** and could have been projected slightly higher because the CFD contract final payment will be made next fiscal year.

Chief O'Connor stated that previously levied taxes, interest, and miscellaneous revenues are all conservatively estimated at \$118,400.

Chief O'Connor announced that the estimated taxes to be received are \$3,693,655 (a 7% increase over the prior year) and **Total Resources** for the upcoming budget year are **\$7,357,715**.

Grant Revenue

Chief O'Connor commented that the district received grants totaling \$1,430,400 in late 20221 and the anticipated carry over is \$1,198,843 for the new budget year as a result of the apparatus on order and/or still in production phase.

Not Allocated

Chief O'Connor stated that the proposed amount of \$1,512,817 would be moved for Future Capital Replacement needs and that would replenish the \$474,200 liquidated capital used to support the district's restart following the end of the contract for services with CFD.

Chief O'Connor commented that the contingency funds were decreased to \$300,000 due to the final CFD payment; however, this amount reflects a \$50,000 increase from the previous budget year.

General Fund Resources Worksheet

Chief O'Connor explained that this worksheet reflects net working capital (accrual basis) just covered, previously levied estimated taxes to be received of \$30,000, and interest of \$5,000, which will most likely increase. Chief O'Connor noted that he believed the Miscellaneous Revenue figure of \$83,400 was a good number to go with. Bruce LaLonde asked where the Miscellaneous Revenue funds were obtained, and Chief O'Connor answered the funds were mainly acquired from ambulance service reimbursements. He added that there may be more opportunities to collect ASA funds and he is still investigating that avenue.

Chief O'Connor concluded that **Total Resources** as outlined are **\$7,357,715**.

General Fund Non-Allocated Requirements Worksheet

Chief O'Connor stated that this worksheet outlines non-allocated expenses and reflects the \$1,512,817 to be placed into a Capital Reserve Fund. He commented that the bottom of the worksheet contains the \$300,000 operating contingency, the Unappropriated Ending Balance of \$1,812,817 and the **Total Requirements of \$3,408,477**.

General Fund Allocated Requirements Worksheet

Chief O'Connor commented that this worksheet reflects Personnel Services items totaling \$2,546,616, Materials and Services items totaling \$1,082,122 and Capital Outlay items totaling \$329,000; therefore, the **Total Allocated Requirements are \$3,957,738**. Chief O'Connor added that the Total Allocated Requirements figure should match the incoming revenue forecast.

Materials & Services Comments

Professional Fees

Chief O'Connor reported that the final payment due to CFD is included in the Professional Fees category for \$168,622 to be paid after the new fiscal year.

Chief O'Connor commented that there is a contract for our Medical Director who provides emergency services for \$14,500. He added that legal consultation fees are included for \$35,800.

Chief O'Connor stated that Strategic Plan consultant, Audit, Background Check, Physical Exam and Employee Assistance fees are also included in the Professional Fees category. He noted that Background Checks, Physical Exams and Employee Assistance were appropriately moved into the Materials and Services category from Personnel Services.

Building/Grounds Maintenance & Supply

Chief O'Connor mentioned that the Building/Grounds Maintenance & Supply category has been increased due to inflation.

Training

Chief O'Connor commented that with such a new group of both paid and volunteer employees, there is a significant need for training props, instructors, classes, etc. so the Training budget has been increased.

Dispatch Services/Radio Systems/C-800

Chief O'Connor explained that ERFD's share of payment towards the C-800 radio system is \$32,350, and Dispatch Services are \$92,650.

Subscriptions/Dues/Fees

Chief O'Connor mentioned that subscriptions and dues were underfunded so that category has been increased from \$8,000 to \$13,000.

Medical Supplies

Chief O'Connor noted that medical supplies were increased due to inflation and the increased call volume.

Personal Protective Equipment Maintenance

Chief O'Connor stated that the district was severely underfunded for turnouts the prior year and the \$25,000 allocated in the prior fiscal year budget purchased only approximately 8 sets of turnouts. He mentioned that ongoing challenges remain regarding obtaining turnouts. He added that the district is in the grant process and if awarded, the grant would cover some of the PPE cost.

Firefighting Equipment & Supplies

Chief O'Connor commented that as the department moves forward, the necessity for day-to-day supplies and items is evident so that budget item has been increased.

Uniforms

Chief O'Connor explained that the same issue as PPE occurred with uniforms so that category has been increased.

Wildland & EMS Grant Funded

Chief O'Connor reported that this item has been reduced to zero due to being moved to the Grants category.

Director Miller asked if the \$42,000 figure was above the prior budgeted amount [for uniforms] or was that figure the prior budgeted amount plus an increase for the next fiscal year and Chief O'Connor responded the \$42,000 is the total amount budgeted for uniforms in the next fiscal year.

Director McAdoo asked if property and auto insurance was expected to remain the same and Chief O'Connor answered that he left the figure the same as the prior year because the rates are uncertain due to inflation; however, the rates did not reach the last years' budgeted amount of \$40,000.

PERSONNEL SERVICES

Salaries

Chief O'Connor explained that salaries increase because the CBA with Local 1159 is now in place, a 5% Cost of Living increase will occur, and an anticipated promotion of a Lieutenant to a Station Captain position is budgeted to occur approximately January 1, 2023; therefore, total Personnel Services are projected to increase by 17% and are 66% of the District's annual income.

Conflagration

Chief O'Connor noted that an added budget item for Conflagration is a placeholder of \$60,000 so the overtime budget remains separate and clean.

Retirement-PERS

Chief O'Connor commented that PERS remains the same (6% employer pickup) and there were no increases this year. He added that Tier 2 rates decreased by 2.5% and OPSRP rates decreased by .75%; however, those decreases will not affect the District.

Medical/Dental/Vision/Insurance

Chief O'Connor stated that those services were part of the negotiated contract.

MERP

Chief O'Connor explained that the MERP (Medical Expense Reimbursement Plan) picks up the difference of the employee responsibility of the deductible and other employee financial responsibilities as stated in the MERP Health contract.

PHEP

Chief O'Connor noted that a PHEP (Post Employment Health Plan) was negotiated through the Labor Contract for \$16,500.

Deferred Comp Match

Chief O'Connor commented that there is a 4% employer contribution match to Deferred Compensation funded for the full liability.

Student Firefighter Program Stipend

Chief O'Connor reported that the Student Firefighter Program has been increased from \$48,000 to \$58,000 because the program is very successful and currently remains fully staffed with 2 students per shift.

Duty Officer Program

Chief O'Connor noted this continuing program is for qualified Volunteers adding coverage as Duty Officers on weeknights and weekends.

CAPITAL OUTLAY

Training Equipment

Chief O'Connor stated that this includes a forcible entry door and a vertical ventilation prop totaling approximately \$15,000. He added that the district would like to purchase an electronic fingerprint machine for approximately \$10,000.

Station Improvements

Chief O'Connor explained that the station is not currently equipped for an exhaust removal system and a system is required for cancer presumption law compliance reasons. He noted that the system would fit each apparatus for a cost of approximately \$60,000.

Chief O'Connor mentioned the George Station generator is budgeted to be replaced. Director Miller asked if there were any bids and Chief O'Connor answered no since budgeting is the first stage of the process. Director Miller stated he was concerned the allocated funds of \$10,000 for a generator at the George Station were extremely low. There was some discussion regarding this issue.

Physical Equipment

Chief O'Connor commented that a stair stepper machine is included in the budget; however, if the grant is rewarded, the funds will not be used.

Firefighting Equipment

Chief O'Connor reported that additional SCBA's are necessary, as well as a FIT test machine. He noted that the 4 current thermal imaging cameras need replaced and more AEDs are necessary. He added that turnout lockers and firefighter self-rescue "bailout" equipment is necessary (\$10,000); however, there may be a donation for the bailout equipment so \$10,000 of those funds may not be used.

GRANT FUNDING

Chief O'Connor commented that the Grants were separated due to the uncertainty of receiving awards. He explained that the remaining **WUI and ARPA funds will carry over** mainly due to supply issues.

AFG (Assistance to Firefighters Grant – pending award decision)

Chief O'Connor stated that the AFG Grant (which includes PPE, Wellness and Fitness Equipment, additional Extrication equipment) is pending a decision, and If awarded the \$576,020, the District would owe 5% or **\$28,801**.

SAFER – Hiring Firefighters – pending award decision

Chief O'Connor mentioned that the SAFER Grant (which is the hiring of firefighters) is also pending a decision and would fund 3 additional Firefighter/Paramedics over 3 years for an award of \$2,326,698 with no required match. He added that first year grant expenditures are expected to be \$708,618.

SAFER – Volunteer Recruitment & Retention – pending award decision

Chief O'Connor explained that the SAFER is the volunteer side of hiring firefighters and he believes the chances of obtaining an award are very good. He commented that he asked for a Recruitment and Retention Coordinator position and additional LOSAP assistance for a total of \$907,248 over a 4-year period with no matching funds required. If awarded, the first-year expenditures are expected to be \$190,507.

WUI (Wildland Urban Interface) – carrying over

Chief O'Connor mentioned that the WUI grant funds to be carried over into this budget year are \$1,133,843 because the district is awaiting procurement of the type 3 engine, type 6 engine, and water tender.

ARPA (American Recovery Plan Act) – carrying over

Chief O'Connor noted the carryover for the ARPA grant is \$65,000.

GRANT WORKSHEETS

Chief O'Connor explained that the Grant worksheets are separated into Capital Funds, Materials & Services and Personnel. He added that the purpose for separating grants was to avoid creating a Supplemental Budget if the grants are awarded.

There was some discussion regarding inflation.

Chief O'Connor commented that the tax rate is unchanged.

7. BOARD or BUDGET COMMITTEE INFORMATIONAL UPDATES/COMMENTS

There was some discussion regarding not conducting a separate second Budget Committee Meeting and the second meeting to adopt the Budget would be included with the next Regular Board Meeting.

Director Oliver suggested inviting the 2 absent Budget Committee Members to view the Budget with Chief O'Connor. Chief O'Connor agreed to send the invitations to those members.

Director Day asked regarding the location of the funds being placed into the Capital Reserve Fund and Chief O'Connor answered those funds were from the carryover. Director Day asked if the district could place \$500,000 into the Capital Reserve Fund next fiscal year and President Silva suggested increasing the amount each budget year. President Silva explained how funds are carried over and allocated. There was much discussion regarding the following issues: the non-allocated carryover, contingency funds, the Capital Reserve Fund, the new Fire Marshal vehicle, SDC fees, taxes, inflation, and John Day's 1600-unit housing development.

President Silva commented that this proposed budget has encompassed and followed through with the Board's goals and he is very pleased.

Director McAdoo commented that there was a prior goal of 50 volunteers and Chief O'Connor noted there were currently 60 volunteers on the roster and with the current academy, there will be 45 Combat Firefighter Volunteers.

Bruce LaLonde stated that he read through the budget and noticed how phenomenal the Chief's underlying vision of future growth and retention thoughtfully included equipment, training and programs (such as the Student Program).

President Silva asked if everyone would be in agreeance of not having a second meeting.

Director McAdoo commented that he noticed there was not much emphasis on the Fire Marshal position and Chief O'Connor answered it was the same as the previous year because It is a new position and will evolve throughout the year so there should be more input next fiscal year.

President Silva made a Motion; Seconded by Director McAdoo; to accept the budget and move the second FY22-23 Budget Committee Meeting to the Thursday, May 19, 2022, Regular Board Meeting; Roll Call Vote; Passed unanimously.

8. PUBLIC COMMENTS – None.

9. NEXT MEETING DATE:

The next meeting to adopt the 22-23FY Budget and hold the Budget Hearing is scheduled for the Regular Board of Directors' Meeting on Thursday, May 19, 2022, 7:00 p.m.

10. ADJOURN—at 7:19 p.m.

Cheryl Lashbrook
Administrative Manager



Matthew Silva (Budget Chairperson)