Black Butte Ranch R.F.P.D.

Budget Committee Meeting

May 1st, 2018

Rodger Gabrielson called the Budget Committee Meeting to order at 09:02 a.m.

Board of Directors:

- ✓ Rodger Gabrielson
- ✓ Dave Gibson
- ✓ Tom Sawyer
- ✓ Larry Stuker
- ✓ Don Bowler

Budget Committee:

- ✓ Doug Knudsen
- ✓ Gary Olson
- ✓ Steve Scheidler
- ✓ Dave Sullivan
- ✓ Steve Yates

Administration:

- ✓ Chief Dan Tucker
- ✓ Deputy Chief Dave Phillips
- ✓ Jamie Vohs

ELECTION OF BUDGET CHAIR

Motion: Dave Sullivan moved to elect Larry Stuker as Budget Chairman, seconded by Don Bowler, unanimously passed.

Larry thanked Chief Tucker for going through the budget line items in its entirety prior to today's budget meeting. This allowed Larry to have a full understanding of where the proposed budget numbers were coming from.

BUDGET MESSAGE

Chief Tucker starting by explaining the process of creating the budget. He asks for all employees to provide input on what needs are out there. He starts this in February and asks that all requests be in to him by the end of March. Chief Tucker thanked the staff for all their time and energy in helping with the budget.

Chief Tucker gave an overview of how the District operates and what the District consists of with regard to apparatus and staffing. The District operates under Oregon Revised Statutes Chapter 478. The District maintains a fleet of (1) Class A Engine, (1) 75' Ladder Truck, (1) Heavy Brush Engine, (1) Light Brush, (2) Advanced Life Support Ambulances, (2) Command Vehicles and (2) Utility Vehicles. The District has 9 employees including 3

Firefighter/Paramedics, 3 Shift Captain/Paramedics, a Deputy Fire Chief, a Fire Chief and an Administrative Assistant. The District also has several Resident Volunteers and occasionally uses temporary employees. The reason for temporary employees is to be able to help out during times when old students are leaving the organization and new ones are coming on. There is also the occasional need to back-fill staff that are on FMLA.

Chief Tucker reviewed the mission statement and values of the District. He also explained the service area in which the red line represents the Fire District (where taxes come from) and the blue line represents the ASA. It is important to know that all of Oregon is covered by an ASA.

REVIEW BUDGET – Budget Chairman

- **Resources**

The growth within the District is limited as a result of demographics. The District relies on remodels and some commercial buildings for slight increases in tax revenues. The current base rate is 1.4677 and the local option tax has been approved up to 1.76 however the District has only imposed 1.56. The current local option will end in 2020 which means planning for another 5-year local option will begin in March 2019.

- **Requirements**
  - **Personnel Services**

Primarily the biggest expenditure continues to be personnel services with a 4.27% increase over last year's budget for seasonal/part/temp employee, overtime, health insurance and cost of living changes. The District is fully staffed with 6 career line staff personnel, 3 administrative personnel and approximately 6 to 10 resident volunteers.

Salary and benefits follow contractual obligations with bargaining unit employees and compare to similar departments within Central Oregon. The current CBU contract is for 5 year period ending June 30, 2020. As a result, there will be a COLA for fiscal year 2018/2019 of 2%. Note: COLA rate follows Social Security). Chief Tucker is very pleased with how CBU negotiations have gone in the past. The department is very fortunate to have good employees.

Medical insurance is provided to employees by the district via the Oregon Teamster Employers Trust. The health insurance plan that is provided is far cheaper than anything out there. It is a great plan with great rates. Chief Tucker conservatively plans for a 15% increase in health insurance because 6 months of the budget year the amount is known and 6 months it is unknown (rates change in January).

PERS rates are figured on a biennium, so the rates are known for fiscal year 2019 thru fiscal year 2021. BBR RFPD has the lowest PERS rates (excluding Lake Chinook Fire & Rescue) in the area. The District may look at entering the PERS pool in the future. The best time to look at entering the pool is in October.

Rodger Gabrielson inquired on the 6% employee portion that is paid by the District. Chief Tucker explained why it would not be favorable for the District to pass that expense on to the employees by giving the OSHU example.

- **Material Services**

Materials and services account for 8.9% of the budget, with capital outlaw accounting for 2.85%. The budget reflects no significant change for materials and services over the previous budget year, while capital outlay will decrease.

To avoid borrowing money between July and November (until tax revenue is available) the BOD's have adopted a policy to carry over an "unappropriated Funds" balance to provide a minimum of 5 months of operating expenses. Furthermore it will once again be recommend that the District, through long range projects, carry an ending fund balance of five months' worth of operating costs 15 years from now.

Areas of increased expenditure include liability insurance, additional subscription services (cell, data and technology), fire hose replacement, additional scholarship funds and new technology, and software upgrades.

- **Fire**
- **Ambulance**
- **Administration**
- **Building & Grounds**

- **Capital Outlay**

Capital expenditures include continued maintenance and improvements being made to all district structures and facilities. Other capital items include replace the Districts final staff vehicle, replacing some more fitness equipment and the possible purchase of a fire extinguisher prop to teach citizen and BBR employee's proper fire extinguisher use.

- **Transfer to Other Funds**

A couple of the funds are getting close to maturity.

- **Vehicle Replacement Fund**
  - Budget transfer to this fund is $80,000
- **Building & Grounds Fund**
  - Budget transfer to this fund is $10,000
- **Technology & Communications Fund**
  - Budget transfer to this fund is $10,000

GOOD OF THE ORDER

Other items discussed:

- Effective July 1, 2018 Black Butte Ranch homes will improve from an ISO (Insurance Services Organization) rating of 4 to a 3. Chief Tucker wants to try and stay at a solid number rating so that it is not bouncing back and forth. Some of the reasons for the change was due to improvements within BBR RFPD and changes within the ISO rating system. The rating system is based on a 100 point system (50

points being the Ranches water system and 50 points being the apparatus and operations of BBR RFPD).

- D/C Phillips explained the life cycle of Resident Volunteers. The ideal amount of Resident Volunteers would be:
    - Three 1st year students (ability to drive ambulance once they complete academy which is in August)
    - Three 2nd year students (should be an EMT at this time)
    - Three 3rd year students (typically in paramedic program)
    - One 4th year student (at station Monday through Friday and taking online classes through EOU)
- This year's 4th year student is doing a great job for the department. He recently applied for a grant for safety cones and new lighting for the apparatus and was successful in getting it. Having a 4th year student helps eliminate PC's.
- Rodger expressed his appreciation in Chief Tucker's ability and drive to plan out 15 years on the budget. He also talked about how in years past the District did not plan for reserve funds and capital accounts and therefore had to go for bonds. Larry Stuker mirrored Rodgers comments.

ENTERTAIN A MOTION TO APPROVE 2018/2019 BUDGET – Budget Chairman

Motion: Don Bowler moved to approve the 2018/2019 Budget as presented, seconded by Tom Sawyer, unanimously passed.

MOTION TO ADJOURN – Budget Chairman

Motion: Don Bowler moved to adjourn the Budget Committee Meeting at 9:59 am, seconded by Dave Sullivan, unanimously passed.

OFFICIAL MEETING MINUTES

Approved by Larry Stuker

Don Bowler Date: August 23, 2018