

Santa Clara Fire District

Budget Message
Fiscal Year 2023-24

May 16, 2023

To: Board of Directors,
Budget Committee, and
Citizens of the District

I am pleased to present the budget message for the fiscal year beginning July 1, 2023, continuing through June 30, 2024. The purpose of this message is to increase understanding between all interested parties regarding this budget proposal.

This budget has no major changes from last year and maintains those additional funds in materials and service to provide some flexibility to the Santa Clara Board.

We will begin with a short discussion regarding some historical limitations and considerations that contribute to budget development.

As a result of Constitutional Measure 50, of 1997, each taxing district has been assigned a permanent tax rate, or dollar-per-thousand of assessed valuation. This rate is applied to the value of each piece of taxable property to calculate a property tax levy for that tax lot. An operational levy for the taxing district is determined when the established permanent rate for the taxing district is applied to the assessed property value of the entire district. Constitutional Measure 50 also established a 3% limit regarding increases in assessed value to existing properties. In other words, the assessed value of the District cannot increase through reassessment methods by the County Assessor's Office by more than 3%. New construction, however, may add to the total value of the District at a percentage higher than 3%.

Estimating the Levy for Fiscal Year 2023-2024

The estimated value of the Districts for fiscal year 2023-2024 is based on the actual assessed value for calculating a tax levy in fiscal year of 2022-2023, as given by Lane County Department of Assessment and Taxation, plus a 3% increase of the assessed value, plus an additional increase for growth and new construction. Growth and new construction is estimated to be 3%.

FY '22-'23 Assessed Value	\$ 817,467,531
Urban Renewal Subtraction	\$ 0
Value for Tax Computation	\$ 817,467,531
Estimated growth	\$ 24,524,025
FY '23-'24 Value Estimate	\$ 841,991,556
Permanent Rate	<u>X</u> .0010439
Local option levy rate	<u>X</u> .00045
Total Authorized Levy	\$ 1,257,851
Compression loss	\$ 0
Plus add'l taxes & penalties	\$ 191
Net Tax Levy	\$ 1,258,042
Estimated collectible amount	\$ 1,132,238

Since the Districts can only expend actual funds received, we must estimate a percentage of the total levy that is not expected to be collected in the year of the levy. Historical information has demonstrated that subtracting a figure of 10% from the authorized levy amount will be an adequate estimate for 2023-2024. Details of our total anticipated resources are found on form LB-20.

General Fund Resources

Net working capital	\$ 3,371,622
Previous years' taxes	\$ 0
Interest	\$ 20,000
Current year's taxes	\$ 1,132,238
Miscellaneous	\$ 0
Total Resources	\$ 4,523,860

Net working capital is carried over from the current budget year.

Budget structure

The essence of budgeting is to bring into balance anticipated resources and expected expenditures. Our budget is a financial plan that strives to achieve operational goals for the year, and an attempt to accumulate funds to address future requirements. Budget resources are a combination of all anticipated income. Budget liabilities (expenditures)

are identified as line items in the following areas of the budget document: **Personnel Services** – this area considers all expenditures associated with having people, both paid and volunteer; **Materials and Services** – support of day-to-day operations; **Capital Outlay** – includes expenditures that contribute to the total assets of the District; **Contingency** – this is a resource that is set aside to address any unforeseen events; **Transfer Funds** – are budgeted contributions from one fund to another, in our case this is exhibited through transfers from the General Fund to a group of Special Funds designed to accumulate money for high cost projects. This also includes the annual contract transfer to LFA which had a 2 ½% annual increase.

The budget document is divided into several sections using Local Budget (LB) forms approved by Oregon Department of Revenue. Our document will use the following forms: LB-20 to identify all resources for the General Fund, LB-31 to identify liabilities for the General Fund, LB-11 to identify both resources and liabilities for the Special Funds, and LB-30 to summarize all funds, debt service and transfer funds.

These forms are divided into three essential parts. The central column identifies the line item being addressed, the left hand set of columns are dedicated to historic information, while the right hand column set identifies the proposed budget as presented by the Budget Officer, the approved budget as confirmed after the Budget Committee meets, and the adopted budget as established through resolution by the Governing Body after the budget hearing.

The historic components of the form present the adopted budget for the current fiscal year and actual budget conditions derived through annual audits for the previous two fiscal years.

Conclusion

In conclusion, the budgets and subsequent support documents for fiscal year 2023-2024 were prepared in accordance with existing budget law and within limitations established by the Constitution of the State of Oregon.

I would like to express my appreciation to our Budget Committee for their interest and diligent performance of duties associated with the position. I believe that the budget documents demonstrate a strong commitment to fulfilling the fire and life safety needs of our citizens.

Respectfully submitted,

Dale Borland
Budget Officer
Santa Clara Fire District