

# Lane Fire Authority

Budget Message  
Fiscal Year 2024-25

May 23, 2024

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, 2024, continuing through June 30, 2025. The purpose of this message is to increase understanding between all interested parties regarding the budget proposal.

This budget is a plan with aim of improving our cash flow, especially the funds that we carry over into the next year. We have had to take out a Tax Anticipation Note (TAN) the last six years to carry us through the early months of the fiscal year. We will continue to utilize the option of a TAN and work toward less reliance in the future.

In late June of 2019, I instituted an internal finance committee made up of key staff members and volunteers within the organization. The goals of this committee were to monitor the financial resources of the district, prioritize spending, and work toward the viability of our district in the future to meet the increasing demand for our services. The finance committee has worked diligently meeting on a monthly basis to meet these intended goals. Those efforts in budget management throughout the year have helped us to work toward good fiscal stewardship and management of the Districts services and programs. We continue to add funds back into our budget for the programs and maintenance activities that suffered dramatic cuts in past years. This committee continues to prove its commitment to the District and its financial wellbeing as demonstrated by the improvements in our fiscal picture.

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. The permanent rate established at the November 2016 merger election for Lane Fire Authority is \$0.0020388 per \$1,000 of assessed valuation. 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 2024-2025**

The estimated value of the District for fiscal year 2024-2025 is based on the actual assessed value for calculating a tax levy in fiscal year of 2023-2024, 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 '23-'24 Assessed Value	\$2,882,155,712
Urban Renewal Subtraction	\$64,764,722
Value for Tax Computation	\$2,817,390,990
Estimated Growth	\$84,521,729
FY'24-'25 Value Estimate	\$2,901,912,719
Permanent Rate	<u>X .0020388</u>
Local option levy rate	<u>X .00035</u>
Total Authorized Levy	\$6,932,089
Compression Loss	\$696
Plus Add'l Taxes & Penalties	\$183214
Net Tax Levy	\$6,944,607
Estimated Collectible Amount	\$6,597,377

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 5% from the authorized levy amount will be an adequate estimate for 2024-2025. Details of our total anticipated resources are found on form LB-20.

### **General Fund Resources**

Net working capital	\$2,500,000
Interest	\$60,000
Current years taxes	\$6,597,377
Miscellaneous	\$40,000
Surplus equipment sale	\$100
Ambulance transport	\$2,700,000
FireMed campaign	\$175,000
Grants	\$0
Conflagration act	\$100
External training	\$70,000
Service billing	\$25,000
SCFD contract	\$811,787
GEMT program	\$400,000
TAN proceeds	\$1,000,000
Total Resources	\$14,379,364

Available cash on hand or net working capital is carried over from the current budget year. We are not representing any grant income. If we are awarded the AFG grant for airpack replacement we will account for that in this budget through resolution. The Conflagration Act income is only received if we send resources to a conflagration fire. The amount shown is just a placeholder. External training is for classes we provide to outside agencies. Service billing is for services we provide to other agencies and individuals, exclusive of ambulance transport. The SCFD contract has an automatic 2 ½% increase in the IGA and represents the funds that Santa Clara Fire

District will pay to LFA for the contract for services that begins July 1. The GEMT program is federally funded and is to offset the low reimbursement rate for Fee for Service Medicaid patients and Coordinated Care Organizations. The Tax Anticipation Note will be the same as our last budget proposal at \$1,000,000. We estimate this note will be adequate for the coming budget to get us to tax collections.

### **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 Special Fund designed to accumulate money for high cost projects.

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 Fund, 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 historical 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.

### **Overview of Expenditures**

In this portion of the budget message, we will discuss the overall layout of the district's budgets and review the major funds.

### **Personnel Services**

This area of the budget covers expenses related to having people, full-time and temporary employees. With the exception of the Fire Chief, Assistant Chief, Business Manager, Administrative Assistant, and 1 General Service Maintenance employee, our full time employees are organized under International Association of Firefighters Local 851 and are compensated under the conditions of the labor agreement.

The proposed wage increase for the contract is 6% and this same amount was applied to non-union non-represented staff as a COLA. This budget will be the 3<sup>rd</sup> year of the 3 year contact.

PERS rates have continued to increase and this is reflected in the retirement line item.

We propose hiring two new additional full-time single roll paramedic employees this budget. With the addition of these employees we will establish another day time ALS Transport unit at Station 115. This would mirror M101 at Veneta and operate on a 40-hour schedule during daytime peak hours during the week. Our goal is to provide a relief valve for our current M115 which is experiencing a continuing increase in unit hour utilization. As mentioned before, these two employees would be single role paramedics and not have firefighting duties. We propose this as a more cost-effective model to increase capacity in our transport system.

We will continue the part-time single-role medic program for M101 and it has been funded in the current budget proposal.

Last year we were unsuccessful in our staffing grant request to The Office of State Fire Marshal for a full-time public education position working in the prevention public education division under the Fire Marshal. We propose adding that full-time position this year to our general fund budget as it is critically important to continue and expand our prevention and public education services to our community. We currently cannot handle the volume of requests for CPR training classes and fuel mitigation home assessments that are coming in. This position would work toward fulfilling those prevention and education needs.

During the last few fiscal cycles we have obtained a \$35,000 seasonal staffing grant for fire season through The Office of State Fire Marshal. We applied for this proposed fiscal year and were unsuccessful. We have committed to funding this with our own resources in personal services this year at the same level. This additional funding has proven to be vital in our staffing on weekends and red flag days throughout the last couple fire seasons.

We will maintain one part time employee in this budget to continue to assist with the maintenance division.

Medical and dental insurance premiums have shown an increase this proposed year by 7% and 3%.

### **Materials and Services**

The first program listed is the Administration & Business program. This includes all of the basic “cost of doing business” expenses, including office expenses, utilities, fuel, dispatching, and uniforms. Most of these expenses are not specific to any one service that we provide but are spread across the whole spectrum of programs and services.

The second program is the Recruitment & Retention program. These are the expenses that are incurred for us to attract and keep personnel, both career and volunteer.

The third program is our student resident program at Station 101 and 115. We have allocated funds to pay tuition and a contribution towards fees and books for up to six student residents.

The Health and Safety program is to continue the preventative medical exams and physical fitness program that began under the Assistance for Firefighters Grant that we received a few years ago. We have seen several successes with this program. We are reimbursed \$300 for each annual physical for career staff employees through SDIS Special Districts Insurance Services. There is no reimbursement for Volunteer members and we realize it as an out-of-pocket expense. We are proposing some enhancements to this program this year. A new vendor for annual exams with increased capability for ultrasound imaging and echocardiogram assessments. We also

propose bringing the Struggle Well 2 day course to all members as well as adding a Behavioral Health Clinician program to Lane Fire.

Next is the Fire & Rescue Operations program. These expenses are for the core mission of the fire service: fire suppression and rescue. We predict these costs to remain relatively constant.

Following that is the Fire & Rescue Training program. We have supplies and equipment for classes we hold within our agency, as well as funds to send personnel to outside training, and to pay outside instructors to come here to teach.

After that is the Emergency Medical Services program. Approximately 85% of our calls are medical in nature and this requires supplies, equipment, and training. We also have to pay for initial and continuing education for our EMTs, and for the services of a physician advisor. The line item for EMT recertification is cyclic, as most recertification expenses happen on a two-year cycle. We have increased some of these line items due to the rising cost of medical supplies, medications and narcotics.

Next is the maintenance program. Our staff maintains our property and buildings, our vehicles, and our equipment. We have increased these line items in anticipation of needed maintenance and repairs on our aging facilities and apparatus.

Following that is the Fire Prevention & Public Education program. This program involves plans review, business inspections, home hardening interface inspections, school programs, open houses, and classes for the public. Most of the expenses are for educational materials that we distribute to the public and program management.

Lastly is the program for External Training, which as mentioned under income, is for supplies and instructors for classes we provide to personnel other than our own.

### **Small Equipment and Capital Outlay**

Purchases of equipment that is non-disposable requiring depreciation, are funded under “small equipment”. We have line items for vehicles & equipment, building equipment, EMS equipment, EMS training equipment, fire suppression equipment, fire training equipment, rescue equipment, safety equipment, communications equipment, shop equipment, office equipment, emergency management equipment, and external training equipment.

With the purchase of the surrounding property at Station 109 on Spencer Creek this last year we will be dedicating additional funds toward development of infrastructure such as water from well to station and sanitary service.

Earlier this year we submitted, in a second attempt, an AFG Grant application to replace all the self-contained breathing apparatus (SCBA) across the district. This grant if awarded will be approximately \$1,000,000 in new SCBA packs, masks and bottles. Successful acquisition of this grant would require a 10% match of District funds.

### **Debt Service**

Debt Service constitutes any outstanding loan payments and interest. Currently we have (1), the Banner Equipment loan to purchase a new medic unit and other associated equipment, both EMS and Fire. The Government Capital loan which upgraded and replaced our server system and multiple work stations was paid in full during the 2023-2024 budget cycle.

### **Special Payments**

The repayment of the Tax Anticipation Note with interest is demonstrated here.

### **Transfer Funds**

There will be a transfer to a newly established special fund in this fiscal cycle. Reestablishing special funds has been a primary goal of the finance committee's plan for future viability.

### **Contingency**

The contingency fund is used to cover any unforeseen events within the budget.

### **Unappropriated Ending Fund Balance**

The purpose of a UEFB is to provide funds for the District to operate for the time period beginning July 1<sup>st</sup> of each year until mid-November when the tax revenues start coming to us from the Lane County Tax Collector. We are working to increase this line item each year to improve our cash flow situation.

### **Special Funds**

The District will establish a Capital Reserve Sinking Fund in the 2024-2025 budget cycle. This fund is created for the purpose of accumulating money for significant capital purchases, to include buildings, grounds, facilities and equipment and shall be funded through transfers from the General Fund.

SCFD retains their own reserve fund within their budget.

### **Conclusion**

In conclusion, the budgets and subsequent support documents for fiscal year 2024-2025 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  
Lane Fire Authority