

**NEHALEM BAY FIRE AND RESCUE DISTRICT
BUDGET COMMITTEE MEETING MINUTES**

Thursday April 21, 2022

Committee members met in person at Station 13. Members of the public were invited to attend in person or via Zoom Meeting ID: 873 4112 7922 Passcode: 497939; Zoom audio only (253) 215-8782.

I. CALL TO ORDER

Board President John Handler called the meeting to order at 3:00 p.m. Present were budget committee members Meadow Davis, Linda Kozlowski, Dan Carroll, Jim Neilson, Lance Stockton, Mike Sims, John Steele, Bob Forster, and Charles Bridge. Also present were Chris Beswick, Fire Chief and Budget Officer and Kristen Coyle, Executive Assistant. There were no members of the public present.

II. ELECTION OF CHAIR

Handler asked if any committee members would like to be Budget Committee Chairperson; none volunteered. Handler appointed Mike Sims to be Budget Committee Chair.

III. BUDGET MESSAGE PRESENTATION BY BUDGET OFFICER

Beswick asked if any member would like for him to read the budget message contained in the detailed budget.

There was consensus to forgo having Beswick read the budget message. Sims asked if anyone did not have a copy of the detailed budget in front of them; all affirmed they did. Beswick asked if any members of the public were on Zoom; Coyle noted there were none present.

IV. OVERVIEW OF BUDGET BY THE BUDGET COMMITTEE

Chair Sims allowed Beswick to lead the committee through the budget.

Beswick began by reviewing the Revenues for the General Fund. He explained the assumptions for the tax revenues. He then explained the miscellaneous income items; he noted that there is no budget for Wildfire Response Reimbursement. Staff responded to committee question regarding the current year's Wildfire Reimbursement: \$76.6k. Beswick pointed out that there is a budgeted amount for Proceeds from Financing; that represented the lease/purchase of a new engine that was included in the FY 21-22 Budget but due to manufacturer supply chain issues, will not be delivered until the next fiscal year.

Beswick then reviewed the appropriation for Personnel Services. He noted the compensation for full-time employees included a 7.0% COLA increase based upon CPI information available at the time the budget was prepared. He noted an increase for volunteer reimbursement as well as the

budgeted amount for the new Employee Vacation Buy-back Program. He also explained items included in health benefits and payroll taxes. Carroll asked for information regarding the district paying into both PERS and Social Security. Beswick affirmed that in Oregon, employers pay into both PERS and Social Security for employees; he indicated that was not the case in AZ where he spent his career prior to his employment with the District. Handler elaborated by indicating the State allows for the district to offer another pension plan in lieu of PERS; however, its benefits must be the same or exceed PERS provisions. Beswick ended his review of Personnel Services by noting that due to the uncertainty of various items such as need for staff overtime, volunteer numbers, etc., there is a \$20k contingency within the appropriation; in the past this amount was \$10K. The increase is due to uncertainty with inflation.

Beswick then moved into the Material and Services appropriation and the account details within that category. Beswick noted that it is not assumed that all 5 board members will attend director annual director conferences. Handler elaborated stating the two members of the board also serve on the board of another local agency, thus allowing for attendance cost sharing. Carroll asked how the personnel training budget compares to the current year's budget. Coyle provided with the current year's budget of \$27,380; she also pointed out the historical annual actual and budgeted amounts for each General Fund component and accounts are provided on Section 3-6 of the detailed budget.

Beswick pointed out that the proposed Occupational Safety budget continues a \$12.5 provision for a full NFPA 1582 physical for each employee and volunteer; members can voluntarily participate. Beswick indicated he will research grants which may cover this expenditure. He also pointed out the PPE budget includes a large amount for turnouts; he explained industry regulations require turnout replacement every 10 years regardless of the amount of use. The budget contains \$21,110 for turnouts; \$6,110 of this are for sets order this current year but are backordered until FY 22-23. He will look for grant opportunities to cover the 5 new sets to be ordered in FY 22-23.

Beswick highlighted the budget account for EMS Supplies. He explained historically the ambulance service provided the district with most supplies; however, that is no longer the case. Kozlowski asked why the ambulance service discontinued the practice. Handler explained that it is a new policy for Adventist throughout the nation.

After presenting the Human Resource budget, Beswick responded to Bridge's inquiry regarding pre-employment/volunteer background checks and Steele's inquiry concerning the EAP program. After presenting the communications budget, Beswick provided information regarding the state of the phone system and the need for land lines in the event of an emergency.

After presenting the fuel budget, Beswick responded to Carroll's questions regarding the Station 13 Generator. Handler explained that the State of Oregon has announced a grant program for resiliency projects; he and Beswick are working on scoping a Solar Panel project that would qualify for the program. This will eliminate the reliance on the generator in the event of a multi-day outage. Beswick noted the generator alone would provide backup power for only 2-3 days at full power and a week, best case, with limited usage.

After reviewing the Building Maintenance budget, Beswick responded to Bridge's inquiry regarding budgeted shutters and the necessity to create a privacy divide between the kitchen and the training room. He also elaborated on the necessity to replace EOC room and training room tables & chairs. After reviewing the Vehicle Maintenance & Repair budget, Beswick elaborated on the rationale for apparatus re-numbering. Beswick reviewed the budget detail for the remaining expense accounts within the Materials & Services appropriation.

Beswick then moved onto the Capital Expenditure appropriation within the General Budget. He noted the \$325,700 budget is for the new engine that is in the FY 21-22 Budget but will not be delivered until FY 22-23. He responded to Carroll's question regarding apparatus useful lives. Per Steele's request, Beswick elaborated on the capacities of the new engine, and he explained it can be deployed on both structure fires and wildfires. Carroll inquired as to the value of the engine to be replaced; Beswick estimated it could command up to \$30,000. Handler noted there have been donation requests from other districts. Beswick clarified the engine would first be offered for sale prior to any donation consideration. In response to Davis's inquiry regarding the engine delivery date, Beswick noted the original deliver date was for April 2022; the manufacturer indicated that the engine would not be available before July 1 due to supply chain issues. Beswick noted the chassis has already been purchased and delivered to the manufacturer.

Beswick noted the \$71,576 budget within General Fund - Debt Services is the first of seven annual payments for the new engine. Beswick reviewed the General Fund transfers to the Construction Reserve fund and the Equipment replacement fund, the budgeted contingency amount, and the unappropriated ending General Fund Balance.

Coyle pointed out that Beswick's review was for the General Fund; page 3-10 of the detailed budget contains the activity for the Reserve Funds. She pointed out that the Equipment Replacement fund has a \$100,000 budgeted expenditure to replace the District's beach rescue apparatus. Beswick elaborated on the necessity to replace the 1996 cargo van, including safety and aging mechanical aspects. Once a replacement has been placed in service, the old van will be sold.

Steele discussed the need for a healthy ending fund balance to cover expenditures between the Fiscal Year commencement on July 1st and receipt of tax revenues during November. It was noted that the current year's beginning fund balance was used for an early payoff of the District's bonds, thus saving over \$700,000 in interest expense. Beswick noted that a press release was issued regarding the payoff. The feedback he received was mainly positive; he noted some people have inquired about reducing the tax rate. Handler noted that with the bonds paid off, he believes the District must build up its reserve funds. Steele pointed out that the personnel costs have increased since the district's formation; at the time the rate was set there were 2.5 FTE; there are now 5.0 FTE. The increasing need for FTE personnel was not considered when the rate (\$1.15/\$1,000) was established. Handler noted that he performed an analysis of the District's tax rate compared to the 7 other fire protection districts assessing within Tillamook County. The analysis was handed out; NBFRD's rate is #4 out of 8. Beswick noted the District is #2 of the 8 in call volume. Coyle noted that no other districts on the analysis provide the level of service of NBFRD which includes staff paramedics, a water rescue team, and a rope rescue team in addition to Fire Suppression. Kozlowski noted that the community appreciates the level of EMS service the district provides.

Beswick noted that approximately 60% of the call volume is strictly medical. Carroll asked if the demographics of the district play a role in that volume; Beswick affirmed it does. He indicated the median age within the District is 57 years; he cited the national average to approximate 35-36 years. Beswick noted the call volume his former department in Arizona was 95% medical. He noted that he is proud of the service the District provides to the community, and he is appreciative of the Board's and the Budget Committee's support. Carroll asked why the beginning General Fund Balance Budget for FY 22-23 was some much lower than the past; Beswick replied it is due to the bond pay off during the current fiscal year.

Sims asked the Committee for any final questions/comments. Kozlowski commended Beswick for the budget; she believes it is very straight forward.

V. PUBLIC COMMENT ON 2022-2023 PROPOSED BUDGET

There were no members of the public present in person or on-line to comment.

VI. APPROVAL OF BUDGET

Chair Sims asked if there was a motion to approve the budget as presented.

Handler motioned to approve the budget as presented. Bridge seconded. Chair Sims called for the question; motion passed unanimously.

VII. APPROVAL OF THE TAX LEVY RATE

Chair Sims asked for a motion to approve the tax ley rate at \$1.15 / \$1,000.

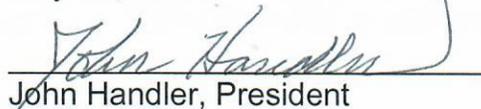
Handler motioned to approve the tax rate at \$1.15 / \$1,000. Kozlowski seconded. Chair Sims called for the question; motion passed unanimously.

VIII. ADJOURNMENT

Chair Sims asked for a motion to adjourn the meeting.

Forester motioned to end the meeting; Davis seconded. Chair called for the question; motion passed unanimously. The meeting was adjourned at 4:11 p.m.

MINUTES APPROVED BY BOARD
May 12, 2022



John Handler, President

ATTEST: 

Charles Bridge, Secretary