



**NEHALEM BAY FIRE & RESCUE DISTRICT
BUDGET MESSAGE
FISCAL YEAR 2023-24**

Budget Committee:

I am pleased to present to you the proposed budget for the operation of the Nehalem Bay Fire & Rescue District for fiscal year 2023-24. I have done my best to estimate and forecast the revenues and expenditures needed for providing the professional fire, rescue, and EMS services that our community expects and deserves.

The fire district uses the integrative budget format, supplemented with detailed descriptions and explanations of the proposed expenditures. The integrative budget is a program budget process which yields a final line-item format. Detailed descriptions are included to clarify the programs provided by the district. This format is conducive to the monitoring of spending throughout the year, and it has been well-received by the board and the budget committee in past budget processes. The goal is to create a management tool which will allow the budget committee an opportunity to have a complete understanding of the financial picture of the organization.

The budget document is divided into eight sections; the first contains the district profile. The second section contains the budget message and policies relating to the budget process. The third section contains a series of schedules and summaries showing a detailed breakdown of the different funds. The fourth section contains the various personnel related line-item justifications. The fifth section describes materials and services. The sixth section contains capital outlay, inter-fund transfers, contingencies, and ending fund balances. The seventh section contains other requirements, and the last section contains a glossary of terms that may be used in the budget document.

TAXATION

Nehalem Bay Fire and Rescue District has a fixed property tax rate (\$1.15 per \$1,000 of assessed value), and we can forecast the amount expected to be received by ad valorem taxes. This budget document has been prepared based on a three percent (3.0%) increase over last year's values. The 3.0% increase is the maximum increase allowed by Measure 50.

PERSONNEL SERVICES

The District employs a full-time fire chief, executive assistant, division chief, captain, and lieutenant. The District continues to struggle with maintaining an adequate number of volunteer firefighters; this is a national trend, but it is especially challenging for us due to our local demographics, geographic location, and absence of large economic industry in the area. The District pays volunteers a stipend per call and per training session. The stipend ranges from \$8.00 for a recruit up to \$16.00 for the Assistant Chief position, plus EMS certification bonuses ranging from \$1 for EMR up to \$4 for paramedic. Volunteers can also earn an additional \$25 stipend for each 12-hour duty shift they commit to covering. The recruitment and retention of volunteers remains a high priority for the District and is reflected in this budget with the introduction of a new program called LOSAP (Length Of Service Awards Program).

MATERIALS AND SERVICES

This section reflects the cost for actual operations of the district. It includes training, supplies, utilities, small equipment purchases, required equipment testing, fuel costs, etc. There is high priority on funding for training and education, to ensure our existing members are trained, ready, and well-equipped to do the job to the best of their ability. Supplies, equipment, and fuel continue to increase due to high inflation.

CAPITAL OUTLAY AND TRANSFERS

Our capital outlay account will fluctuate from year to year depending upon our specific needs. This section of the budget will include major equipment or apparatus purchases that are tracked as capital assets. This budget allows for transfers from the General Fund to the Equipment Replacement and Construction Reserve Funds. These funds will grow over time and allow for timely replacement of equipment. The transfers scheduled for this budget year are higher than in past years, as we anticipate the purchase of a new beach rescue vehicle and the addition of solar panels to Station 13.

DEBT SERVICE

The District issued bonds to finance construction of both fire stations. In the past, the bond payments were paid for out of the Debt Service section of the budget. With the full payoff of the bonds during FY 2021-22, the Debt Service section has been converted to reflect the lease/purchase payment schedule for the new Rosenbauer Timberwolf Type III fire engine.

ENDING FUND BALANCE

Board policy requires the District to have an unassigned minimum fund balance of at least 15% of the General Fund Expenditures. These revenues support District operations from the beginning of the fiscal year July 1 to mid-November when tax revenues are received. These funds are also available for economic uncertainties and are carried over year-to-year. This fiscal

year, I am assigning 34% of the General Fund Expenditures to the minimum fund balance to build up reserves.

SUMMARY

The proposed budget meets federal and state mandates, as well as local obligations. Further, this budget will allow the District to maintain its current levels of service. Since the formation of the District, we have placed a high priority on equipment replacement. Replacing the beach rescue vehicle will get the District fully on the Board-approved replacement schedule as noted in Section 3. Due to the high inflation levels experienced in 2021, 2022 and 2023, staff will receive an 8.7% cost-of-living increase in FY 2023-24. In addition, allowances have been made for increased costs and contingency funds have been increased.

In closing, this is a balanced and responsible budget. It allows us to provide the excellent service levels that our community expects and deserves, in a fiscally responsible manner.

I look forward to meeting with the Budget Committee and discussing this budget in greater detail.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Frank Knight III", followed by a horizontal line and a small flourish.

Frank Knight III, Interim Fire Chief
Nehalem Bay Fire and Rescue District