

# Clackamas Fire District #1



(These minutes are unofficial until acted upon by the Board of Directors.)

**BUDGET COMMITTEE MEETING**  
**May 12, 2011**

**(This meeting was recorded.)**

## **MEETING TO ORDER**

Call to Order per ORS 192.610 to 192.710  
ORS 192.650 – The meeting is being recorded.  
ORS 197.710 – Smoking is banned during the meeting.

Board of Directors' Chairperson Don Trotter called the Budget Committee meeting to order at 6:00 p.m. He thanked everyone for coming to the meeting.

**PRESENT:** Budget Committee members Director Toby Forsberg, Director Thomas Joseph, Dave McTeague, Director Don Trotter, Director Marilyn Wall, Charles Kidwall, Tim Powell, Nancy Thornton, Rob Wheeler; Chief Ed Kirchhofer; Deputy Chief Fred Charlton; Deputy Chief Jim Syring; Executive Officer Kyle Gorman; Finance Director Susan McSperitt; Administrative Accounting Technician Xiomara Figueroa; and Executive Assistant Karen Strejc. Budget Committee member Mary Olson was absent.

## **ROLL CALL/INTRODUCTIONS**

Board of Directors' Chairperson Don Trotter welcomed everyone and thanked them for attending the meeting.

Roll call was taken. Introductions were made by the Budget Committee members and staff.

## **ELECTION OF BUDGET COMMITTEE OFFICERS**

Board of Directors' Chairperson Trotter asked for nominations for the position of Budget Committee Chairperson.

**Marilyn Wall moved and Toby Forsberg seconded the motion to nominate Tim Powell for the position of Budget Committee Chairperson. The motion passed unanimously.**

Budget Committee Chairperson Tim Powell took over chairing the meeting.

Budget Committee Chairperson Powell asked for nominations for the position of Budget Committee Recording Secretary.

**Marilyn Wall moved and Don Trotter seconded the motion to nominate Rob Wheeler for the position of Budget Committee Recording Secretary. The motion passed unanimously.**

## **BUDGET INTRODUCTION**

Chief Kirchhofer thanked the Budget Committee for attending the meeting. He explained that their public participation was important for credibility in the community. He appreciated their participation.

Chief Kirchhofer shared that the budget represents changes from other years. It is a conservative approach to assembling a budget during challenging times. He is hopeful that the Budget Committee will agree with the priorities set.

Chief Kirchhofer introduced Administrative Accounting Technician Xiomara Figueroa who would be presenting part of the budget message with Finance Director McSperitt.

## **OVERVIEW OF CURRENT YEAR'S ACTIVITIES – FISCAL 2010**

Xiomara welcomed everyone and thanked them for attending the meeting.

Finance Director McSperitt explained that two inserts were distributed prior to the meeting. One was the organizational chart that was to be placed in the front of Section 4 of their budget books. The second insert was a corrected version of Section 8 – Special Funds.

Xiomara thanked Budget Committee Members Nancy Thornton and Rob Wheeler for agreeing to another three-year term on the Budget Committee. She explained that Director Thomas Joseph took former Director Jim Doane's place on the Committee due to the resignation of Director Doane from the Fire District's Board of Directors. A quorum was present, as only six out of 10 members are needed to pass the budget.

Xiomara explained that the purpose of the meeting was to receive the budget and budget message, provide an opportunity for the public to ask questions and provide input, to act on staff's request to approve the budget and tax rate of \$2.4012 and the levy for bonded debt of \$918,895.

The Fire District had many highlights during Fiscal 2010.

1. The District completed its reaccreditation process and was re-accredited for another five years.
2. The District completed the update of its Strategic Business Plan. This is a living document and will be continually updated.
3. The Clarkes Fire Station was demolished and rebuilt during Fiscal 2009. It was opened at the beginning of Fiscal 2010.
4. The District purchased land north of the Training Center.
5. The Logistics Division was moved into the newly purchased property on the north end of the Training Center.
6. Clackamas County is proposing to institute a Tax Increment Financing District (TIF) along the McLoughlin Corridor. The estimated loss of revenue to the District is \$42 million, but it could be much more. The District will continue to monitor this proposal. EO Gorman is attending the McLoughlin Area Plan (MAP) meetings. The Clackamas Town Center TIF will end June 30, 2013 and the revenue from this area will be available to the District beginning in Fiscal 2013.

7. Health insurance coverage changed for the Fire District as it went to a partially self-funded plan as of May 1, 2010. The financial results are still pending, as all claims have not yet been paid. The anticipation is that this plan will provide savings for the District. The Budget Committee will be updated as information becomes available.
8. In June 2010, the District was able to refund its 2001 series bonds debt and will be able to save \$190,712 over the remaining life of the bonds.

During the 2010 calendar year, the District responded to 15,408 requests for emergency service. EMS calls rose during 2010. The reason could be due to the economy with citizens calling 9-1-1 for medical help instead of going to a doctor's office. The District conducted 3,002 fire inspections. The District reviewed 215 building plans. Staff worked in the community providing safety presentations. Training activities included using CentreLearn, an on-line training program, for training drills.

Finance Director McSperitt reviewed the financial statement for the month of April 2011. She explained that the general fund report shows that 93.8 percent of the taxes have been collected and it is expected that about 94 percent of the taxes will be collected, which is more than the 92.7 percent budgeted. The District has \$342,000 more in revenue than expected.

Finance Director McSperitt reported that the personnel services budget is trending under by .66 percent, which is \$176,000. There is a spike in the operational replacement costs. The increase in injuries this year has affected the personnel service fund. There are no floaters in the floater pool. There are fewer District employees due to attrition and injuries.

Finance Director McSperitt reported on the purchases and updates of vehicles made with equipment reserve funds.

1. The District has received the engine ordered last year.
2. The District has ordered and paid for a cab and chassis for one new fire engine that will be delivered next fiscal year.
3. The District has purchased one new battalion chief vehicle.
4. Two F550 trucks were converted into a brush unit and a squad unit.
5. Two staff trucks were replaced – one in Fire Prevention and one in Logistics.

Originally, staff had planned to purchase a rescue boat, but upon re-evaluation of the needs of the District, the decision was made to convert the F550 trucks into the brush unit and squad. The boat is in the budget for Fiscal 2011.

Finance Director McSperitt reported that in the capital project fund, the third payment has been made to the City of Oregon City for the purchase of the South End Fire Station. Monthly payments have been made on the contract for the purchase of the property to the north of the Training Center. The Clarkes Fire Station rebuilding project was completed and the installation of the sprinkler system at Station 16 was begun.

The funds collected in the training enterprise fund were for training personnel from other agencies. These funds were used to purchase a utility trailer and a training utility vehicle to tow the trailer around on the training grounds.

The debt service fund shows a transfer of funds into it for the PERS rate increase for the next fiscal year. Of these funds, \$650,000 will be used in the next fiscal year to off-set the increases.

Xiomara explained the budget challenges the District would be facing during Fiscal 2011.

1. There is a slow growth in assessed values.
2. The District has three tax increment finance (TIF) districts in its area. The Clackamas Town Center TIF removes \$1.41 million from the District, but ends as of June 20, 2013. The North Clackamas Revitalization Area removes \$173,000 and the Oregon City TIF removes \$262,000 from the District for a total of \$1,846,000. The McLoughlin Area Plan, if approved, will potentially affect the District's ability to provide services.
3. The District has an aggressive apparatus replacement plan due to the age of the volunteer and reserve apparatus.

### **PRESENTATION AND DISCUSSION OF PROPOSED FISCAL 2011 BUDGET**

Finance Director McSperitt explained that of the District's resources, 97.42 percent are primarily received through property taxes. When there is an economic downturn, the District is greatly affected by it.

### **CHANGES FOR FISCAL 2011**

The personnel services category will increase by 6.93 percent. Over 50 percent of the increase is due to the PERS cost increase. The increase will cover the budgeted step increases. A nine person academy will begin in January to cover attrition hires. The District did not budget for an academy during Fiscal 2010. Logistics will increase to two full-time employees, which includes the Logistics manager and a full-time driver. Also, a Logistics assistant will be added at the Logistics warehouse. To date, a Local 1159 contract has not been finalized. Any changes to the budget due to a negotiated Union contract may require a supplemental budget.

The materials and service category will increase by 3.21 percent. Chief Kirchhofer explained that the major areas of increase are due to the increase in fleet services and dispatch costs. The fleet maintenance service increase is the main reason for the increase. Discussion followed.

Capital outlay has an overall decrease of 2.78 percent, which is \$15,000. The strategy for this is to maintain the current assets as much as possible. Chief Kirchhofer explained that even with difficult economic times, the District is still able to invest in hard goods for the future by maintaining its infrastructure and its fleet.

Contingency and transfers make up 2.5 percent of the general fund budget. A transfer of \$705,000 will go to the equipment reserve fund and \$300,000 will go to the capital projects fund. A transfer will be made out of the PERS fund into the general fund to help fund PERS increases.

### **LONG RANGE FINANCIAL PLAN**

The Long Range Financial Plan was developed during Fiscal 2010. It reviews five years of historical data, current year data, proposed and projected data out to Fiscal Year 2015-16. It is a living document that will continually be updated and provides for researching other ways to collect/raise money for expenditures. This plan will help staff and the Board plan for the District's future.

Director Trotter shared that staff did a great job and a detailed job of analyzing the budget. This is the reason the District is able to maintain the current ending fund balance.

Chief Kirchhofer explained that the District was able to maintain staffing and the current service level. There will be no brownout of fire stations, quality service will be maintained throughout the District and there will be no furlough days.

#### **GENERAL DISCUSSION**

Budget Committee Member Powell inquired about the expansion of the Volunteer Program and if it was beneficial. DC Syring shared that many resources and time have been invested into the program. There are two stations, Clarkes and Logan, which are now staffed by volunteers on duty shifts. The District is partnering with Boring Fire District for a joint volunteer program. This grew from a joint volunteer program to the potential for partnering with other shared services such as the IT Division, Wellness and Civil Service. A presentation of this proposed joint venture has been presented to the Boring Board and approved. It will be presented to Clackamas Fire District #1' Board on May 16. Chief Kirchhofer shared that there is a lot of energy in the Volunteer Program. The volunteers are very active in the community.

#### **PUBLIC COMMENT**

None

#### **SCHEDULE FURTHER MEETINGS**

No further meetings will be necessary.

#### **RECOMMENDATIONS**

Finance Director McSperitt shared that staff requests approval of the proposed budget and the permanent tax rate of \$2.4012. Staff also requests approval of the levy for bonded debt of \$918,895.


**Budget Committee Member Charles Kidwall moved and Budget Committee Member Rob Wheeler seconded the motion to approve the proposed budget and the permanent tax rate of \$2.4012. The motion passed unanimously.**

**Budget Committee Member Rob Wheeler moved and Budget Committee Member Nancy Thornton seconded the motion to approve the levy for bonded debt of \$918,895. The motion passed unanimously.**

#### **ADJOURN**

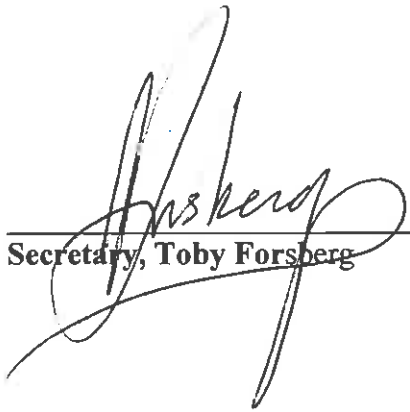
The meeting was adjourned at 8:11 p.m.

Karen Strejc  
Executive Assistant

Approved by:   
Recording Secretary, Rob Wheeler

Accepted by:

  
Chairperson, Don Trotter

  
Secretary, Toby Forsberg