**DEPOE BAY RURAL FIRE PROTECTION DISTRICT**

**Budget Committee Meeting Minutes**

**Monday, May 9, 2023, at 10 a.m.**

**Depoe Bay City Hall**

**1. Meeting Called to Order**

 Board President Paul Erskine called the Budget Meeting to order at 10:09 am and all

 present recited the pledge of allegiance. Roll call was taken to establish a quorum was

 present.

**2. ROLL CALL by Administrative Assistant, Lynn Johnson:**Present: Board Members:

Paul Erskine, President

Richard Krolak, Vice President

Janel Gifford, Secretary-Treasurer

Bob Batty, Director

` Kathy Lebeuf, Director

DBFD Staff:

Bryan Daniels, Fire Chief

Tom Jackson, Division Chief

Lynn Johnson, Administrative Assistant

Patrick Ganz, Captain

Andrew Larson, Engineer

Alex Nelson, Firefighter

 Logan Richards, Firefighter

Budget Committee Members:

Colleen Hartel

David Lantto

Bill Hanson

 Dylan Smith

 A quorum was established.

**3. ELECTION OF BUDGET CHAIR for 2023-2024 FISCAL YEAR**

Director Bob Batty made a motion to nominate Treasurer Janel Gifford for Budget Chair and

Dylan Smith seconded the motion. With no further discussion, the motion passed unanimously.

  **4. BUDGET OFFICER’S MESSAGE**

President Erskine advised next will be the Budget Officers message by Chief Daniels. Chief

Daniels noted that some documents had minor changes and briefly went over those changes,

noting that some items were amended, and some changes were just cleaning things up

and offered additional explanation, adding there were no changes to the budget.

Chief Daniels then read the Budget Message (*Inserted here for reference*):

**DEPOE BAY FIRE DISTRICT**

**FISCAL YEAR 2023/2024 OPERATING BUDGET**

As your CEO, Budget Officer, and Fire Chief, my annual priority with the district’s funds is to be fiscally responsible for the revenues we receive from the taxpayers. This year, the mission is of paramount importance. We have projected increases in almost every line item in the operating budget due to inflation, supply chain issues, demand for higher premiums, and increased personnel costs. The Board of Directors requested a two-year projection in addition to the FY23/24 budget I am presenting to you for consideration. I have been tasked with balancing the budget.

Over the span of two months, I was joined by Vice President Richard Krolak, Treasurer Janel Gifford, Director Kathy Lebeuf, Division Chief Tom Jackson, and Administrative Assistant Lynn Johnson in developing this plan. We developed a budget which balances revenues versus expenses through 2025/2026. As a result of several separate meetings and a special board workshop, this product is quite possibly the most collaborative and in-depth financial planning document in the Fire District’s history.

 With well over 200 hours dedicated to the effort, a three-year, multi-scenario budget and forecast were produced to allow the most accurate picture of where we are financially and where we need to go considering levy renewals, personnel, and capital improvements.

 Many assumptions were placed into the overall result of the budget and the projections you will review. Revenues from property taxes remain relatively stable, and the updated estimates come directly from the Lincoln County Tax Assessor. We are also assuming a continuance, not an increase, of the local option levy for FY25/26.

 As with most public agencies, personnel services comprise over 80% of our operating expenses. Increases in medical premiums this year by 4%, followed by an anticipated 6% next year, in addition to PERS increases for FY23/24 and FY24/25, give us a solid foundation to project personnel costs. We expect PERS contributions to increase by at least an additional 2% during FY25/26. While labor negotiations are underway, the Board of Directors has guaranteed annual step increases plus the continuation of incentives, generous contributions to employee benefits, and maintaining a staffing level of four personnel per shift.

In March of 2023, the District’s SAFER funding expired. During the prior two fiscal years, we were unsuccessful in renewing grant funding through the Assistance to Firefighters Grant Program. However, we successfully obtained $35,000 from the Office of the State Fire Marshal (OSFM) as part of the Response Ready Oregon initiative. These dollars allowed us to offset staffing costs during the summer season and enhanced the district’s capabilities during a Red Flag event.

This April, we were awarded a new Type 6 Fire Engine from the OSFM through a competitive grant process. The OSFM almost entirely absorbs the cost of this unit and replaces the old Type 6 engine we retired from service last year. The cost savings to the district with this award are well over $150K. We continue to pursue grant funding through all available mechanisms; however, grant funding has become highly competitive over the past few years, especially for Special Districts.

A budget is a moral document. It is also a strategic one. The investments made through this budget represent commitments to the district we have inherited, to the district we will shape in the years ahead, and to the agency we aspire to be in the years to come. Our priorities and commitments remain the same as the previous few years, serving the community by delivering highly reliable services.

 I am pleased to present to you a balanced, well planned, collaborative budget.

Sincerely,



Bryan T. Daniels

Fire Chief

**5. 2023-2024 BUDGET AND DISCUSSION**

After delivering the Budget Message Chief Daniels began by going over the budget revenues

with the committee, explaining our revenue only includes tax revenue and reimbursements.

He continued by noting we are not applying for any loans, we have no slated grant income,

and other income includes bank interest, donations, and address sign purchases. Chief Daniels

continued by going over line items and accounts. During this process questions and

discussion by budget committee members, and answers and clarification from Chief Daniels

and Division Chief Jackson, and board members occurred, as well as expansion and

explanation. This included an in-depth discussion on the need for a new water tender and

starting that process to include a motion and adoption of a supplemental budget in the

near future. At the end of this discussion President Erskine asked for a motion, and Rich Krolak

made a motion: however, Budget Committee member Bill Hanson questioned the motion from

a Budget Committee perspective, and after discussion it was decided the motion would instead

be made in the regular board meeting under items not on the agenda, so was tabled at this

meeting.

Rich questioned at this point how we bring this meeting to closure and move toward the

approval of the budget.

**6. MOTION FOR APPROVAL OF BUDGET**

Budget Chair Janel Gifford advised what we do to end this meeting is agree that the

budget you see in your binders stands as is, and made the following motions:

Motion for approval of FY 2023-2024 budget as presented at the rate of $.8323 per $1000 of

assessed value for operating purposes. **(See Motion #1)** and another Motion for approval of FY

2023-2024 voter approved general operating local option levy as presented at the rate of $1.09

per $1000 of assessment **(See Motion #2)**

**7. ADDITIONAL DISCUSSION**

Bill Hanson asked if we did not approve what does that do? Do we go back to the

blackboard with changes and then do this again in the future? Janel Gifford responded

that we could have a second budget meeting if there was something that was left out of the

2023-2024 budget that was approved. Bill stated “I guess from my perspective the thing that

bothers me the most about the budget is the idea that there are zero COLAs,” adding

realistically, he does not see how that is possible and feels uncomfortable with doing a

budget that does not have a realistic personnel cost. A discussion ensued around the topic and

the possibility/process of having a second budget committee meeting. Budget Committee

member Dylan Smith agreed that seeing no COLAs concerns him as well. Janel explained “that it

was decided that it is critical to fund apparatus and equipment since we have spent quite a bit

of money repairing our engines and vehicles. It does no good to give COLAs if there are not

engines and vehicles to provide service.” Committee member David Lantto stated a budget is

really your best estimation of what you think is going to happen at a point and time, so you take

a look at what is presented in front of you and if it is a reasonable estimate of what might

happen, then I would tend to vote for it even knowing that probably 90% of numbers in this

budget is going to be exceeded or fall short when you get to the actual outcome; so, with that

in mind I would move forward and vote on it and maybe we will not have unanimous approval.

The discussion continued amongst the committee and included discussion on passing a serial

levy, personnel step increases, COLAs, and the collective bargaining agreement/contract

negotiations. At the end of the discussion Janel said, So the question is at this snapshot in time

right now, is this enough to pass the budget and move forward? Bill Hansen said if the way that

the budgetary assumptions are built in here regarding personnel are rational to the board and

the committee in terms of the general budget then he is okay with it. The conversation

continued for a few minutes more, and after there we no further questions or discussion the

committee voted on the above-mentioned motions. Both motions were carried unanimously.

The meeting adjourned at 12:14 pm.

**Motion # 1** **and Voting Record:**

Date: May 9, 2023

|  |  |  |  |
| --- | --- | --- | --- |
| Motion Made By: |  | Motion Seconded By: |  |
|  | Robert Batty |  | Robert Batty  |
|  | Paul Erskine |  | Paul Erskine |
|  | Richard Krolak |  | Richard Krolak |
| X | Janel Gifford |  | Janel Gifford |
|  | Kathy Lebeuf |  | Kathy Lebeuf |
|  | David Lantto |  | David Lantto  |
|  | Bill Hanson | X | Bill Hanson |
|  | Colleen Hartel |  | Colleen Hartel |
|  | Dylan Smith |  | Dylan Smith |

**MOTION #1**: Motion for approval of FY 2023-2024 budget as presented at the rate of $.8323

per $1000 of assessed value for operating purposes.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  FOR |  AGAINST | ABSTAINED |  COMMENTS |
| Paul Erskine | X |  |  |  |
| Richard Krolak | X |  |  |  |
| Janel Gifford | X |  |  |  |
| Robert Batty | X |  |  |  |
| Kathy Lebeuf | X |  |  |  |
| David Lantto | X |  |  |  |
| Bill Hanson | X |  |  |  |
| Colleen Hartel | X |  |  |  |
| Dylan Smith | X |  |  |  |

 RESULTS

|  |  |
| --- | --- |
| PASSED  |  FAILED |
| X |   |

**Motion # 2** **and Voting Record:**

Date: May 9, 2023

|  |  |  |  |
| --- | --- | --- | --- |
| Motion Made By: |  | Motion Seconded By: |  |
|  | Robert Batty |  | Robert Batty  |
|  | Paul Erskine |  | Paul Erskine |
|  | Richard Krolak |  | Richard Krolak |
| X | Janel Gifford |  | Janel Gifford |
|  | Kathy Lebeuf |  | Kathy Lebeuf |
|  | David Lantto |  | David Lantto  |
|  | Bill Hanson | X | Bill Hanson |
|  | Colleen Hartel |  | Colleen Hartel |
|  | Dylan Smith |  | Dylan Smith |

**MOTION #2**: Motion for approval of FY 2023-2024 voter approved general operating local

option levy as presented at the rate of $1.09 per $1000 of assessment

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  FOR |  AGAINST | ABSTAINED |  COMMENTS |
| Paul Erskine | X |  |  |  |
| Richard Krolak | X |  |  |  |
| Janel Gifford | X |  |  |  |
| Robert Batty | X |  |  |  |
| Kathy Lebeuf | X |  |  |  |
| David Lantto | X |  |  |  |
| Bill Hanson | X |  |  |  |
| Colleen Hartel | X |  |  |  |
| Dylan Smith | X |  |  |  |