



# BLACK BUTTE RANCH R.F.P.D.

## BUDGET COMMITTEE MEETING

May 4, 2021

*Due to the COVID-19 pandemic this meeting was done by teleconference. Information for this meeting was as follow: [https://zoom.us/s/99056384705](https://zoom.us/j/99056384705) phone: United States: +1 346 248 7799 or +1 669 900 6833 or +1 253 215 8782 or +1 312 626 6799 or +1 929 205 6099 or +1 301 715 8592 Meeting ID: 990 5638 4705, Passcode: 666114*

*Rodger Gabrielson called the Budget Committee Meeting to order at 09:07 a.m.*

### **Board of Directors:**

- ✓ Rodger Gabrielson
- ✓ Dave Gibson
- ✓ Tom Sawyer
- ✓ Larry Stuker
- Don Bowler

### **Budget Committee:**

- ✓ Rikki Goede
- ✓ Gary Olson
- ✓ Dave Sullivan
- ✓ Susan Waddell
- ✓ Steve Yates

### **Administration:**

- ✓ Chief Dan Tucker
- ✓ Deputy Chief Dave Phillips
- ✓ Jamie Vohs

### **ELECTION OF BUDGET CHAIR**

**Motion:** Rodger Gabrielson moved to elect Larry Stuker as Budget Chairman, seconded by Tom Sawyer, unanimously passed.

### **BUDGET MESSAGE**

Chief Tucker thanked the Board of Directors and Budget Committee for being an integral part of the 2021/2022 budget process.

Chief briefly went over pages 3-10 of the budget document and highlighted the following:

- Overview of the members:
  - Board of Directors, Budget Committee and District Administration Staff
- Overview of the District:

- Black Butte Ranch RFPD (the District) operates under Oregon Revised Statutes Chapter 478. The board employs the Fire Chief to manage the day-to-day operations of the District.
- The District provides firefighting, emergency medical services to the 3 square mile area of BBR.
- Apparatus of the District consist of: (1) Class A Engine, (1) 75' Ladder Truck, (1) Heavy Brush Engine, (1) Light Brush, (2) ALS Ambulances, (2) Command Vehicles and (2) Utility Vehicles.
- Overview of the organizational chart:
  - Residents of BBR RFPD, Board of Directors, Fire Chief, Administrative Assistant, Deputy Chief, Line Staff
- Overview of the mission and vision of BBR RFPD:
  - Mission statement
  - Values: Being professional, competent, respectful, compassionate and having integrity
- Overview of populations and demographics:
  - BBR has a permanent population of about 300 residents and a destination population that can reach as high as 5000 during peak summer months.
  - BBR RFPD is a small department in Deschutes County along Hwy 20.
  - Driving times from an incident to the nearest hospital can be more than 40 minutes in the winter months.
- Overview of service area:
  - Map provided of service area identifying the Fire District (in red) and ASA (in blue).
- Overview of policies and procedures:
  - The District operates under three policy manuals.
  - This past year many policies were created due to COVID-19.
- Overview of training:
  - The Districts Fire and EMS training is made possible through a mutual interagency coordination agreement with Cloverdale RFPD and Sisters-Camp Sherman Fire District called Northwest Fire Training. The training is scheduled through Target Solutions software.

Chief Tucker gave an overview of the 2021/2022 budget message. Highlights of the budget message:

- The District has limited growth due to the demographics (destination resort community), and few remaining non-developed lots.
- Many of the association owned commercial buildings were removed from the property tax schedule during the FY 2017/18, reducing the District's revenue by about \$22,000 per year.
- Where several fire districts within Deschutes County experienced a combined average growth rate of approximately 4.83% this past year, Black Butte Ranch RFPD only experienced 2.08%, and has averaged only 2.70% per year over the last five years. The proposed budget reflects a conservative 2.70% increase in growth.
- Chief Tucker was very concerned with the direction of the RMV on the graph on page 11. He, along with Don Bowler met with the County Assessor and determined

the uptick of that line will take place in the next year or two. There seems to be a lag in the RMV.

- The District imposed only \$1.56/\$1000 of assessed value but could impose up to \$1.76/\$1000 based on the local option levy. The rate of \$1.56/\$1000 is the same rate that has been imposed over the previous ten years.
- The graph on page 12 – 2019/2020 to 2020/2021 Assessed Value Change – Compared shows local fire districts and their rate of change. Chief Tucker pointed out Redmond Fire at 6.70%, Sisters-Camp Sherman Fire at 4.51% and Black Butte Ranch RFPD at 2.08%.
- Personnel Services account for 28.85% of the total budget at \$1,616,251 which represents a pure wage and benefits change of 5.02% increase over last year's budget for personnel. This change is due to new PERS rates for the next biennium as well as recent benefits changes resulting from contract negotiations.
  - The District is fully staffed with 6 career line staff personnel, 3 administrative personnel, approximately 6 to 10 resident volunteers. During the busy time, the District anticipates utilizing seasonal employees to augment staffing, and has planned for "temporary employees" in the event they are needed.
  - Salary and benefits follow contractual obligations with bargaining unit employees and compare to similar departments within Central Oregon. The current Collective Bargaining Unit contract was for five years ending June 30, 2020. Due to the current COVID-19 pandemic, the District and the Bargaining Unit agreed to extend the current contract one year ending June 30, 2021. Bargaining for a new contract was completed in April 2021 and as a result, there will be a Cost of Living Adjustment (COLA) for fiscal year 2021/22 of 1.3%. (COLA for the CBU contract follows Social Security COLA with a minimum of 1% and a maximum of 3%. It was also agreed to that the district would provide \$100 per month towards an HRA-VEBA starting January 2022). The Board also decided to provide HRA-VEBA benefits to administrative personnel. Some employees will also receive step increases consistent with the approved salary schedules.
  - Medical insurance is provided to employees by the District via the Oregon Teamster Employers Trust. Insurance rates are open to change each January, affecting the District for the remaining six months of the fiscal year and the first six months of the following budget. Since medical insurance can be volatile, the District conservatively plan a 15% increase each year.
  - The District participates in the PERS retirement system, where rate changes are biennial. The next expected rate change will take place in FY-2021/22 through FY-2022/23. As a result of some previous cost-cutting law changes that were implemented in 2013 being ruled unconstitutional by the Oregon Supreme Court on 4/30/2015, our District, like many public agencies, will continue to see increasing rates for the foreseeable future. In FY-2019/20, the District participated in the PERS "Employer Incentive Fund" program to take advantage of a matching funds opportunity provided by Oregon Senate Bill 1566. This program has reduced our rates, across the board, by 3.09%.
- Materials and Services account for 7.19% of the budget at \$402,831 with Capital Outlay accounting for 0.76% at \$42,680. The budget reflects a change (3.34%) for

Materials and Services over the previous budget year, while Capital Outlay will decrease from a budgeted \$76,347 in 2020/21 to \$42,680 for 2021/22. Overall, the proposed Materials & Services and Capital Outlay combined are 4.43% lower than the previous fiscal year. Once again, due to uncertainty in the economy, the District is simply attempting to maintain operations "as is" for the next year.

- To avoid borrowing money between July and November, when tax revenue becomes available, the Board of Directors has adopted a policy to carry over an "Unappropriated Funds" balance to provide a minimum of 5 months of operating expenses.
- Chief Tucker plans 15 years out to make sure funds are available that far out.
- Transfers to Reserve Funds will be the following:
  - Vehicle and Equipment Fund - \$100,000
  - Technology Fund - \$0
  - Building and Grounds Fund - \$0
- Significant budget items that are being assumed are as follow:
  - Retrofitting of the departments current SCBA air bottles so they are compatible with mutual aid neighbors.
  - Workers Compensation Insurance rates continue to be higher due to previous unavoidable injury claims.
  - The planning of the potential use of temporary employee(s) should the need arise.
  - The planning of seasonal employees.
  - The planning of increased PERS rates for all categories under OPSRP.
  - Increase of fuel due to current market conditions.
  - The need to plan for subscription based platforms.
- Total resources for the District have exceeded the budgeted amounts by 3.7% as of March 31, 2020, due to higher than predicted "previous taxes" being paid, and better than expected carryover from the previous year as a result of conservative budgeting through long-range projections.
- The proposed operating budget for fiscal year 2021/22 is \$5,601,287. The proposed budget includes a 2.70% increase in taxable assessed value and assumes a 93% collection rate.
  - The Personnel Services category includes step increases for all eligible permanent employees and a 1.3% percent Cost of Living Adjustment (COLA).
  - Insurance rates did not increase in the last half of the 2020/21.
  - PERS employer/employee rates have increased as anticipated and SB-1049 has placed requirements for districts to pay the employer share of employees PERS that have retired from PERS and are working back which, if not made permanent, is expected to sunset December 31st, 2024. The district currently has four employees who are under this workback rule.
  - The permanent tax rate for the District is \$1.4677 per thousand of taxable assessed values, and the five-year operating levy will be imposed at \$1.56 per thousand of taxable assessed values which will result in no rate change for 12 straight years.

- Because the economic climate in the US and Deschutes County remains uncertain as the COVID-19 pandemic continues, the District will remain vigilant regarding projections. Budgeted employee costs, materials & services, transfers, and capital expenditures combined are up 3.12% overall and within planned 15 year forecasted amounts. The District will continue to take a conservative approach to the budget to try to ensure that the quality of service and long term stability of the organization sustains.
- Larry inquired if there were any questions regarding the budget message. The following questions were asked and answered:
  - Why does the District own GM13 and what is the plan with it?
  - What is the retiree employer rate contribution used for?
  - Is the budget amount of \$40,000 for upgrades to GM13 enough?

## **REVIEW BUDGET – Budget Chairman**

### **1. Resources**

Larry inquired if there were any questions regarding Resources. No questions were asked.

### **2. Requirements**

#### ○ **Personnel Services**

Larry inquired if there were any questions regarding Personnel Services. No questions were asked.

#### ○ **Materials & Services**

Larry inquired if there were any questions regarding Materials and Services. The following questions were asked:

- What accounts for the increase to Station Repairs & Maintenance?
- What does the scholarship program consist of?

#### ○ **Capital Outlay**

Larry inquired if there were any questions regarding Capital Outlay. The following question was asked:

- Why the planning of \$15,000 for unforeseen capital needs?

#### ○ **Transfers to Other Funds**

The following fund transfers will take place:

##### ○ **Vehicle Replacement Fund**

- Budget transfer to this fund \$100,000

##### ○ **Building & Grounds Fund**

- No transfer will be made to this fund as it has reached maturity.

##### ○ **Technology & Communications Fund**

- No transfer will be made to this fund as it has reached maturity.

## **PUBLIC COMMENT**

Jamie announced that no public comments were scheduled or submitted to the District.

**ENTERTAIN A MOTION TO APPROVE 2021/2022 BUDGET – Budget Chairman**

**Motion:** Tom Sawyer moved to approve the 2021/2022 Budget as presented, seconded by Rodger Gabrielson, unanimously passed.

**GOOD OF THE ORDER/FINAL COMMENTS**

Rodger Gabrielson reported on the planning that is being done in preparations of a wildfire event.

**ADJOURN – Budget Chairman**

*Budget Committee Meeting adjourned at 10:10 a.m.*

**OFFICIAL MEETING MINUTES**

Approved by Tom Sawyer

Larry Stuker

Date: May 27, 2021