

**NEHALEM BAY FIRE & RESCUE DISTRICT  
BUDGET MESSAGE  
FISCAL YEAR 2017-18**

**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 2017-2018. I have done my best to estimate and forecast the revenues and expenditures needed for providing professional fire services that our community expects and deserves.

The Fire District uses the integrative budget format, supplemented by the detailed descriptions and explanations of the proposed expenditures. The integrative budget is a program budget process which yields a final line-item format. The 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 should be well received by the Board and Budget Committee. The goal of this document is to create a management tool which will allow the budget committee an opportunity to have a more complete understanding of the financial picture of the organization.

The budget document is divided into eight sections, the first which 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, intra-fund transfers, contingencies and ending fund balances. The seventh section contains other requirements and the last section contains a glossary of terms 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), we can forecast the amount expected to be received by ad valorem taxes. This budget document has been prepared based on a 3.0% increase over last year's values. A three percent increase is allowed by Measure 50.

## **PERSONNEL SERVICES**

The District employs a full time Fire Chief, Division Chief, and a Captain. The Board of Directors approved a fourth Lieutenant's position for FY 2017/18. The increase in full time staff is a direct reflection of volunteer response being sporadic at times and lack of volunteers signing up for duty shifts to cover the QRT program. The District also pays its volunteer firefighters and EMS response personnel a stipend per call or training session. During the current fiscal year the District revised its stipend program and did away with the monthly officer stipend and adjusted the point stipend to reflect the level of training and position to provide an incentive for volunteers to obtain additional certification or medical licensing. The stipend ranges from \$7.50 for a rookie up to \$15.00 for the Asst. Chief position. Volunteers are also given an additional \$25 stipend for each 12 hour duty shift they sign up for. There are two shifts available during the day and nights on weekends and two available at night during the work week.

## **MATERIALS AND SERVICES**

This section reflects the cost for actual operations of the district. It includes training, office supplies, utilities, small equipment purchases, required testing, fuel cost etc...

## **CAPITAL OUTLAY AND TRANSFERS**

Our capital outlay account will fluctuate year from year depending upon our specific needs. This section of the budget will include major equipment/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 your equipment.

## **DEBT SERVICE**

The District sold bonds to finance the two fire stations' construction. The bond payments are paid for out of the Debt Service section of the budget.

## **ENDING FUND BALANCE**

This section has Committed Funds. They include a fund for early payoff of the Bonds, which will result in savings on the interest paid on those bonds. Also there is an unassigned minimum fund balance. The 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. They're also available for economic uncertainties and would be carried over year-to-year.

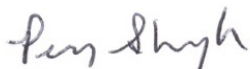
## SUMMARY

The proposed budget meets all federal and state mandates, as well as local obligations. Further, this budget addresses a number of needs and will allow the District to maintain its current levels of service. Since formation we have placed a very high priority on equipment replacement. This year's budget addresses the final issue with apparatus replacement. This budget is a balanced budget and is within the statutory limitations. Finally, because of the District's hard work, the insurance service offices did another evaluation at the end of 2015. On July 1, 2016 our Public Protection Classification went from a five down to a three if you live within 5 miles of a station and 1000' of a hydrant. If over 1000' from a hydrant it went from an 8B down to a 4. That is a very significant improvement. One District patron in PPC 3 save over \$500 a year and another in PPC 4 saved \$117 on their homeowner's insurance. This should make the community very proud of it Fire District. It is my recommendation that you levy the full amount of the tax rate for this fiscal year 2017-18.

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

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

Respectfully Submitted;



Perry Sherbaugh, Fire Chief  
Nehalem Bay Fire and Rescue District