



NEHALEM BAY FIRE & RESCUE DISTRICT
BUDGET MESSAGE
FISCAL YEAR 2020-21

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 2020-21. I have done my best to estimate and forecast the revenues and expenditures needed for providing professional fire and EMS service 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. 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 has been well-received by the Board and Budget Committee in past budget processes. 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 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 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 3.0% increase over last year's values. A three percent increase is the maximum increase allowed by Measure 50. Despite the economic impact of the Covid-19 pandemic, assessed property value is not expected to drop.

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 fire fighters; this is a national trend. The District pays its volunteer firefighters and EMS response personnel a stipend per call and per training session. The stipend ranges from \$8.00 for a recruit up to \$15.00 for the Assistant Chief position. Volunteers are also given an additional \$25 stipend for each 12-hour duty shift they sign up for. Volunteer recruitment and retention remains a priority for the District.

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 costs, etc. There is a significant shift in funding towards training and education, as ensuring our existing members are trained, ready, and well-equipped will be our focus for the future.

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 your equipment.

DEBT SERVICE

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

ENDING FUND BALANCE

This section has Committed Funds, including a fund for early payoff of the bonds, which will result in over \$766,000 in interest savings. 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.

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 very high priority on equipment replacement. With the exception of one fire engine due for replacement in 2024, the entire fleet has been replaced. When that engine is replaced, the District will be fully on the Board-approved replacement schedule as noted on page 3-10 of this budget.

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,

A handwritten signature in blue ink, appearing to read 'C Beswick', is positioned above the typed name.

Chris Beswick, Fire Chief
Nehalem Bay Fire and Rescue District