

Budget Information 2022-2023

Mission:

Crook County Fire and Rescue exists to protect, preserve and support the people and property within its service area by using available resources in a manner that demonstrates fiscal and functional responsibility and accountability



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FIRE DISTRICT

Crook County Fire and Rescue was funded as a special district July 1st, 2001. This combined the City of Prineville Fire Department and Zone Two fire protection with the previously unprotected areas of Juniper Canyon and Powell Butte. The fire district was created by ballot measure in the fall of 2000.

Crook County Fire & Rescue is a special taxing district operating under the rules and laws in ORS 478. The district governance is conducted by a five member elected board of directors.

Crook County Fire & Rescue data and statistics:

- Population Served: 25,000 (Includes the City of Prineville and surrounding county)
- Fire District Area: 450 square miles
- Ambulance Service Area: 3,000 square miles
- Career Employees
 - Fire Chief
 - Deputy Chief
 - Division Chief
 - Finance Manager
 - Ambulance Billing
 - (3) Battalion Chiefs
 - (9) Lieutenants
 - (9) Career Firefighter/Paramedics
- Volunteer Firefighters
 - (12) Student Volunteer Firefighters
 - (12) Paid On Call Firefighters
- 2021-2022 General Fund Budget: \$9,789,041
- 2021-2022 Operating Budget: \$6,905,693
- 2021 total assessed property value: \$2,500,512,883
- Current tax rate: \$1.59 per thousand dollars of assessed value

BUDGET ORGANIZATION

The budget is organized into six active funds. The active funds are; General Fund (page 7-15 of your budget), Debt Service Fund (page 16-17), Capital Project Fund (page 18-19), Fire Equipment Fund (page 20-21), EMS Equipment Fund (page 22-23) and Station Fund, (page 24-25). The General Fund is further organized into four organizational units, Fire Department, EMS Department, Non Departmental and Contingency.

BUDGET MESSAGE

In a climate of financial unpredictability, the district is in a strong financial position. In the 2021-2022 budget year the district budgeted a 6% tax revenue increase over the previous year and we are estimating we will receive about 5%. Ambulance income is on track to end the year nearly \$200,000 more than budgeted. Impact fees are expected to come in \$60,000 more than budgeted. PILOT fees came in as budgeted. Revenue from GFMT was budgeted at \$30,000 and will end the year at approximately \$275,000. A SAFER grant we budgeted for was not received. We unexpectedly received \$98,000 in COVID grants.

In the 2021-2022 budget year the district was able to accomplish 2 of its 4 budgetary objectives. We purchased a replacement ambulance and power cot and we funded reserve accounts as budgeted. We were able to buy much needed ambulance equipment including a power cot, ventilator, IV pumps and CPR equipment from unexpected grant dollars. Due to unexpected, major mechanical maintenance on multiple fire apparatus this last year, the fire Contractual Repair and Maintenance line item was overspent this last year by \$100,000. By Fire Board resolution, \$100,000 in spending authority was transferred from Contingency into the line item to cover the expenses. We predict we will end the budget year spending approximately 90% of what was budgeted for the 2021-2022 budget year.

2022-2023 Budgetary Objectives:

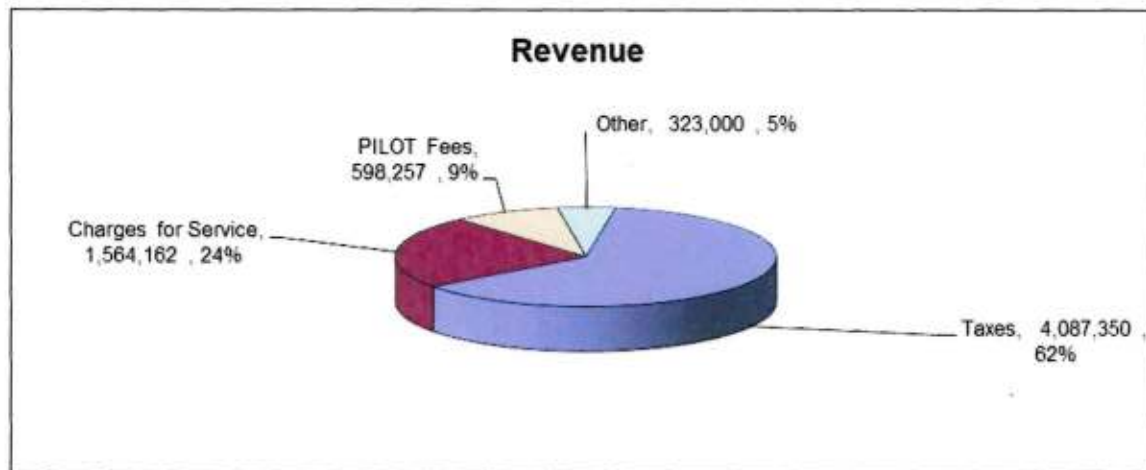
- Increase the consistency of staffing in the Juniper Canyon station.
- Increase the District's emergency response capacity.
- Fund reserve accounts as revenue projections allow with a goal of securing property and developing infrastructure for a future training facility and additional fire station.

Amidst inflation and recession concerns, Crook County remains one of the fastest growing counties in Oregon. The district's Strategic Business Plan outlines how we will function to accomplish our core services. It also lays a framework for planning for the future and evaluating progress. Open discussion of future growth and needs within the district and how the district can financially position itself to meet those needs will continue to be at the forefront of budgetary discussion.

2022-2023 Revenue (see page 8 of your budget)

For the 2022-2023 budget year, tax revenue is budgeted to increase 5%. Charges for service is budgeted to increase 3% from what we received last year. Impact Fees are budgeted at \$100,000 in anticipation of new tax exempt construction. Pilot Fees are expected to increase to \$598,000 with the likely occupancy of new data center buildings. GEMT revenue is budgeted to increase to \$250,000 based on new program revenue received last year. We are budgeting again this year for a SAFER grant, if received, it will pay for three additional firefighter/paramedics for a three year period.

Estimated General Fund Revenue not including possible grant money: \$6,672,769



2021-2022 General Fund Requirements:

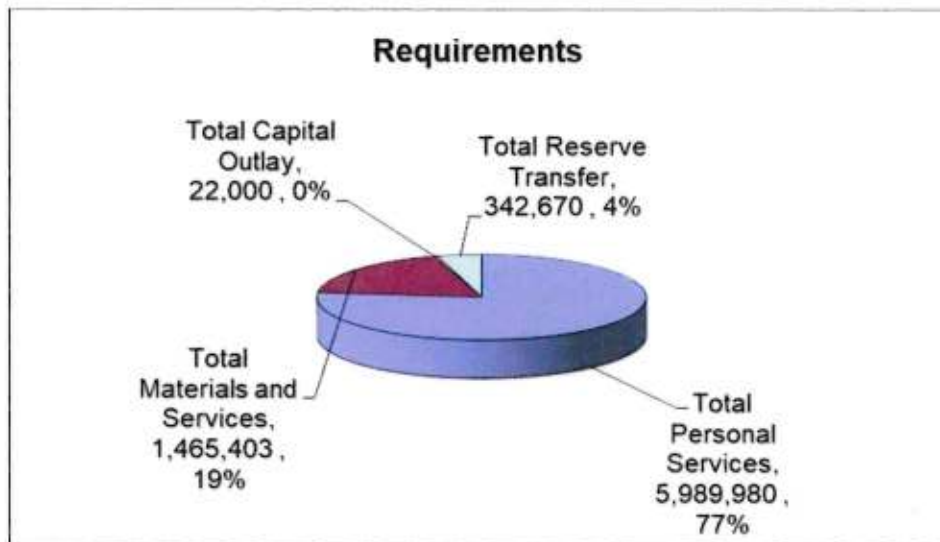
- Fire Department (see pages 9-10 of your budget)
- EMS Department (see pages 11-12 of your budget)
- Non Departmental (see pages 13-14 of your budget)
- Contingency (see page 15 of your budget)

As a reminder in the Non-Departmental category, last year we moved all of our personnel services line items to this category and there are not any personnel services line items budgeted in the Fire and EMS categories.

The appropriation for general fund expenditures is budgeted to increase from last year. Most line items were increased by a standard 7% with a few notable exceptions. In the Fire category we have doubled the line item labeled Gas Oil and Lube. We have increased fire apparatus Contractual Repair and Maintenance to account for an aging fleet and we have increased the Training line item.

In the EMS category we have nearly doubled the line item labeled Gas Oil and Lube. We have increased CPR Expense to support our CPR training center. We increased the First Aid and Safety line item to keep up with rising ambulance supply costs and the On Line Services line item is increased for the purchase of new report writing software. We have also increased the Training line item.

In the Non-Departmental category, in the personnel services section, most salary scales and benefit packages were adjusted to keep the district competitive in a difficult employment market. We are budgeting for one new chief officer position to focus on our part-time and volunteer programs. As we did last year, we are budgeting for 3 firefighters to be funded by a federal SAFER grant. If we do not receive grant funding we still will consider hiring these positions to increase consistency in staffing of our Juniper Canyon fire station. In the materials and services section, the GEMT Reimbursement Program was increased significantly to account for the matching funds required to receive program benefits.



2022-2023 RESERVE FUNDS

Reserve funds are budgeted nearly the same as last year.

DEBT SERVICE FUND (see pages 16-17 of your budget)

Fund Objective: Payment of expenses including fees, principle and interest of financed monies.

Debt Service Fund is budgeted to receive \$117,170

Debt Service fund had an unappropriated ending fund balance from a generous grant from ST Charles. That money is applied towards our ambulance lease purchase payment. The fire apparatus loan payment is budgeted per the payment schedule.

CAPITAL PROJECT FUND (see pages 18-19 of your budget)

Fund Objective: Record the resources and expenditures needed to finance the building or acquisition of capital items including facilities, equipment and apparatus.

Capital Project Fund is budgeted to receive \$20,500.

Capital Project Fund is budgeted to receive \$20,500. This will be matching funds for the possibility that the district will receive an AFG grant. The AFG grant, if received, will allow the district to purchase needed EMS and firefighting equipment. There was an unappropriated ending fund balance to account for an SDAO safety grant received for an upgrade in station security. These funds will be expended when the project is completed.

FIRE EQUIPMENT FUND (see page 20-21 of your budget)

Objective: Provide the best fire equipment that is reasonable under our mission statement and is consistent with the firefighting needs of our district. Comply with ISO requirements for structure engines, tenders and equipment taking into account the NFPA recommendations.

Fire Equipment Fund is budgeted to receive \$35,000.

Current Apparatus:

<u>Apparatus Type</u>	<u>Year</u>	<u>Make</u>
Structure Engine - E2	2000	E-One
Structure Engine - E1	2006	E-One
Structure Engine - F3	2006	E-One
Structure Engine - F5	2018	Pierce
Interface Engine - I1	2007	International
Interface Engine - I2	2007	International
Interface Engine - I4	2017	International
Wildland Engine (FEPP) - B4	2003	Ford
Wildland Engine - B5	2017	Ford
Wildland Engine - B6	2017	Ford
Tender - T3	2012	International
Tender - T2	2015	International
Tender - T4	2017	International
Staff Vehicle - B1	1992	Ford
Staff Vehicle - C1	2003	Ford
Staff Vehicle - C2	2007	Ford

Staff Vehicle - C3	2007	Ford
Staff Vehicle - C4	2012	Ford
Staff Vehicle - C5	2019	Ford
Staff Vehicle -	2021	Ford

Rescue Trailer and Polaris Ranger 2004

The reasonable life expectancy of a fire emergency vehicle.

- Structure Engine 20 to 25 years
- Interface Engine 20 to 25 years
- Wildland Engine type 5/6 20 to 25 years or 100,000 miles
- Staff Vehicle 200,000 miles

EMS EQUIPMENT FUND (see page 22-23 of your budget)

Objective: Provide the best EMS care and equipment that is reasonable under our mission statement. Comply with the State of Oregon requirements.

FMS Equipment Fund is budgeted to receive \$35,000.

Current Apparatus:

Ambulance - 2015 F-350 102,118 miles
 Ambulance - 2018 F-450 65,797 miles
 Ambulance - 2020 F-450 13,027 miles
 Ambulance - 2021 F-450 8,074 miles

- The reasonable life expectancy of an Ambulance is 150,000 – 200,000 miles

STATION/BUILDING FUND (see pages 24-25 of your budget)

Objective: Provide funds for new building projects. Maintain and improve district facilities to support emergency operations and community needs.

Station Building Fund is budgeted to receive \$135,000.

If completely funded this money will work towards the goal of securing property and developing infrastructure for a future training facility and an additional fire station. Maintaining the district's current facilities will also remain a priority.

LONG TERM FINANCIAL OUTLOOK

Crook County Fire and Rescue's Strategic Business Plan lists a goal of providing a multi-year budget projection that addresses how the district will financially support current service programs. In a time of financial uncertainty, it is critical that consideration is given to long term financial planning when formulating a yearly budget. Towards that goal, this long term outlook is provided to give perspective on how the requested budgetary appropriation fits into the long term financial view. Crook County Fire and Rescue's Fire Board maintains a Long Term Financial Plan that creates controls within the approved appropriation to ensure beginning fund balances will be maintained at a level that ensures the district's long term financial stability.

Crook County Fire and Rescue enacted a strategy in 2019 to leverage cash on hand to adjust our deployment model and increase staffing in the district's three stations. This strategy is based on the expectation that the district will receive a significant increase in tax revenue in the budget year 2027-2028. At that time, the 15 year tax exemption enterprise zone agreement for two large data centers will sunset and those structures and taxable contents will be placed on the tax rolls. The amount of the increase is estimated to be approximately 20% of the district's taxable valuation. To maintain this increase in service we must set spending goals and monitor year over year predictions in revenue and expense.

Please review the spreadsheet located at the end of this document. It shows the 20-21 Budget Actuals and then a seven year revenue and expense prediction in correlation to the district's cash on hand. This spreadsheet can be used while reading the below expense and revenue summary.

Expenses Predictions:

The spreadsheet shows expense categories that are used to track spending year over year. Budgeted numbers build in flexible margins to adjust for unexpected expenses and revenue changes.

- Personnel cost will increase at an average 3.5% annually.
- Materials and Services will increase 7% in the 22-23 budget year and then will average 4% year over year.
- Budget-V-Actual year over year average will be 97% of personnel services and 81% of materials and services.
- Transfers to other funds will be driven by known debt service payments, predicted capital expenses and additional revenue not currently assumed.

Spending goals shown on the spreadsheet, take into account the flexible margins built into the budget and can be adjusted during the budget year to account for unanticipated expenses or decreases in revenue. An approximate 5% margin is built into the personal services budget. This margin includes overtime expense and is primarily used to

maintain staffing levels when personnel are on vacation or sick leave. An approximate 20% margin is built into the material and services budget. This margin covers unanticipated utility and service type costs as well as unanticipated equipment purchases and maintenance. Capital outlay and transfers to other funds are budgeted but are not required and can be delayed or adjusted. The notable exception is fund transfers for debt service payments.

Revenue Predictions:

The spreadsheet shows revenue categories used to track long term projections.

- Property taxes for budget year 2022-2023 will increase by 5% and then grow at an average rate of 4.5% year over year.
- Ambulance income will grow at a rate of 3% year over year.
- Revenue from GEMT will average \$250,000 year over year.
- Payments in Lieu of Taxes will come in as agreed upon by Enterprise Zone sponsors with the assumption that current data center construction will receive temporary occupancy in 2022.
- Impact fees from new tax exempt construction will average \$100,000 annually.
- Property taxes will increase in budget year 2027-2028 by approximately 20% as the first data centers come on to the tax rolls.

UN-BUDGETED FUTURE GROWTH DISCUSSION:

Crook County Fire & Rescue strives to provide the community the most appropriate, effective, efficient and safe service with the financial resources entrusted to the district by the community. Economically, new growth has played a role in defining the community and local government's ability to provide service. The most significant growth has occurred as a result of the construction of 5.9 million square feet of data centers on the western edge of the city limits of Prineville. Funding to match service with this growth has not been realized due to the development qualifying for long term enterprise zone exemptions. For most tax districts, who are not required to provide direct services to these industrial centers, the impact of the exemptions is less. The fire district is required to provide an increase in historic service levels without funding to do so. Public safety traditionally struggles to match funding with management of risk. We must address the growth and the need for improved service based on the valuation of the infrastructure (4.4 billion dollars) and the significant financial loss should there be damage to any of these buildings as a result of fire and other emergencies.

The financial and human resources needed to ensure we continue to serve and grow the services in a fiscally prudent manner will require a partnership with the businesses that make up the industrial area.

Unbudgeted future needs in order to provide an appropriate service level to the data center complexes:

New Response Area, Fire Station and Training Facility:

- Staffing: total \$912,000 yearly
 - 3 Firefighters: \$412,000
 - 3 Lieutenants: \$500,000

- Facility and Apparatus: total \$7,750,000
 - Fire Station and Training Facility: \$6,000,000
 - Ladder Truck: \$1,300,000
 - Type 2 Engine: \$450,000

PROPOSED BUDGET CONSIDERATIONS:

We are living in an unpredictable financial time for the district. Planning and flexibility are not normally used in the same sentence but I think it best describes how we address our current financial uncertainty. Inflation and a very competitive employment market are true threats to the district's service level. Crook County continues to be one of Oregon's fastest growing counties. Economic recession is something being actively discussed nationwide. With all of the financial headwinds we face, there are also several opportunities in the next few years in which the district could receive significant yearly revenue from development. The proposed budget attempts to incorporate the planning for increased costs and the flexibility to increase service by adding staff (3 firefighters and 1 chief officer) if the District Board decides the time is right. I expect open discussion throughout the year surrounding the district's current and predicted financial position as well as discussion regarding the correct timing of accomplishing our budgetary objectives.

Asst 3 FFA 1 BC with SAFER Grant

Spending Benchmarks: 97% personal services, 81% materials and services

Financial Plan

	20-21 Actual	21-22 End	22-23	23-24	24-25	25-26	26-27	27-28
Total Personal Services	4,638,014	4,863,224	5,216,509	5,389,087	5,688,065	5,783,037	5,986,064	6,196,576
SAFER Grant/NEW FF/FP's	-	-	412,135	426,550	441,409	459,941	472,934	480,487
4th BC	-	-	200,000	207,000	214,245	221,744	229,505	237,537
Total Materials and Services	973,832	1,038,477	1,196,976	1,234,455	1,283,632	1,335,167	1,388,594	1,444,136
Total Capital Outlay	3,439	3,500	-	-	-	-	-	-
Total Reserve Transfer	283,913	319,881	342,670	283,865	283,865	283,865	283,865	283,865
Total Requirements	5,879,196	6,224,782	7,356,290	7,550,467	7,811,487	8,081,373	8,360,962	8,650,803
Tax Revenue	3,820,000	3,807,000	3,997,350	4,177,231	4,305,206	4,581,640	4,766,914	5,720,297
Delinquent Tax Revenue	121,922	120,000	90,000	90,000	90,000	90,000	90,000	90,000
Fees For Service	1,402,437	1,450,000	1,493,600	1,538,205	1,584,464	1,631,888	1,680,947	1,731,376
Other Revenue	103,691	67,030	141,577	70,000	70,000	70,000	70,000	70,000
PILOT Fees	335,117	344,037	598,257	607,177	616,097	625,017	633,937	621,672
Impact Fees	456,837	138,000	100,000	100,000	100,000	100,000	100,000	100,000
CEMT	253,965	281,848	250,000	250,000	250,000	250,000	250,000	250,000
SAFER Grant	6,294,278	6,207,925	7,082,819	7,259,273	7,517,246	7,320,845	7,561,799	8,593,345
Total Revenue	6,294,278	6,207,925	7,082,819	7,259,273	7,517,246	7,320,845	7,561,799	8,593,345
20-21 Ending	413,080	(16,837)	(275,471)	(291,694)	(294,241)	(752,728)	(769,153)	(67,259)
Ending Cash Balance	3,936,265	3,919,428	3,243,957	2,952,263	2,658,022	1,906,294	1,136,130	1,068,877
			Minimum cash needed	Minimum cash needed	Minimum cash needed	Minimum cash needed	Minimum cash needed	Minimum cash needed
			\$2,315,155	\$2,398,144	\$2,484,115	\$2,173,178	\$2,716,555	\$2,761,024