



CHELAN FIRE and RESCUE

DATE: ~~September 10, 2020~~ October 19, 2020 (*DRAFT 2.0*)

TO: Board of Commissioners

FROM: Mark R. Donnell, Fire Chief

RE: 2021 *DRAFT* Budget Proposal (with 2022 Projections)

This is the first *DRAFT* for the 2021 Budget Proposal which is based upon our estimated revenues for 2021 and our best guess estimates for expenditures based upon our current operating period (2020 financials, year to date.) Decisions made during this *DRAFT* Budget review will affect the current proposed budget resulting in changes to budget line items before the 2021 budget approval date of November 18, 2020. This proposal will address the measurable changes in the General Fund and Operations Budgets as well the current Capital, Reserve and Bond Fund Accounts.

As always, when working with our budgets, there are a couple of assumptions that we must use. First, we must recognize that the figures we are using will change based on the actual balance in each fund at year-end. Secondly, a budget is a plan based on the best available information at the time. A good plan will change as new information is obtained.

Assumptions for the 2021 Budget:

- 2021 Tax revenue is based upon Commissioner's approval to exercise the 1% increase over last year's budgeted tax revenue will be **\$2,160,047.00**. (10/12/2020 Chelan County Assessor's Preliminary Values for 2021 Tax Year.)
- Revenue from new construction is **\$44,924.00**. (10/12/2020 Chelan County Assessor's Preliminary Values for 2021 Tax Year.)
- Estimated revenue from all other sources (fire protection contracts, OT repayment, state mobilization reimbursements, etc.) will be **\$13,480.00**.
- Any additional revenue (State Mobilization reimbursement on apparatus, sale of surplus equipment/apparatus, etc.) is not recognized in this budget proposal and will be allocated into appropriate accounts when received. All unexpected revenue collected in 2020 will be transferred into the Capital Reserve Fund.
- We will continue to increase the General Reserve Account to cover reserves as outlined in SOG 103 which is **\$76,200.00** for 2021.
- There currently is not any revenue allocated to the Capital Reserve Investment Account (Apparatus/Capital Replacement) except as noted below. I recommend that all proceeds from the Station 75 short plat sale be transferred into this account.
- 2021 Funding for Bond General Fund set at principal and interest with no additional payment is **\$88,900.00**.
- All other budget expense proposal are listed per account below.*

General Fund (these are our current best estimates):

	2021	2022
Starting Fund:	\$ 582,723.00	\$ 599,321.00
Tax Revenue:	\$2,204,971.00	\$2,111,091.00
SAFER Grant:	\$ 227,129.00	\$ 0.00
Other Revenue:	\$ 13,480.00	\$ 53,480.00
Transfer In	\$ 0.00	\$ 0.00
Sub-Total:	\$3,028,303.00	\$2,763,892.00
Expenses:	\$2,086,114.00*	\$2,069,676.00*
Transfer to Capital	\$ 177,768.00	\$ 53,834.00
To General Reserve Investment	\$ 76,200.00**	\$ 76,200.00**
To Capital Reserve Investment	\$ 0.00	\$ 0.00
Transfer Out Bond	\$ 88,900.00	\$ 97,400.00
Sub-Total	\$2,428,982.00	\$2,297,110.00
Ending Balance:	\$ 599,321.00	\$ 466,592.00
Desired Carry Over:	\$ 600,000.00	\$ 600,000.00
Uncommitted Funds	<u>\$ 679.00</u>	<u>\$ 133,408.00</u>

General Reserve Investment:

General Reserve Investments cover contingency expenses, meet seasonal cash flow shortages, and upgrade or maintain the Fire District's credit rating. This fund has not been maintained per SOG 103 and amount listed would meet 3-year requirement for bringing this account up to date.

	2021	2022
Starting Fund:	\$559,899.00	\$645,074.00
Tax Revenue:	\$ 0.00	\$ 0.00
Other Revenue:	\$ 8,975.00	\$ 8,975.00
Transfer In	\$ 76,200.00	\$ 76,200.00
Total:	\$645,074.00	\$730,249.00
Expenses:	\$0.00	\$ 0.00
Ending Balance:	<u>\$645,074.00</u>	<u>\$ 730,249.00</u>

Capital Reserve Fund:

Capital Reserve Funds cover the cost of capital projects that have been approved. This area has been set up to show items that are currently funded in the 2020 budget.

	2021	2022
Starting Fund:	\$ 0.00	\$ 0.00
Tax Revenue:	\$ 0.00	\$ 0.00
Other Revenue:	\$ 0.00	\$ 0.00
Transfer In	\$ 177,768.00	\$ 53,834.00
Total:	\$ 177,768.00	\$ 53,834.00

2021 Capital Requests

	2021	2022
Administration		
• Server Replacement (5-year cycle)	\$ 5,150.00	\$ 5,300.00
• Lock change out	<u>\$ 600.00</u>	<u>\$ 618.00</u>
	\$ 5,750.00	\$ 5,918.00
Suppression Equipment		
• SCBA Bottle Replacement	\$ 3,480.00	\$ 3,584.00
• PF Equipment Request	\$ 4,000.00	\$ 0.00
• Structural Protective Clothing	\$ 9,200.00	\$ 6,000.00
• Structural Helmets	\$ 0.00	\$ 1,100.00
• Wildland Protective Clothing	\$ 5,000.00	\$ 1,500.00
• Wildland Helmets	\$ 750.00	\$ 780.00
• Structural Hose & Appliances	\$ 2,000.00	\$ 2,060.00
• Wildland Hose & Appliances	\$ 2,000.00	\$ 2,060.00
• Thermal Imaging Camera	\$ 3,000.00	\$ 150.00
• Chainsaws	\$ 3,000.00	\$ 1,000.00
• Ventilation Fan	\$ 5,000.00	\$ 0.00
• Rescue 42 Stabilization Jacks	\$ 3,000.00	\$ 0.00
• Portable Scene Lighting	\$ 1,400.00	\$ 0.00
• Rescue Rope Replacement	<u>\$ 483.00</u>	<u>\$ 0.00</u>
	\$ 35,113.00	\$ 18,234.00
Training		
• Training Props (Station 74)	<u>\$ 6,000.00</u>	<u>\$ 5,000.00</u>
	\$ 6,000.00	\$ 5,000.00
EMS		
• AED Replacement (11 units)	<u>\$ 21,825.00</u>	<u>\$ 1,550.00</u>
	\$ 21,825.00	\$ 1,550.00
Facilities		
• Dorm Mattresses	\$ 400.00	\$ 412.00
• Crew Quarters Flooring	\$ 16,000.00	\$ 0.00
• ST-71 AC Units	\$ 16,000.00	\$ 16,480.00
• ST-74 Heater Replacement	\$ 9,000.00	\$ 9,000.00
• ST-74 Emergency Generator (FMAG share)	<u>\$ 7,000.00</u>	<u>\$ 0.00</u>
	\$ 39,400.00	\$ 16,892.00
Fleet		
• Apparatus Lifts	<u>\$ 13,080.00</u>	<u>\$ 0.00</u>
	\$ 13,080.00	\$ 0.00
SAFER Grant Volunteer Services		
• Structural Protective Clothing	<u>\$ 48,000.00</u>	<u>\$ 0.00</u>
	\$ 48,000.00	\$ 0.00
Total Capital Expense Requests	\$177,768.00	\$ 53,834.00

Capital Reserve Investment Fund:

This account is set up for apparatus and equipment replacement. This fund has been recognized as a critical need for funding in order to replace critical apparatus and equipment.

Currently:

- 2 front line structural engines are at their 25-year effective life cycle (Engines 73 & 75)
- 2 more will need to be replaced within 8-10 years.
- We are currently replacing three 2011 Ford 550 chassis with Ram 5500 chassis' over the next 2 years at approximately \$50,000 each.
- We currently do not allocate any revenue into this account. All unexpected revenue (sale of surplus apparatus/equipment, State Mobilization reimbursements for apparatus, etc.) from 2020 has been transferred into this account.*

	2021	2022
Starting Fund:	\$152,700.00	\$105,700.00
Tax Revenue:	\$ 0.00	\$ 0.00
Other Revenue:	\$ 3,000.00	\$ 3,000.00
Transfer In*	0.00*	0.00*
Transfer to General	\$ 50,000.00	\$ 50,000.00
Total:	\$ 105,700.00	\$ 52,700.00

Bond General Fund:

Station 75 non-voter approved bonds. We will be transferring the amount below from the General Fund to the Bond Fund to make the annual interest and principal payment for 2020.

	2021	2022
Starting Fund:	\$825,000.00	\$765,000.00
Tax Revenue:	\$ 0.00	\$ 0.00
Other Revenue:	\$ 0.00	\$ 0.00
Transfer In	\$ 88,900.00	\$ 97,400.00
Total:	\$ 88,900.00	\$ 97,400.00
Expenses:		
• Interest Payment:	\$ 28,900.00	\$ 27,400.00
• Principal Payment	\$ 60,000.00	\$ 70,000.00
Ending Balance:	\$765,000.00	\$695,000.00

***Budget Expense Proposals: (2020 Budgeted Amounts)**

Legislative: 2021 - \$15,905.21 (\$15,905.21)
2022 - \$15,905.21

- 2020 Board members are to stay at three elected officials.
- No change to salary and benefits.
- No increase in conference/education.
- Expense for 2021 Commissioner election is **\$3,000.00**, typically paid in following year.
- If levy lid lift is approved for 2021, estimated cost will be **\$9,000.00**. This amount has not been budgeted for 2021.

Administrative: 2021 - \$438,857.55 (\$434,523.03)
2022 - \$449,808.78

- Administrative staff for 2021 remains at 3 (Chief, Administrative Office Manager, and Administrative Assistant.)
- Salary increases for 2020 are budgeted at 2% (Administrative Staff) and 3% (Fire Chief) to cover any raises that the Board of Fire Commissioners may choose to approve. This assumption is based upon CPI-U (West – Size Class B/C) which is 2.53% for second half of 2019 and 1.83% for the first half of 2020, overall increase of 2.18%.
- The Fire District's medical health premiums will not increase for 2021.
- No anticipated increases in Administrative Professional Services, Hiring & Testing, Conferences & Education, Insurance, and Miscellaneous.

Suppression: 2021 - \$805,333.74 (\$747,745.86)
2022 - \$819,821.65

- Career staffing will remain at 7 Firefighter/EMTs with 1 Lieutenant and 1 Firefighter/EMT for each of the three shifts and the 7th Firefighter/EMT floating to cover Kelly Comp Time (work week reduction.)
- Salary increases for 2021 are budgeted at 2% to cover any raises that the Board of Fire Commissioners may choose to approve. This assumption is based upon CPI-U (West – Size Class B/C) which is 2.53% for second half of 2019 and 1.83% for the first half of 2020, overall increase of 2.18%.
- The Fire District's medical health premiums will not increase for 2021.
- The addition of one Probationary Firefighter/EMTs (replacing one vacated position in 2020, position to start in 2021) will reflect a cost savings of approximately \$
- Increase in overtime costs necessary to maintain staffing levels during critical operational periods, required training) and to cover cost of Duty Officer rotation by line officers.
- 2019 Acting Lieutenant expenses will increase to reflect 2020 actual line item expense.
- Correction on retirement calculation (social security settlement) will show increase to that line amount.
- Increase to Suppression Equipment to reflect actual expenses.

Public Education: 2021 - \$10,000.00 (\$15,700.00)
2022 - \$10,000.00

- Decrease in public education account to support 2021 goal of improving community relations through effective community risk reduction programs. This amount more accurately reflects expenditures achieved in 2020 through effective partnerships.

Prevention: 2021 - \$3,000.00 (\$1,500.00)
2022 - \$3,000.00

- Increase Prevention Operational Supplies to reflect actual expenses. **(\$1,500.00)**
- No other program changes

Training: 2021 - \$34,550.00 (\$39,800.00)
2022 - \$34,550.00

- Rescue Swimmer Program costs paid in 2020 will be used in 2021.
- Transition to combination learning systems (practical and online training modules.) This includes annual expenses for Target Solutions which was implemented in 2020 and adding EMS Connect as the new EMT OTEP training platform.
- Conference expenses will remain unchanged as the 2 major Firefighter (WSFFA and WSFCTO) conferences will be held in Wenatchee in 2021 if scheduled.

Facilities: 2021 - \$68,700.00 (\$68,025.00)
2022 - \$69,000.00

- Increase to Facilities Professional Services to reflect increase in utilities r.
- Staff is currently in review of current facilities and needed repairs/maintenance to be conducted at future dates with recommendations coming to the Board before the October meeting. Adopted items will be reflected in Capital Expenses.

Fleet: 2021 - \$204,613.00 (\$208,274.00)
2022 - \$211,06.00

- No major changes anticipated for Fleet account in 2021.
- Fleet staffing to remain unchanged with one Fleet Manager.
- Salary increases for 2020 are budgeted at 2% to cover any raises that the Board of Fire Commissioners may choose to provide. This assumption is based upon CPI-U (West – Size Class B/C) which is 2.53% for second half of 2019 and 1.83% for the first half of 2020, overall increase of 2.18%.
- The Fire District's medical health premiums will not increase for 2021.
- Decreases Fleet Fuel, Equipment, Operational Supplies, Fleet R & M (In House) are reflective of 2020 actual expenses.
- Marine 71 Operational expenses to be line itemed to reflect actual operational costs.

Communications: 2021 - \$55,400.00 (\$61,191.00)
2022 - \$61,400.00

- Annual Rivercom dispatch expenses will show a decrease of \$6,000.00 for 2021, no other changes in this line item.

EMS and Aid: 2021 - \$10,700.00 (\$10,610.00)
2022 - \$10,700.00

- This line item was impacted by Covid-19 PPE requirements in 2020 with most PPE obtained through the state at no cost. No other changes anticipated for EMS Equipment, Operating Supplies, and Professional Services.

Volunteer/Reserve: 2021 - \$250,050.00 (\$250,050.00)
2022 - \$250,050.00

- Current point system for reserve firefighter emergency response, training, and special events to remain unchanged
- Staff is currently reviewing effectiveness and efficiency of Stipend Shift program as this was not an effective program in 2020. Staff will have recommendations for the Board by the November meeting.
- Seasonal program paid for itself through State Mobilization reimbursements and enabled us to staff 3 Firefighter/EMTs during the peak season. I recommend funding this program for the 2021 season.
- No changes in other line items.

SAFER Volunteer Coordinator: 2021 - \$188,504.00 (\$186,613.00)
2022 - \$133,956.00

- SAFER Volunteer Coordinator position remains as Assistant Chief with primary responsibility of recruitment and retention.
- Salary increases for 2021 are budgeted at 2% to cover any raise that the Board of Fire Commissioners may choose to approve. This assumption is based upon CPI-U (West – Size Class B/C) which is 2.53% for second half of 2019 and 1.83% for the first half of 2020, overall increase of 2.18%.
- The Fire District's medical health premiums will not increase for 2020
- No other changes anticipated for this program.
- The 2022 expense noted is the salary/benefits for the Assistant Chief position.
- **NOTE: This program will end on December 31, 2021. Board will need to consider continuing this position in either full or limited scope, with regional interest, if deemed beneficial to organization and community.**