

**TANGENT RURAL FIRE PROTECTION DISTRICT**  
**Budget Committee Meeting**  
**Minutes – May 2, 2022 -Amended**

**BC Members Present (Citizens):** Brian Becker, Laurie Henriksen, Matthew Grill, Elaine Soto  
**BC Members Present (Board):** John Dunn, Paul Strombeck, Bruce Riley, Chris Meyer, Scott Richards  
**Staff Present:** Budget Officer/Chief Stearns, AC Vonasek, BC Chapin, OA Conrad  
**BC Absent (Citizen):** Travis Boshart

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Chair Dunn called the meeting to order at 7:00 p.m.

**I. ELECTION OF BUDGET COMMITTEE OFFICERS:**

Dunn explained two Budget Committee Citizens would need to serve as Chair and Secretary.

**Action:** Riley nominated Becker to serve as Chair of the Budget Committee. By formal motion, Riley moved to nominate Becker as Chair. Meyer seconded the motion, upon unanimous vote (9-0) (Boshart was absent) Becker was elected Chair of the Budget Committee.

**Action:** Laurie Henriksen (citizen member) then volunteered to be Secretary of the Budget Committee. No formal vote was required.

**II. DELIVERY OF FY 2022-23 BUDGET MESSAGE:**

Becker asked Chief Stearns as Budget Officer to present the budget.  
Chief Stearns shared the following:

Budget Officer Stearns then read the budget message aloud in its entirety as per Oregon law. The budget was prepared continuing with the same priorities of providing the most effective firefighting and emergency medical services to our District patrons. Changes for this budget year; 1) increasing our funding of the equipment reserve to assure adequate resources for needed future purchases, 2) increase of cash on hand due to significant revenues from out of district billings that were not budgeted as well as several planned large purchases that were not made, 3) new line items in Resources are anticipated grants and out of district fire control. The District budget is comprised of three funds: 1) a General Fund which covers all operating expenses such as personnel, materials and services, capital outlay, contingency, and transfers to reserve funds. 2) a Building Facilities Reserve Fund which is used to build, remodel, and or repair our building facilities. 3) an Equipment Reserve Fund which is used to purchase or repair our fire vehicles and or fire protection equipment. This document provides: a) required Oregon Department of Revenue budget summary forms for all three funds; and b) TRFPD detailed worksheets of all categories within the general fund. Property taxes are the primary funding source for the District, and we are fortunate to have an approved permanent tax rate of \$2.5739 per thousand.

The entire budget message can be reviewed in the “approved budget” document.

### III. BUDGETING PROCESS EXPLANATION:

Budget Officer Stearns shared the following:

- TRFPD’s budget year is July 1 through June 30. Staff determines the budget priorities with direction from the Board. Board cannot take any action on the budget (w/exception of staff salaries) until it is heard by the Budget Committee.
- This budget is a “proposed” budget. After Budget Committee passes it tonight, it becomes an “approved” budget. Then, after the Board holds a public hearing and passes it in June, it becomes the official “adopted” budget that we file w/the State Dept. of Revenue.
- Budget Committee can ask questions and by formal action change the proposed budget (but not by more than 10%); however, the Board has final say at the public hearing in June.
- The Budget Committee consists of 10 members (5 citizens and 5 Board members). The minimum number for a quorum is 6, and it takes 6 “yes” votes to pass a motion or the budget.

### IV. CALL FOR PUBLIC COMMENT:

Tonight’s meeting was advertised once in the Albany Democrat-Herald and for two weeks on the District’s website in keeping with Oregon public meeting laws. There was no public comment at the meeting.

### V. BUDGET REVIEW AND DISCUSSION:

Budget Officer Stearns explained that the proposed budget is divided into two sections: 1) the official State budget documents (white sheets pp. 4-12); and 2) the District’s “working budget” (yellow sheets pp. 13-21), which is much more detailed than the State forms. He further explained that the Fire District budgets money across three funds: 1) a General Fund, which is the actual “operating” budget; 2) an Equipment Reserve Fund—a savings account used to purchase major pieces of equipment and apparatus for the District; 3) a Building/Facilities Reserve Fund—a savings account used to build new facilities or make major repairs to existing buildings.

Budget Officer Stearns proceeded through each line item of the General Fund “working budget,” and then explained the revenue and appropriations in both reserve funds.

Budget Officer Stearns reviewed the process of estimating taxes to be received for the 2022-23 budget.

- Tax rate is \$2.5739 per \$1000.
- Estimated assessed value of District is \$412,487,650.
- $\$412,487,650/1000 = \$412,487.65$
- $\$412,487.65 \times .025739 = \$1,061,701.99$
- County collection average is 94%



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- Estimated collection: \$1,061,701.99 x .94 = \$997,999.78
- Tax amount to budget \$990,000 (very conservative number)

Listed below are only those budget line items which required explanation(s) due to a substantial dollar change over the previous year or for which there were questions by Budget Committee members.

**GENERAL FUND -**

**INCOME:**

**1000 – Income Resources** – The bulk of the District’s resources to develop a new budget comes from cash carryover from the current budget and newly levied property taxes for the new budget year.

**1001 – Projected Beginning Cash on Hand** – This amount is the sum of unappropriated ending balance, contingency, extra cash carryover from the previous budget and the remaining from unexpected extra property tax revenue and unspent appropriations in the current budget’s line items. This is money we need for operating expenses, as we do not receive our revenue for the new fiscal year until after November 15, tax payments. Thus, projected beginning balance for 2022-23 is \$750,000.

**1002 – Fire District Current Tax** – Expected property tax revenue for 2022-23 is \$990,000.

**1003 – Previously levied taxes yet to be received** – Reduced to \$15,000. People are paying their taxes.

**1007 – Misc. Income** – This is budgeted at \$500, as a place holder.

**1008 – Donations** – This is budgeted at \$250, as a place holder.

**1010 - Grants** – We have applied for \$120,000 grant for SCBAs from FEMA; should we not receive this; we will have to make an expenditure out of our equipment reserve fund.

**1011 – State Conflagration** – Revenue from conflagrations is always an unknown, but historically \$30,000 is a better reflection of revenues in the budget.

There is \$120,000 Grants and \$30,000 State Conflagration that may or may not be received. We are showing this on both revenue and expenses to be able to track it accordingly.

Becker asked the question: How do you evaluate how much the District send out to contribute to conflagrations and how much staff/volunteers stay here?

Chief Stearns responded this was a good question; There are times when we may not be able to send anything. We’re primarily volunteers and their employers may be willing to let them be gone for a short time. It is an evaluation of where we are in the fire season. A task force, which is five pieces of equipment from around the county which come together. We may not be able to put out an engine with four personnel on it, but we can put a brush truck with two or a tender with one person, or maybe nothing. It is a call that needs to be made at the time based on conditions.

Henriksen asked: In your Budget Message you stated the cash reserves in part was due to not making some expenditures on equipment. Are you going to make this year or why was that not used?

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Budget Officer Stearns response: Some of the expenditures will be made this year, some deferred even further out. There was a replacement of the command vehicle in this year's budget, which is perfectly good. We're going to put new tires on it this year. There is no need to replace it currently. We'll keep that money in the equipment reserve fund and let it build. Each of you have a worksheet that I have put together. This is a list of all Tangent's vehicles with the ages and when it needs to be replaced. It is a 20-year (based on today's prices) equipment reserve replacement schedule with the amount of funds added to the account, the cost of each vehicle when it needs replacing and the balance remaining of the equipment reserve fund. We are starting this fund with \$280,000 and plan on funding \$95,000 each year. This worksheet shows Tangent not receiving the \$120,000 grant for the SCBAs and how it can still be funded. In year 2028-29, \$450,000 to replace Engine 72 & Tender 73, I propose we replace this with a Pumper/Tender. This is a better fit for this station.

To recap, our anticipated resources, other than 2022 taxes is \$920,750. The 2022 taxes are estimated at \$990,000. For a total of \$1,910,750.00.

**EXPENSES:**

**2000 – Personnel Services – \$618,160**

**2001 – Administrative Wages** – Notice the Fire Chief wages are up considerably. Tangent is in the process of hiring a new Fire Chief. We went through an in-depth process and with careful consideration and a lot of discussion, the Board made the decision to try again but increase the wage. An increase of an 8% COLA for staff as approved by the Board at their April Board meeting. The current Oregon CPI (Consumer Price Index) is at about 9%

**2040 – PERS & 2041 – Social Security & Medicare** – Both of these are increased, as it is based on a percentage of payroll.

**3000 – Materials & Services – Total of \$329,050**

**3002 – 911 Contract, CAD Maintenance, & IT Support** – We receive these services through the Linn County Sheriff's Office. There was an insignificant increase in the costs for these contracts for 2022-23 of \$100.

**3010 – Bonds & Insurance** – Our property/liability insurance carrier told us to project an increase in this premium for 2022; thus, the \$2,500 increase in the budget.

**3015 – Dues & Conferences** – Decreased by \$600.00

**3030 -Training** – Significant increase of \$5,100. Turnover of volunteers and reimbursement of EMT classes. Our volunteers after passing and getting their certificate can then be reimbursed.

**3035 – Fire Prevention/Public Education** – Increased by \$500, this has had a lower budget because of not being able to use the classroom for the last couple of years.

**3040 - Elections and Budgets** – Increase because of newspaper advertisement increased costs.

**3050 – Equipment Lease (Copy Machine)** – Contract is just \$189 a month.

**3055 – Station/Office Maintenance** – This item was reduced by \$1050.

**3070 –Apparatus Maintenance** – This item was reduced by \$1500.



**3080 – Fuel & Oil** – Increase this item to \$20,000, as fuel prices have been increasing in the last few months.

**3100 – Department Supplies** – The increase because of the cost of batteries.

**3110 – Medical Supplies (consumables)** – This line item was under budgeted. This is consumables used by first responders.

**3115 – Suppression Supplies** – Reflection of cost increase.

**4000 – Capital Outlay – Total of \$261,600**

**4011 – Personnel Protective Clothing** – A \$16,500 increase replacement of turnouts, boots, helmets, gloves, hoods, and flashlights.

**4015 – Miscellaneous Equipment** – Increase of \$300.

**4017 – Personal Protective Equipment** – We have applied for \$120,000 grant for SCBAs from FEMA; should we not receive this; we will have to make an expenditure out of our equipment reserve fund.

**4018 – Wildland PPE & Tools** – This is a new line item of \$10,300. Chainsaws and other PPE.

**4030 – Office Equipment** – Decreased by \$1000

**4045 – Wellness/Fitness Program** – Decreased by \$1000

**5000 – Contingency & Transfers to Reserve Funds –**

**5000 – Building Reserve Fund** - \$10,000 will be transferred into this fund from the General Fund.

**5010 – Equipment Reserve Fund** – \$95,000 will be transferred into this fund from the General Fund. This is considerably higher than in prior years in order to have enough funds for the 20-year Equipment Reserve Vehicle Replacement Schedule mention earlier.

**5020 – Contingency** – Increase to \$90,000, do not anticipate spending any of that.

**6000 – Debt** – This debt was paid off this year. Thankfully, we are debt free and operating on a cash basis and are very healthy financially.

**7000 – Unappropriated Ending Fund Balance** – Budgeted \$506,940 (\$206,940 increase over current year). The District is continuing to build this balance to ensure enough funds to carry the District for the first five months of the fiscal year until property taxes are received in November.

**BUILDING RESERVE FUND** -. Currently the cash on hand is \$29,4000 plus some interest. \$10,000 will be transferred from the General Fund. Total resources will be \$39,500.

**EQUIPMENT RESERVE FUND** - Currently the cash on hand is \$282,000 plus some interest. This fund will receive a \$95,000 transfer from the General Fund. We do not anticipate any expenditure out of this fund, unless the grant for the SCBAs is not awarded. If we do not have any expenditures the total resources will be \$377,235.

As you can see our resources match with our expenditures. We have not overestimated our revenues, but appropriating the revenues takes care of our immediate needs and addresses our future needs for the District.

The Budget Committees was given time to ask questions.

Becker asked: Where do you see the District in the next 20 years?

Dunn responded: Great question. We are in the process of looking for a Fire Chief, who has the experience to plan for the future. The Chief is the CEO of the Department. We are seeing a lot of growth of commercial business in Tangent. Our daytime responses from volunteers are down. This may need to be addressed by adding firefighter employees in the future. There is a 3-year SAFER Grant, which helps adding new employees. This gives the District time to integrate the increased costs.

**VI. MOTION TO APPROVE THE AD VALOREM PROPERTY TAX RATE FOR FY 2022-23:**

**Motion:** Becker moved that the Budget Committee of the Tangent Rural Fire Protection District approve property taxes for the 2022-23 fiscal year at the rate of \$2.5739 per \$1,000 of assessed value (permanent tax rate) for operating purposes in the General Fund. Henriksen seconded the motion, and, upon unanimous vote, it passed (9-0), (Boshart was absent).

**MOTION/VOTE TO APPROVE FY-2022-23 BUDGET:**

**Motion:** Henriksen moved that the Budget Committee of the Tangent Rural Fire Protection District approve the proposed budget for the 2022-23 fiscal year in the amount of \$1,910,750 and recommendation to the board for adoption. Grill seconded the motion, and upon unanimous vote, it passed (9-0) (Boshart was absent)

Henriksen asked: Why do we make a motion for the tax rate when it is a permanent tax rate?

Budget Officer explained; It was put in Oregon Law before permanent tax rates were assigned. It used to be that Budget Committee and the Board would listen to the needs and set the rate. Since 1994 or so a measure 5 & 47 passed which set a permanent tax rate. But it is still the law that the tax rate must be approved by Budget Committee.

Chair Becker adjourned the meeting at 8:07 p.m.

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Amended Minutes submitted by Denny Conrad  
Office Administrator

APPROVED BY:

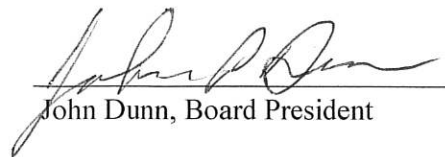
  
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Laurie Henriksen, Budget Committee Secretary

  
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Date

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John Dunn, Board President

6-6-2022

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Date