

Budget Review 2023-24

Sauvie Island Rural Fire Protection District 30J

BUDGET HIGHLIGHTS

- The total budget is decreasing \$695,305 (-37%) to \$1,169,014.
 - The General Fund’s beginning fund balance decreased by \$699,325, driven by spending down grant revenue in the current year.
- Expenditures will be \$385,114 in FY 24 for fire protection services, a decrease of \$544,191.
 - Toward the end of FY 22, the district received over \$900 thousand from the Coronavirus State Fiscal Recovery Funding. They used these dollars to order a new fire engine, purchase a tow vehicle and a rescue boat.
 - The new fire engine, rescue boat, and tow vehicle expenditures escalate the fire service expenditure category in the current year.
 - Excluding the purchases financed with grant dollars (\$670K), this category would increase by almost \$126,000, heightened by the estimated cost for maintenance.
- The General Fund’s budget requirements total \$790,816, a decrease of \$710,175 (47%).
 - The grant dollars mentioned above were received into the General Fund in FY 22 and used in the current year.
 - If grant revenue and expenditures were removed, this fund would show a 32% increase.

INTRODUCTION & BACKGROUND

Sauvie Island is located east of Highway 30 between Portland and Scappoose. The island is the largest along the Columbia River at 26,000 acres and one of the largest river islands in the United States. The island is also home to Sturgeon Lake, the largest island lake in the United States. The population on the island is over 1,000. The district is comprised of houseboats, conventional residences, farms, and 12,000 acres of wildlife area owned and managed by the Oregon Department of Fish and Wildlife. The fire district serves the Multnomah and Columbia County portions of Sauvie Island, northwest of Portland. In addition to serving the entire island, they provide mutual aid to Portland Fire & Rescue and Scappoose Rural Fire Protection District. In 2012 the district added a medical squad.



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The district has a central station and two apparatus-only satellite stations. Providing the island with fire and rescue services are 27 volunteers. Firefighting apparatuses include three engines, two tenders, an all-terrain utility vehicle, and emergency medical support vehicles.

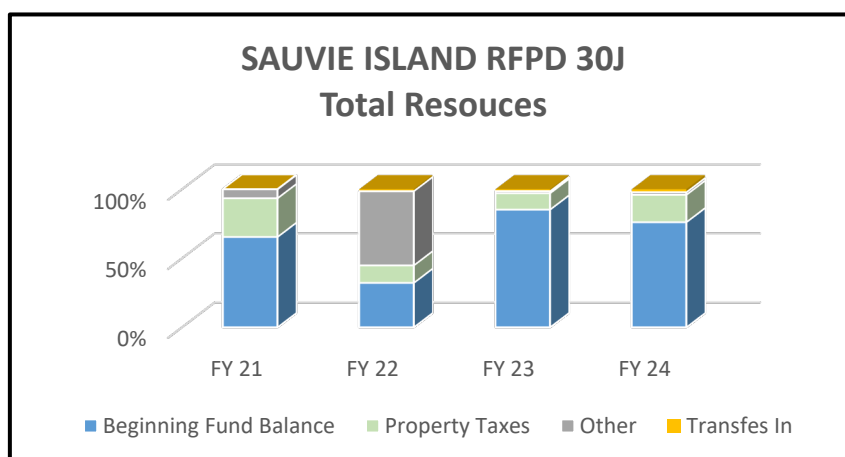
Five board members elected to four-year terms serve without compensation. The district has received voter approval for a series of local option levies. The latest was in November 2019, when voters approved a five-year local option levy for \$0.3500 per \$1,000 of assessed value.

The district focuses on staff, equipment, and facilities. They are providing training for their volunteer force of 27 people, repairing and replacing equipment (heavily relying on donated used equipment from other districts), and upgrading the district’s facilities on the island. The Sauvie Island RFPD Board and the Fire Chief maintain the goal of replacing equipment and providing facility upgrades by using grants, donations, trades, unforeseen opportunities, and reserve funds (as opposed to acquiring debt proceeds for replacement).

Sauvie Island RFPD 30J	2019-20	2020-21	2021-22	2022-23
Assessed Value in Millions	\$188.0	\$196.3	\$201.6	\$209.0
Real Market Value (M-5) in Millions	\$294.0	\$303.8	\$322.0	\$372.3
Property Tax Rate Extended:				
Operations	\$0.7894	\$0.7894	\$0.7894	\$0.7894
Local Option	\$0.3500	\$0.3500	\$0.3500	\$0.3500
Total Property Tax Rate	\$1.1394	\$1.1394	\$1.1394	\$1.1394
Number of Employees (FTE’s)	2.0	1.3	1.3	1.0

BUDGET OVERVIEW

The district’s primary funding source is its permanent property tax levy and the local option levy , which the General Fund receives. In FY 24, property taxes will land the district \$232,000 in resources. All revenue is received in the General Fund. The district transfers money to the Capital Reserve Fund, making resources available for capital needs. A few years back, the board recommended holding approximately an amount equal to six months of operating expenditures in the Capital Reserve Fund. This budget reflects a \$124,000 reserve for operating expenses and \$119,618 for future capital needs.



Resources for the district remain relatively flat for all years, except for the rescue grant money received in FY 22 and shown in the chart as Other. These dollars are also reflected in the carry-over to the beginning fund balance the following year. In the FY 24 budget, the Sauvie Island RFPD 30J has budgeted to receive \$161,000 from the permanent rate taxes and \$71,000 from the five-year local

option levy. Given the current uptick in tax collections, the district is budgeting to receive 95% of the taxes imposed. This collectible rate is comparable to the percentage they received before the pandemic. Taxes are 95% of district revenue. Other sources include interest earned on investments, fire service contracts, sale of surplus assets, address signs, grants, and donations. The beginning fund balance decreased by \$699,325 (44%) due to purchases made possible by the rescue grant.

REQUIREMENTS

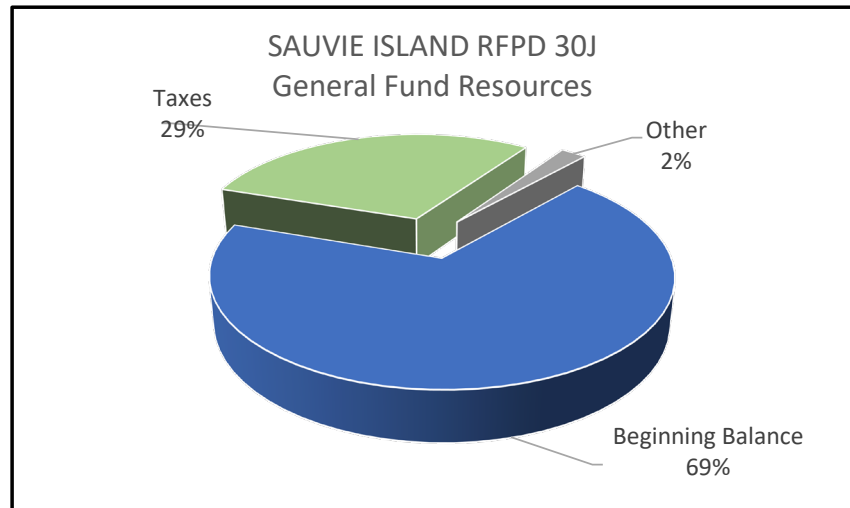
Overall requirements for the district remain relatively the same year after year. The changes that happen are due to unanticipated resources and uncommon spending. As mentioned, this happened with the grant dollars received late in fiscal 2022. They were carried into the current year and spent on various equipment to enhance the district's ability to serve the island community. For FY 2023-24, the total requirements will be \$1,169,014; of this, \$385,114 is allocated for expenditures, and 68% of the requirements, or \$790,900, is reserved for the fund balance to carry into FY 25.

GENERAL FUND

The fire district uses the General Fund for all district operations. The total for this fund is \$790,816, a decrease of \$710,175 (25%) over the current year. As reported earlier, the decline results from spending down the grant money. Sauvie Island's General Fund is pretty much status quo except for grant dollars received and spent.

GENERAL FUND RESOURCES

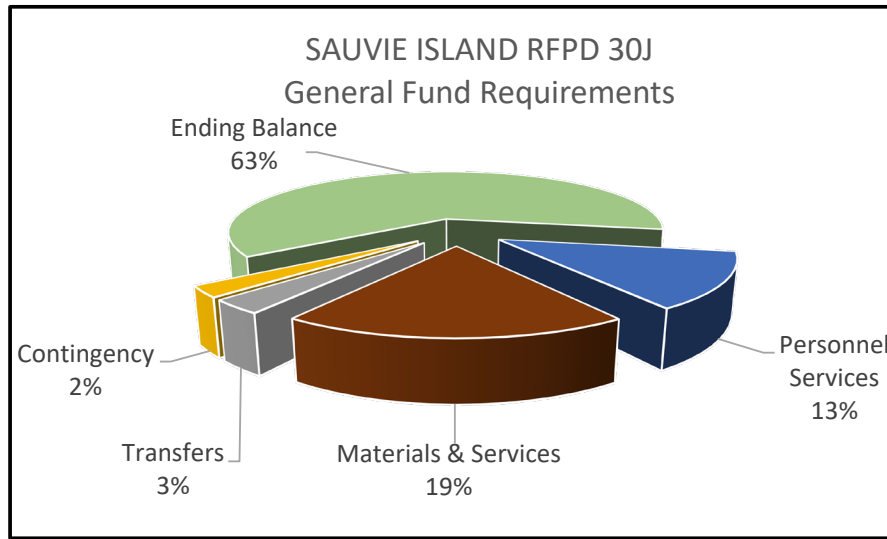
All revenue is received in the General Fund. Property taxes (\$232,000) are the most significant revenue source, and the fund balance makes up the most significant portion of the resources (\$541,816). Grants, donations, and the sale of surplus assets make up the other income (\$17,000). Excluding large grants, the district's resources are consistent year over year.



GENERAL FUND REQUIREMENTS

The expenditure categories are **personnel services** (\$101,938) and **materials & services** (\$145,596), including resources for firefighting equipment. **Transfers** (\$25,000) to the Capital Reserve Fund are consistent with previous years' transfers. **Contingency** and **ending fund balance** total 65% of all requirements.

All **personnel services** are included in the General Fund. These expenditures provide the fire chief's salary (budgeted for 0.5 FTE at \$61,268); other wages (\$24,570), covering unpredictable events such as governor-declared conflagration acts, disasters, and operational help as requested by the fire chief; and other employment-related compensation expenditures (\$13,100).



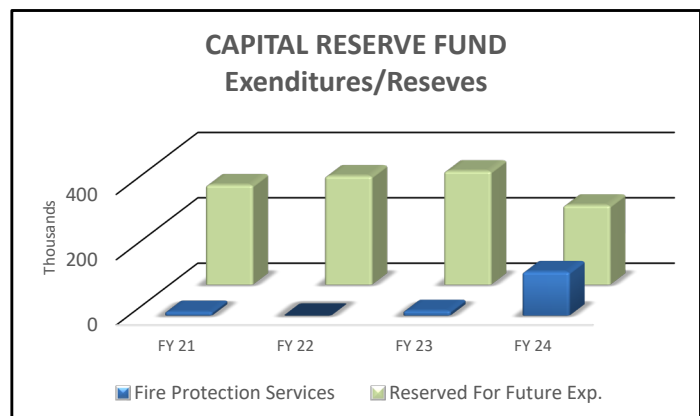
The five heaviest hitters within the **materials and services** category are:

- Contracted services (\$34,440), including \$17,016 for 911 Bureau of Emergency Communications, a bookkeeper hired to help with the budget, and auditor service expenses
- Fleet maintenance (\$30,900) for maintenance, fuel and tires, and other materials needed to keep the fleet ready to roll
- Volunteer service incentives (\$17,062), covering expenses for volunteers, the Length of Service Award plan, and incentives for physical fitness, physical exams, and vaccinations
- Property and liability insurance (\$12,180)
- Emergency equipment and medical supplies (\$11,600)

OTHER FUNDS

CAPITAL RESERVE FUND - \$378,198

The district has only one other fund, the Capital Reserve Fund. The only sources of revenue are transfers from the General Fund and interest earned on investments. Expenditures (\$134,580) budgeted for the FY24 are for building improvements (\$82,000), used vehicles to upgrade the fleet (\$31,500), fire fighting equipment (\$18,500), and administrative equipment (\$2,450). The remaining \$243,618 is reserved for future expenditures. This fund has allowed the district to take advantage of equipment sales or other capital expenditures when they become available.



DEBT STATUS

The district has no debt.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
X		Did the district meet publication requirements?
X		Do resources equal requirements in every fund?
X		Are contingencies shown only in operating funds?
X		Did the budget committee approve the Budget?
X		Did the budget committee set the levy?
X		Does the audit show the district was in compliance with budget law?

LOCAL BUDGET LAW COMPLIANCE

The FY 2023-24 Budget is in substantial compliance with local budget law, with one exception. The budget materials were filed on May 17 and 22 days prior to the hearing, in violation of ORS requirements to file the budget by May 15 and at least 30 days prior to the hearing. Late submissions impair the ability of TSCC to complete the budget review in a timely fashion.

Estimates were judged to be reasonable for the purpose shown.

The audit report for FY 2021-22 does not note any exceptions.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff notes no major deficiencies in the district's FY 2023-24 budget development process, but would suggest one recommendation for the commission's consideration; the text below is as it appears in the certification letter:

"The TSCC Commission has no objections to the FY 23-24 budget and one recommendation for the district's consideration. The Commission recommends that the district complete the Approved Budget Checklist provided by TSCC staff and submit all required documents at one time (draft budget committee minutes are acceptable) immediately following the budget committee meeting to ensure that TSCC has sufficient time to complete the budget certification process expediently."

Sauvie Island RFPD 30J

Budget Summary

	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	%
<u>SUMMARY OF ALL FUNDS</u>	Actual	Actual	Revised	Approved	Change
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	217,841	223,504	222,000	232,000	4.5%
TOTAL PROPERTY TAX	217,841	223,504	222,000	232,000	4.5%
RESOURCES:					
Beginning Fund Balance	508,505	567,933	1,589,339	890,014	-44.0%
Property Taxes	217,841	223,504	222,000	232,000	4.5%
Other Income	50,505	948,721	27,980	22,000	-21.4%
Transfers In	0	25,000	25,000	25,000	0.0%
TOTAL RESOURCES	776,851	1,765,158	1,864,319	1,169,014	-37.3%
REQUIREMENTS BY FUNCTION:					
Public Safety	208,918	217,913	929,305	385,114	-58.6%
Transfers Out	0	25,000	25,000	25,000	0.0%
Contingencies	0	0	20,000	20,000	0.0%
Ending Fund Balance	567,933	1,522,245	890,014	738,900	-17.0%
TOTAL REQUIREMENTS BY FUNCTION	776,851	1,765,158	1,864,319	1,169,014	-37.3%
REQUIREMENTS BY OBJECT:					
Personnel Services	77,921	65,768	104,615	101,938	-2.6%
Materials & Services	118,738	143,575	809,560	148,596	-81.6%
Capital Outlay	12,259	8,570	15,130	134,580	789.5%
Fund Transfers	0	25,000	25,000	25,000	0.0%
Contingencies	0	0	20,000	20,000	0.0%
Ending Fund Balance	567,933	1,522,245	890,014	738,900	-17.0%
TOTAL REQUIREMENTS BY OBJECT	776,851	1,765,158	1,864,319	1,169,014	-37.3%
SUMMARY OF BUDGET - BY FUND					
General Fund	523,358	1,498,924	1,500,991	790,816	-47.3%
Capital Reserve Fund	253,493	266,234	363,328	378,198	4.1%
GRAND TOTAL ALL FUNDS	776,851	1,765,158	1,864,319	1,169,014	-37.3%

DETAIL OF GENERAL FUND

RESOURCES:

					-
Beginning Fund Balance	257,634	326,699	1,256,011	541,816	56.9%
Property Tax	217,841	223,504	222,000	232,000	4.5%
					-
Other Income	47,883	948,721	22,980	17,000	26.0%
Transfers In	0	0	0	0	0.0%
					-
TOTAL FUND RESOURCES	523,358	1,498,924	1,500,991	790,816	47.3%

REQUIREMENTS:

					-
Public Safety	196,659	217,913	914,175	250,534	72.6%
Transfers Out	0	25,000	25,000	25,000	0.0%
Contingencies	0	0	20,000	20,000	0.0%
Ending Fund Balance	326,699	1,256,011	541,816	495,282	-8.6%
					-
TOTAL FUND REQUIREMENTS	523,358	1,498,924	1,500,991	790,816	47.3%