

Budget Review 2023-24

Corbett RFPD 14



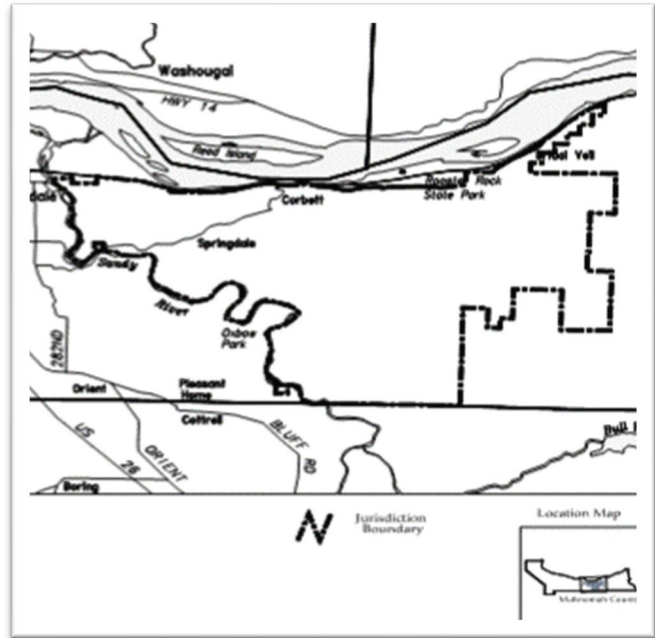
BUDGET HIGHLIGHTS

- The overall FY 23-24 budget shows an increase of \$4.7 million, from \$1.2 million to \$6 million. The increase is due to bond proceeds and associated debt service; without these the budget would have shown a slight decrease from last fiscal year.
- Voters approved a \$4.5 million general obligation bond in November 2022; bond proceeds are scheduled to be received in June 2023.
 - The levy will finance capital costs for equipment, facilities, and five water cisterns.
 - The district is budgeting \$1.25 million for capital outlay and materials and services related to bond projects in FY 24.
 - Planned projects for the upcoming fiscal year include the building of water cisterns in outlying areas of the district and renovations to Springdale Station 61. Remaining bond proceeds will be carried over to future years for planned projects.
- The budget adds two new funds to track general obligation bond debt and spending of bond proceeds.
 - GO Bond Debt Fund - \$394,625
 - GO Bond Capital Projects Fund - \$4.4 million
- This budget includes a change in budget practice for the capital reserve fund and aligns the budget with actual planned spending for the fiscal year, with the rest reserved for future expenditures.
- Due to a lack of information on timing and details for the levy, no information on debt service for the new General Obligation bond was included in the Proposed budget. This is noted in the budget message. The budget committee changed the budget when the bond information was available and approved the budget with the changes in May 2024.

INTRODUCTION & BACKGROUND

Corbett Fire District #14 provides fire, rescue and emergency services to a 40 square mile service area covering the communities of Corbett, Springdale, Aims, Latourell, Bridal Veil, and surrounding areas. The district serves approximately 4,000 residents and is primarily staffed by volunteers, who respond from three volunteer fire stations located in Corbett, Springdale, and Aims.

Five board members elected to four-year terms serve without compensation. District volunteers work out of three stations providing fire and rescue services.



Multnomah RFPD 14	2019-20	2020-21	2021-22	2022-23
Assessed Value in Millions	\$378.0	\$398.1	\$408.4	\$4.23.5
Real Market Value (M-5) in Millions	\$601.4	\$613.8	\$692.6	\$813.4
Property Tax Rate Extended: Operations	\$1.2624	\$1.2624	\$1.2624	\$1.2624
Measure 5 Loss	\$-3	\$-4	\$-4	\$-4
Number of Employees (FTE's)	1	1	1	1

BUDGET OVERVIEW

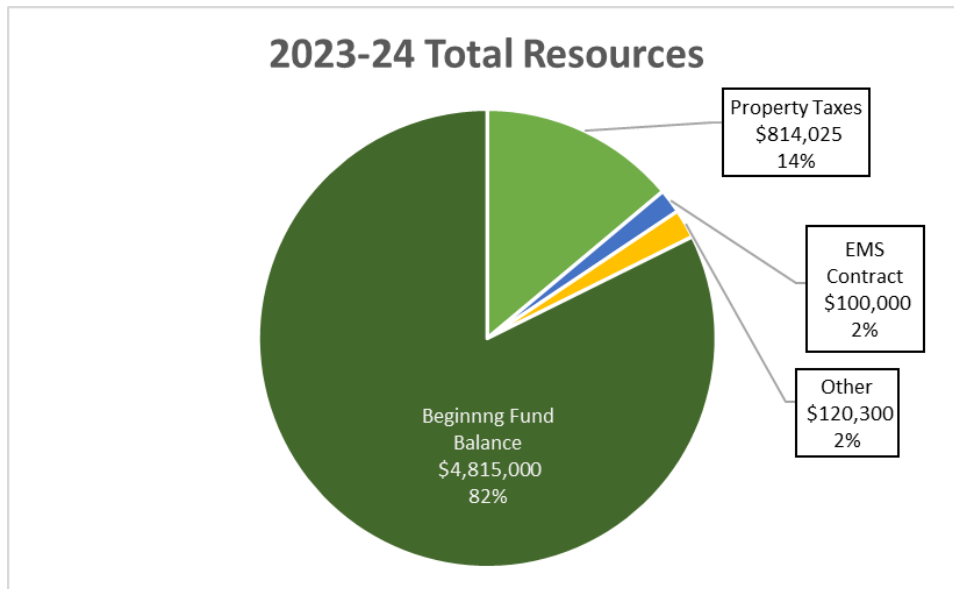
The district's budget provides for fire protection services with an overall FY 23-24 budget of \$6 million, an increase of \$4.7 million from the prior year. A \$4.5 million bond (and associated debt service costs) approved by voters in November 2023 accounts for the increase; the district will receive proceeds in June 2023 and is budgeting \$1.25 million in capital outlay and materials and services with bond proceeds. Ending Fund Balance increases dramatically due to FY 2023 bond proceeds carrying over. A new GO Bond debt service fund increases the budget by an additional \$395,000.

The regular transfer from the General Fund to the Capital Reserve fund decreased by \$94,000 to \$107,000. This fund holds money for future capital needs such as equipment. Since the approved bond has funds for equipment as well, the district anticipates less need for the reserve fund.

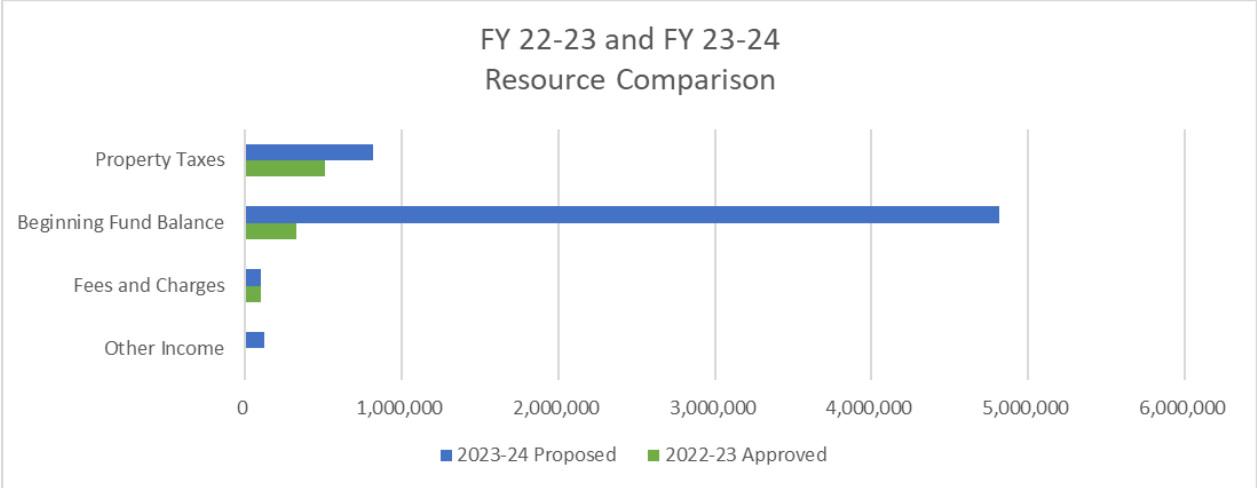
Without the changes associated with the bond, the budget would have shown a slight decrease from last fiscal year, primarily due to one-time conflagration reimbursements and associated personnel services expenditures in the FY 22-23 revised budget.

The district has four active funds, two of which were added this year to track bond spending and general obligation bond debt. The General Fund covers operating expenses, the Reserve Fund tracks non-bond related capital, primarily capital outlay for equipment, and the GO Bond Debt and GO Bond Capital funds track debt and bond spending.

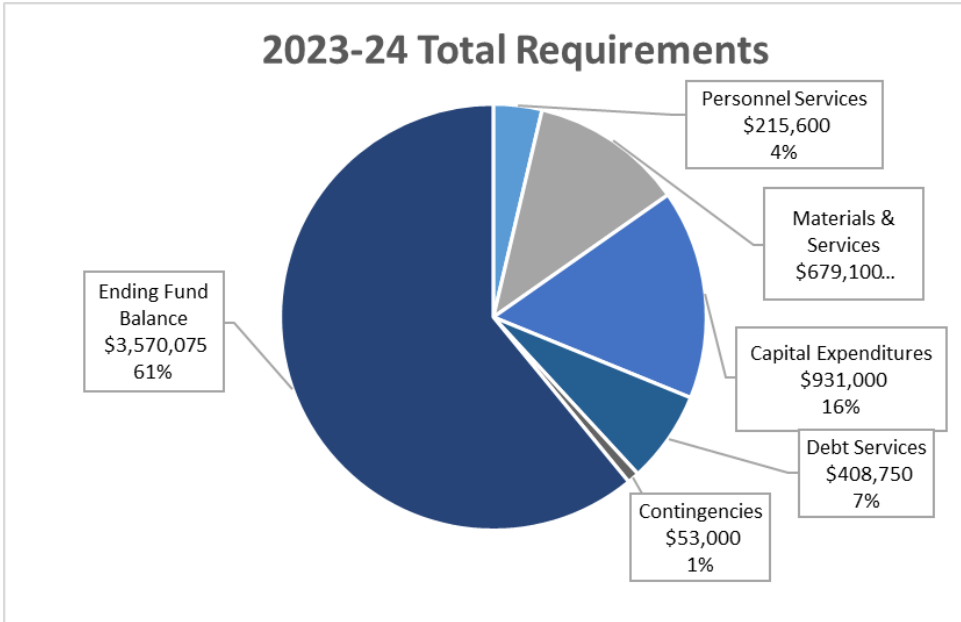
RESOURCES



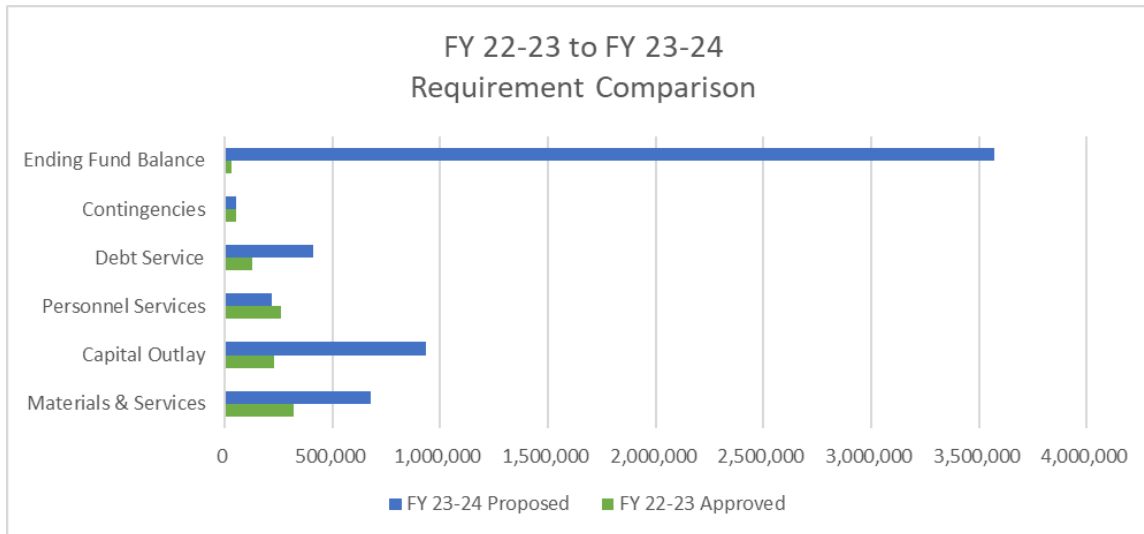
As in years past, property taxes make up the majority of revenues for Corbett Fire and the permanent rate taxes are budgeted to increase in line with historical patterns. Property tax overall increases with the addition of a debt service levy related to the General Obligation bond, which will account for 35% of total property taxes received. Beginning fund balance increases by \$4.5 million dollars as bond proceeds received in spring 2023 carryover. Other income increases by \$45,000 as interest revenue is expected to be higher in the coming year.



REQUIREMENTS



Requirements grow substantially as the district budgets for the first year of bond proceed spending on capital projects. Debt Service also increases significantly as the district begins the first year of payments on the bond. In addition to \$283,750 budgeted for GO bond debt service, the district also budgets for a payment of \$125,000, the fourth and final payment for a new structural fire engine procured in 2022.



Ending fund balance grows to \$3.6 million, primarily due to a budgeted ending fund balance of \$3.2 million in the GO Bond Capital Projects Fund.

SIGNIFICANT BUDGET AREAS

The district has four current funds, and one historical fund (Volunteer Activity Fund). The Volunteer Activity Fund is included to meet budgetary requirements for providing accurate budget history. This is the last year of history for the Volunteer Activity Fund, and it will not appear in next year’s budget.

GENERAL FUND – \$835,700 (14% of total budget)

All operating expenses for the district are budgeted in the General Fund. The General Fund decreases by 8% (~\$72,000) this year due to one-time conflagration expenses in the FY 23 revised budget (\$75,000). The budget includes a transfer to the reserve fund of \$107,000, a decrease from last fiscal year. The approved bond includes funds for equipment and vehicles such as that formerly purchased using the Reserve Fund (see below).

RESERVE FUND - \$334,200 (6% of total budget)

The Reserve Fund is used to accumulate resources to pay for capital expenses such as buildings, land, equipment, and vehicles. Resources are transfers from the General Fund for the sale/lease of equipment. The fund sees a slight (\$22,000) increase for FY 24. For FY24, the district will transfer \$107,000 into this fund. The Reserve Fund budgets a \$209,200 reserve for future expenditures and has FY24 \$107,000 budgeted for spending in FY 24.

GO BOND CAPITAL PROJECT FUND - \$4.4 million (73% of total budget)

The Corbett Fire board wants to maintain transparency with the tax payers on bond related

projects and is creating this fund as a way to specifically track work related to the bond, which will finance capital costs for equipment, facilities, and five water cisterns. Planned projects for the upcoming fiscal year include the building of water cisterns in outlying areas of the district and renovations to Springdale Station 61; \$1.2 million in capital outlay and materials and services is budgeted. Remaining bond proceeds will be carried over to future years for planned projects.

GO BOND DEBT SERVICE FUND - \$394,625 (7% of total budget)

As required by budget law, the district has created a separate fund to track debt service payments for the general obligation bond debt. This first year assumes interest of \$112,500 and property tax revenue of \$282,185. The district will be reserving some money as ending fund balance to cover their December 2024 debt service payment in FY 24-25 in the event property tax collections come in lower than expected or come in late.

DEBT STATUS

As of the writing of this review, the district has not sold the bonds and therefore does not have a finalized debt schedule. The estimated debt payments for FY 23-24 are budgeted at \$283,750 and are in line with estimates provided by the district’s financial advisor. The district will also collect sufficient property tax resources for an ending fund balance to make debt payments prior to full tax proceeds being received in FY 24. If final debt service comes in substantially lower than estimated, the board plans to lower the tax levy to match actual required debt service.

The district also has a capital lease for the fire engine that they pay debt service on.

BUDGET PROCESS & COMPLIANCE

Yes	No	Compliance Issue
x		Did the district meet publication requirements?
x		Do resources equal requirements in every fund?
x		Does the G.O. Debt Service Fund show only principal and interest payments?
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 23-24 Budget will be in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

The audit report for FY 2021-22 notes no exceptions.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff notes no deficiencies in the district’s FY 2023-24 budget development process and recommends that the Certification Letter contain no recommendations or objections.

Corbett RFPD District 14

Budget Summary

<u>SUMMARY OF ALL FUNDS</u>	2020 - 2021	2021 - 2022	2022 - 2023	2023 - 2024	%
	Actual	Actual	Revised	Approved	Change
PROPERTY TAX BREAKDOWN:					
Permanent Rate Property Taxes	480,993	494,621	507,000	528,000	4.1%
GO Debt Property Taxes	0	0	0	282,125	0.0%
Prior Years Property Taxes	7,339	7,654	4,363	3,900	-10.6%
TOTAL PROPERTY TAX	488,332	502,275	511,363	814,025	59.2%
RESOURCES:					
Beginning Fund Balance	406,380	460,854	324,000	4,815,000	1386.1%
Property Taxes	488,332	502,275	511,363	814,025	59.2%
Intergovernmental Revenue	7,000	7,000	7,000	7,000	0.0%
Fees and Charges	70,000	70,000	100,000	100,000	0.0%
Other Income	77,367	189,866	76,050	121,500	59.8%
Transfers In	0	230,000	201,000	107,000	-46.8%
TOTAL RESOURCES	1,049,079	1,459,995	1,219,413	5,964,525	389.1%
REQUIREMENTS BY FUNCTION:					
Public Safety	588,225	709,344	813,412	1,825,700	124.4%
Debt Service	0	75,000	125,000	408,750	227.0%
Transfers Out	0	230,000	201,000	107,000	-46.8%
Contingencies	0	0	50,000	53,000	6.0%
Ending Fund Balance	460,854	445,651	30,000	3,570,075	11800.3%
TOTAL REQUIREMENTS BY FUNCTION	1,049,079	1,459,995	1,219,412	5,964,525	389.1%
REQUIREMENTS BY OBJECT:					
Personnel Services	192,615	266,609	261,876	215,600	-17.7%
Materials & Services	219,610	231,258	320,578	679,100	111.8%
Capital Outlay	176,000	211,477	230,958	931,000	303.1%
Debt Service	0	75,000	125,000	408,750	227.0%
Fund Transfers	0	230,000	201,000	107,000	-46.8%
Contingencies	0	0	50,000	53,000	6.0%
Ending Fund Balance	460,854	445,651	30,000	3,570,075	11800.3%
TOTAL REQUIREMENTS BY OBJECT	1,049,079	1,459,995	1,219,412	5,964,525	389.1%

SUMMARY OF BUDGET - BY FUND

General Fund	839,890	1,097,906	907,412	835,700	-7.9%
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Equip, Bldg & Land Reserve Fd	204,031	362,089	312,000	334,200	7.1%
Volunteer Activities Fund	5,158	0	0	0	0.0%
GO Bond Capital Fund	0	0	0	4,400,000	0.0%
GO Bond Debt Service Fund	0	0	0	394,625	0.0%
GRAND TOTAL ALL FUNDS	1,049,079	1,459,995	1,219,412	5,964,525	389.1%

DETAIL OF GENERAL FUND

RESOURCES:

Beginning Fund Balance	262,500	359,065	213,000	196,000	-8.0%
Property Tax	488,332	502,275	511,363	531,900	4.0%
State Revenue	7,000	7,000	7,000	7,000	0.0%
Fees and Charges	70,000	70,000	100,000	100,000	0.0%
Other Income	12,058	159,566	76,050	800	-98.9%
Transfers In	0	0	0	0	0.0%
TOTAL FUND RESOURCES	839,890	1,097,906	907,413	835,700	-7.9%

REQUIREMENTS:

Public Safety	480,825	560,543	626,412	575,700	-8.1%
Transfers Out	0	230,000	201,000	107,000	-46.8%
Contingencies	0	0	50,000	53,000	6.0%
Ending Fund Balance	359,065	307,363	30,000	100,000	233.3%
TOTAL FUND REQUIREMENTS	839,890	1,097,906	907,412	835,700	-7.9%

DETAIL OF GENERAL OBLIGATION DEBT SERVICE FUND

RESOURCES:

GO Debt Property Taxes	0	0	0	282,125	0.0%
Interest on Investments	0	0	0	112,500	0.0%
TOTAL FUND RESOURCES	0	0	0	394,625	0.0%

REQUIREMENTS:

Debt Service	0	0	0	283,750	0.0%
Ending Fund Balance	0	0	0	110,875	0.0%
TOTAL FUND RESOURCES	0	0	0	394,625	0.0%