

# Budget Review 2025-26

## Multnomah Rural Fire Protection District 10



### BUDGET HIGHLIGHTS

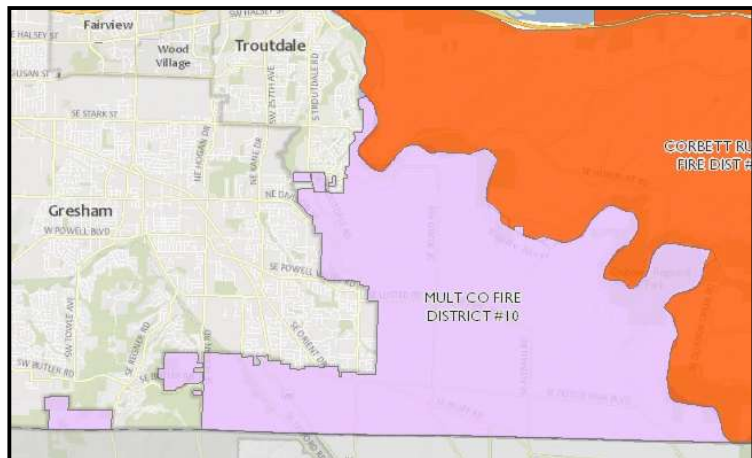
- The total FY 2025-26 Approved budget is increasing by 16.5% from \$3,285,397 to \$3,827,754. This increase can be attributed to higher fund balances and increasing fund transfers as debt payments decrease and the district builds reserves for future equipment purchases.
- The district budgets \$640,792 in the Capital Reserve Fund, an increase of just over 70%.
- Fire District 10 has budgeted \$19,346 for debt service obligations. This amount will pay the districts debt in full, accomplishing their goal to pay off the debt earlier than scheduled.
- Budgeted transfers to the Capital Reserve Fund increased from \$40,000 to \$250,000.

### INTRODUCTION & BACKGROUND

Multnomah Rural Fire Protection District 10 provides fire and emergency service to the district's residents through inter-governmental agreements with Gresham to serve the unincorporated areas of East Multnomah County, and with Portland, to serve the City of Maywood Park.

Five board members elected to four-year terms serve without compensation.

While the district does not provide any direct services, it does own two fire stations, Station 75 in Troutdale and Station 76 in Orient, which was constructed in 2015. Fire District 10 also owns a training center, a reserve fire engine purchased new in 2008, and a fire engine purchased in 2017, which is used at Station 76.



Multnomah RFPD 10	2021-22	2022-23	2023-24	2024-25
Assessed Value in Millions	\$710.8	\$738.6	\$761.2	\$780.1
Real Market Value (M-5) in Millions	\$1,204.4	\$1,398.5	\$1,372.4	\$1,355.6
Property Tax Rate Extended: Operations	\$2.8527	\$2.8527	\$2.8527	\$2.8527
Measure 5 Impact	\$-180	\$-195	\$-258	\$-279
Number of Employees (FTE's)	0.15	0.15	0.15	0.15

## BUDGET OVERVIEW

The FY 2025-26 budget is increasing by just over \$542,000 from \$3,285,397 to \$3,827,754 (16.5% increase). The reason for the increase in the budget is due to an increase in transfers from \$40,000 to \$250,000 and an increase of \$500,614 in ending fund balance. The budget revenue is increasing only 1.4% and the actual expenditures are decreasing by 8% with debt service decreasing from \$318,233 to \$19,346.

For several years the district has made an additional principal payments on the loan used to build the replacement fire station, saving interest costs. The district will retire their debt in FY 26 with a principal payment of \$19,041 and interest of \$305. The district has consistently spent less than the revenue received in recent years, which has created a 69% increase in ending fund balance over the actual ending balance four years ago.

The district prepares a five-year projection for both of their funds. General Fund forecasted expenditures include consideration for inflation. With the retirement of the district's debt obligation, the district is anticipating transferring \$450,000 to \$500,000 each year to the Capital Reserve Fund. After five years the Capital Reserve Fund is anticipated to have an ending fund balance of just under \$2.8 million. They anticipate needing to purchase a new fire engine and want to have the funds available when the time comes.

## RESOURCES

Fire District 10 relies almost exclusively on property tax revenue. In the approved budget, property taxes make up 96% of the revenue received by the district. Property tax revenue increased 2.1% to a total of \$2.19 million. The district collects cost-sharing revenue from the City of Portland for former employees' retirement benefits. This income source increased 4%, from \$18,500 to \$19,200.

<b>FY 2026 Resources</b>	<b>2022 – 2023</b>	<b>2023 –2024</b>	<b>2024 – 2025</b>	<b>2025 – 2026</b>	<b>Change</b>
Beginning Fund Balance	750,609	923,202	992,351	1,292,487	30.2%
Property Taxes	2,036,903	2,088,799	2,144,746	2,190,067	2.1%
Intergovernmental Revenue	16,575	17,432	18,500	19,200	3.8%
Other Income	46,184	87,539	89,800	76,000	-15.4%
Transfers In	40,000	40,000	40,000	250,000	525.0%
<b>TOTAL</b>	<b>2,890,271</b>	<b>3,156,972</b>	<b>3,285,397</b>	<b>3,827,754</b>	<b>16.5%</b>

## REQUIREMENTS

Total requirements in FY 2025-26 are \$542,357 more than the current year. Increasing transfers and ending fund balance are the line items causing the greatest growth in requirements. The expenditures are decreasing 8% from \$2,082,013 to \$1,913,756 due to the decrease in debt service payments. Intergovernmental agreements, the largest budgeted expenditures for the district, are for contracted fire service and will increase \$27,000 in this budget (2%). The district has allocated \$178,000 for facility repairs and improvements in FY 26.

<b>FY 2025 Requirements</b>	<b>2022 - 2023</b>	<b>2023 - 2024</b>	<b>2024 - 2025</b>	<b>2024 - 2025</b>	<b>Change</b>
Public Safety	1,534,892	1,637,531	1,763,780	1,894,410	3.5%
Debt Service	392,177	352,666	318,233	19,346	-93.9%
Transfers Out	40,000	40,000	40,000	250,000	525.0%
Contingencies	0	0	100,000	100,000	0.0%
Ending Fund Balance	923,202	1,126,775	1,063,384	1,563,998	47.1%
<b>TOTAL</b>	<b>2,890,271</b>	<b>3,156,972</b>	<b>3,285,397</b>	<b>3,827,754</b>	<b>16.5%</b>

## GENERAL FUND

All revenue is received in the General Fund, and all expenditures are recorded in this fund except significant capital expenditures such as equipment or fire engine replacements. A transfer to the Capital Reserve Fund of \$250,000, is considerably more than the \$40,000 transfers in previous years. With the debt service payment being much lower in this budget, the district will use this opportunity to save for future expenditures.

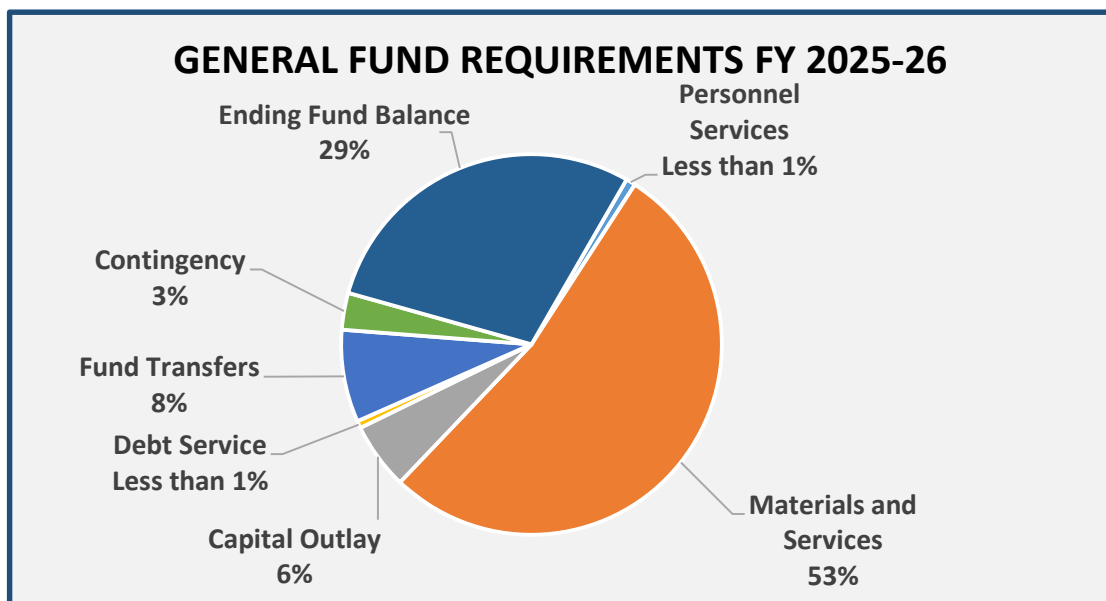
<b>GENERAL FUND FIVE-YEAR PROJECTION</b>					
	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>
Taxes	2,166,167	2,220,334	2,275,854	2,332,763	2,391,095
Other Revenue	104,100	81,700	84,000	87,000	88,400
Beginning Balance	916,695	923,206	936,390	965,494	955,667
<b>Total Resources</b>	<b>3,186,962</b>	<b>3,225,240</b>	<b>3,296,244</b>	<b>3,385,257</b>	<b>3,435,162</b>
Expenditures	1,913,756	1,738,850	1,780,750	1,829,590	1,873,710
Transfers	250,000	450,000	450,000	500,000	500,000
Contingency	100,000	100,000	100,000	100,000	100,000
Ending Fund Balance	923,206	936,390	965,494	955,667	961,452
<b>Total Requirements</b>	<b>3,186,962</b>	<b>3,225,240</b>	<b>3,296,244</b>	<b>3,385,257</b>	<b>3,435,162</b>

## GENERAL FUND RESOURCES

Revenue for the district is primarily from property taxes, which account for 96% of total income. Property tax revenue is expected to increase by 2.1%. Other income includes interest from investments, which will decrease by 16% to \$61,000. The district also receives cost-sharing income from the City of Portland for their share of retirement obligations for former Fire District 10 employees; surviving spouses are entitled to 50% of the firefighter's benefit. Portland's share of the retirement obligations is \$19,200. This amount is calculated as 64.9% of pension costs.

## GENERAL FUND REQUIREMENTS

The district's main expense is \$1,356,400 for a ten-year intergovernmental agreement that contracts with the City of Gresham to provide fire services for the Multnomah County Fire District residents. The contract was renewed in FY 2024-25 and will expire in FY 2034-35. The contract terms require Fire District 10 to pay \$1.90 per thousand assessed value of taxable property within the district's boundaries, not including property within the City of Maywood Park. (This is the same as the previous agreement.) The City of Portland provides Maywood Park's fire protection services through a separate agreement with Fire District 10, which will cost the district \$220,700. Both contract costs are tied to property tax growth and increase slightly over last year.



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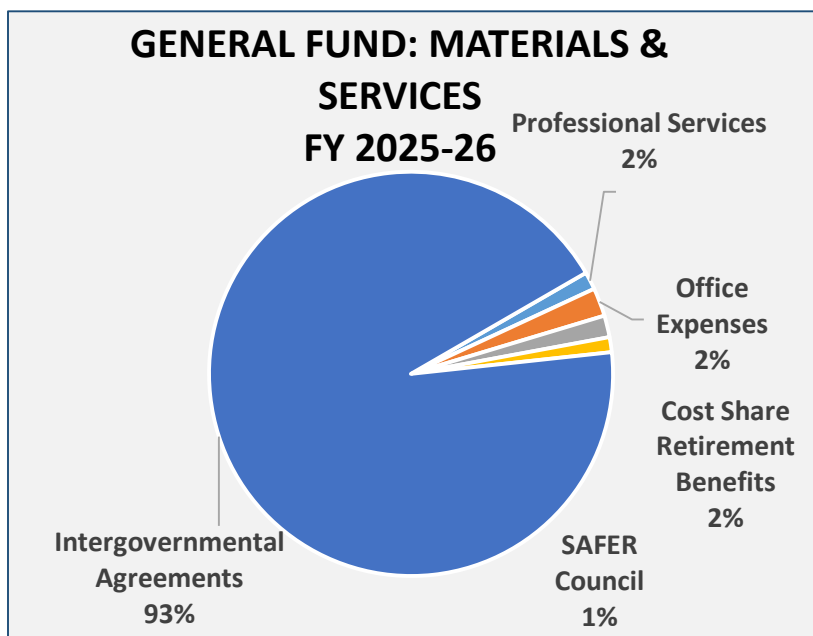
**Personnel Services** charges of \$25,660 include the salaries for an administrative assistant and a backup assistant, both part-time. With a cost-of-living increase, and a merit increase for the backup assistant, personnel services increase by 10.7% in this budget.

**Capital Expenditures** are budgeted at \$180,000, including \$178,000 for major repairs or improvements of facilities and \$2,000 for any equipment needs the district may have in FY 2025-26. The majority of the amount set aside for repairs (\$142,670), will be used to pick up the balance needed to replace the existing training tower. The estimated cost of this project is \$1,342,670 with Gresham picking up \$500K, the State of Oregon matching that amount, and the \$200,000 for the removal of the old tower will be eliminated by the local labor union tearing down the structure for training purposes. The district has agreed to pick up the balance.

**Materials & Services** total \$1,653,600 and are 57% of the district's General Fund requirements. See below for Materials & Services detail:

The Intergovernmental Agreements (IGA) with the cities of Gresham and Portland total \$1,577,100 and account for 93% of the materials and service expenditures. A majority of IGA funds (\$1,353,400) go towards Gresham Fire & Emergency Services.

Professional Services allocations equal \$23,800. Services include legal counsel (\$15,000) and auditors services and filing fees (\$8,800).



Office expenses include landscape maintenance at Station 76, half of the cost for landscaping and care at the Training Center, office equipment and supplies, travel & training, dues and subscriptions and insurance.

Cost Share Retirement Benefits for former employees' retirement benefits accounts for \$29,700 in materials & services expenditures. This cost results from a complicated history of formerly paid firefighters, intergovernmental agreements, and legal cases for employees who retired before July 1, 1982. These expenses are partially offset by a payment received from the City of Portland.

Sustainable Affordable Funding for Emergency Services (SAFER) Council consists of 10 members: two members from Fire District 10 and two from the four east county cities. Their goal is to determine emergency response levels, provide an assessment of these service levels, and establish a SAFER proposal for consideration. Each city and the fire district have allocated \$20,000 in their budgets for the cost-share of SAFER Council requirements.

**Debt Service** allocations are sufficient to retire the districts outstanding debt. Since they have consistently paid more than the required principal each year, this debt will be paid off three years early.

Routine **Transfers** are made to the Capital Reserve Fund each year for future capital. The amount in FY 2025-26 the transfer will increase from \$40,000 to \$250,00 since debt service is almost \$300,000 less than previous years.

The General Fund's combined **Contingency** and **Ending Fund Balance** is \$1,023,206, 32% of fund requirements, an increase of 30% year over year.

## OTHER SIGNIFICANT BUDGET AREAS

### CAPITAL RESERVE FUND \$640,792

The district budgets in one other fund, the Capital Reserve Fund. The revenue sources for this Capital Reserve Fund are a routine transfer from the General Fund and interest earned on investments. The FY 2025-26 transfer of \$250,000 is intended for future replacement of a fire engine.

## DEBT STATUS

Debt service payments are used to cover the \$4 million loan taken out to finance the construction of the new fire station in 2015. By paying the additional principal payment for several years, the principal balance was \$19,041 at the close of FY25. The district has budgeted to pay \$19,347 with this budget, paying off this obligation three years earlier than the scheduled payments. By doing this, they have reduced the overall cost to taxpayers.

## 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 Local Budget Law?

## LOCAL BUDGET LAW COMPLIANCE

The 2025-2026 Approved Budget is in substantial compliance with local budget law.

The audit report for fiscal year FY 2023-24 contained no exceptions.

## CERTIFICATION LETTER RECOMMENDATIONS AND OBJECTIONS

TSCC staff did not find any deficiencies in the district's FY 2025-26 budget or budget process and recommend the Certification Letter contain no recommendations or objections.

### Multnomah RFPD District 10

#### Budget Summary

	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	%
<u>SUMMARY OF ALL FUNDS</u>	Actual	Actual	Revised	Approved	Change
<b>PROPERTY TAX BREAKDOWN:</b>					
Permanent Rate Property Taxes	2,015,503	2,067,838	2,123,746	2,166,167	2.0%
Prior Years Property Taxes	21,400	20,961	21,000	23,900	13.8%
<b>TOTAL PROPERTY TAX</b>	<b>2,036,903</b>	<b>2,088,799</b>	<b>2,144,746</b>	<b>2,190,067</b>	<b>2.1%</b>
<b>RESOURCES:</b>					
Beginning Fund Balance	750,609	923,202	992,351	1,292,487	30.2%
Property Taxes	2,036,903	2,088,799	2,144,746	2,190,067	2.1%
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Other Income	46,184	87,539	89,800	76,000	-15.4%
Transfers In	40,000	40,000	40,000	250,000	525.0%
<b>TOTAL RESOURCES</b>	<b>2,890,271</b>	<b>3,156,972</b>	<b>3,285,397</b>	<b>3,827,754</b>	<b>16.5%</b>
<b>REQUIREMENTS BY OBJECT:</b>					
Personnel Services	18,122	21,442	23,180	25,660	10.7%
Materials & Services	1,516,771	1,585,840	1,653,600	1,688,750	2.1%
Capital Outlay	0	30,249	87,000	180,000	106.9%
Debt Service	392,177	352,666	318,233	19,346	-93.9%
Fund Transfers	40,000	40,000	40,000	250,000	525.0%
Contingencies	0	0	100,000	100,000	0.0%
Ending Fund Balance	923,202	1,126,775	1,063,384	1,563,998	47.1%
<b>TOTAL REQUIREMENTS BY OBJECT</b>	<b>2,890,272</b>	<b>3,156,972</b>	<b>3,285,397</b>	<b>3,827,754</b>	<b>16.5%</b>
<b><u>SUMMARY OF BUDGET - BY FUND</u></b>					
General Fund	2,624,615	2,837,180	2,909,141	3,186,962	9.5%
Capital Reserve Fund	265,656	319,792	376,256	640,792	70.3%
<b>GRAND TOTAL ALL FUNDS</b>	<b>2,890,271</b>	<b>3,156,972</b>	<b>3,285,397</b>	<b>3,827,754</b>	<b>16.5%</b>

#### DETAIL OF GENERAL FUND

#### RESOURCES:

Beginning Fund Balance	531,725	657,546	672,695	916,695	36.3%
Property Tax	2,036,903	2,088,799	2,144,746	2,190,067	2.1%
Local Revenue	16,575	17,432	18,500	19,200	3.8%
Other Income	39,412	73,403	73,200	61,000	-16.7%
Transfers In	0	0	0	0	0.0%
<b>TOTAL FUND RESOURCES</b>	<b>2,624,615</b>	<b>2,837,180</b>	<b>2,909,141</b>	<b>3,186,962</b>	<b>9.5%</b>

**REQUIREMENTS:**

Public Safety	1,534,892	1,637,531	1,763,780	1,894,410	7.4%
Debt Service	392,177	352,666	318,233	19,346	-93.9%
Transfers Out	40,000	40,000	40,000	250,000	525.0%
Contingencies	0	0	100,000	100,000	0.0%
Ending Fund Balance	657,546	806,983	687,128	923,206	34.4%
<b>TOTAL FUND REQUIREMENTS</b>	<b>2,624,615</b>	<b>2,837,180</b>	<b>2,909,141</b>	<b>3,186,962</b>	<b>9.5%</b>