

**Riverdale Rural Fire Protection District  
Five-Year Local Option Tax Levy  
Hearing Minutes  
Thursday, October 19, 2023, 11:00 a.m.  
Via Zoom Meeting  
Measure 26-241**

November 7, 2023, Election

**Present:**

TSCC: Chair Harmony Quiroz, Commissioner James Ofsink, Commissioner Mark Wubbold, Commissioner Margo Norton, Commissioner Matt Donahue, Executive Director Allegra Willhite, and Budget Analyst Tunie Betschart (all via Zoom meeting)

**Absent:** None

Riverdale Rural Fire Protection District Board Members: Chair F. Michael Nugent, John Fettig and Hilary Murphy

Chair Harmony Quiroz opened the public hearing on the Five-Year Local Option Property Tax Levy by explaining TSCC's responsibilities concerning tax measures. She explained that the commissioners will take no action at the hearing but will provide a vehicle for the public to comment and ask questions the general public may be interested in hearing from the district. The minutes of this public hearing are prepared and retained as a permanent record of this hearing.

She followed with introductions of TSCC Commissioners, staff, and the district's representatives. Following the introductions, Chair Quiroz opened the hearing for public comment. She asked Executive Director Willhite if anyone had signed up to comment or if staff had received any written comments. Ms. Willhite had not received written comments, and no one signed up to give statements.

With that, the hearing moved to the prepared questions.

**TSCC Questions:**

**Commissioner Wubbold asked the following question:**

Thank you for sending us the information explaining the services the district provides and the number of calls you receive. The information was beneficial, stating the kinds and numbers of calls. One thing I did not understand was a Good Intent call. What is a Good Intent call?

Mr. F. Michael Nugent explained it is when a well-meaning person calls, thinking there is a fire, but it is not. It could be weather or other circumstances, making it look like a fire.

Are these numbers about what the district averages each period?

Mr. Nugent said they average about two fire-related calls annually and about fifty medical calls. These numbers appear to be trending slightly lower compared to overall calls in the previous five-year period of 2014-2018.

**Commissioner Norton asked this follow-up question:**

Do you think the voters know the district's primary services are related to medical conditions?

Mr. Nugent said the district does not have a direct way to communicate with the voters. There are no email chains or a way to publish information about what the district does. The school district has a list of parents with children, but that doesn't encompass everyone. Riverdale Fire District does not have a website. They are a very low-overhead district.

**Commissioner Ofsink asked the following questions:**

What have you communicated with voters about the local option levy? How do you communicate with the voters? What feedback have you received so far on the levy?

Mr. Nugent stated since there is no formal outreach, they communicate only through the voters' pamphlet with the explanatory statement. The one thing that gives the board confidence in voters passing the levy is it has passed by a considerable margin in the last two times it was presented to them. The district is requesting the same rate as it did ten years ago.

**Commissioner Wubbold asked the following questions:**

What is the status of contract negotiations with the City of Lake Oswego for fire protection? Do you anticipate it will retain the same 4% increase annually?

Mr. Nugent said the board has formed a subcommittee to renegotiate the five-year contract. They have met and received input from a retired Salem fire chief resident and a board member who is a lawyer chairing that subcommittee. They are contacting Lake Oswego to remind them that the contract expires in June and have requested a proposal. The city responded that they were working on putting it together.

Regarding the anticipated increase, in the past, Lake Oswego has pushed to increase to the same millage rate they charge to other districts. Riverdale has pushed back because the assessed value is substantially higher in the Riverdale-Dunthorpe area than in other places, so they would be paying a higher dollar amount, possibly double what they are paying now. They have contended it is not reasonable because the calls and service aren't greater per household for serving Riverdale.

**Commissioner Norton asked this follow-up question:**

Is the current contract a fixed-price contract?

Mr. Nugent said yes, they have a specified amount for each fiscal year divided into three payments, 50% upfront followed by two 25% payments. Historically, there has been a cost-of-living increase averaging around four percent yearly. Considering the current inflation rate, the district anticipates Lake Oswego may request a more significant increase.

Alto Park Water District has its fire contract tied directly to the amount of the taxes assessed. Would something like this work for Riverdale Fire District?

Mr. Nugent said no because the district's tax rate is low enough that it might be less than they are currently receiving. The permanent rate for residents in Riverdale Fire District is \$1.23 residents. The rate in Lake Oswego is \$1.92, which is more than the fire district collects from the permanent rate.

**Commissioner Norton asked the following question:**

In the past, Riverdale has considered contracting with a different entity. During our last local option levy hearing, you shared that Tualatin Valley Fire and Rescue and the City of Portland were not interested in serving Riverdale. Is that still the case? Have you reached out to them recently?

Mr. Nugent said they have contacted the City of Portland but not Tualatin Valley Fire and Rescue. The City of Portland has four stations close to Riverdale, an average of 19 minutes away from Riverdale Grade School and about nine miles. Lake Oswego is just under ten minutes from the school and four miles away. So, they are the best provider from a location standpoint. Fire trucks get dispatched based on which station is the closest according to GPS locations, regardless of who has the contract. In the past, Portland has responded to some fires. The district hopes to hear back from the City of Portland with a proposal.

What is the board's backup plan if Lake Oswego discontinues the contract at some point?

Mr. John Fettig said he is confident Lake Oswego will want to continue the customer-business relationship with the Riverdale Fire District because it has been very profitable for them, given the amount of service Riverdale needs versus the amount they receive.

Mr. Nugent said for every response to a call by Riverdale Fire District, the city collects about \$10,000. If the board could not find someone to provide fire protection, the district would have to go out for a bond and create its own fire station. Hopefully, that will never be necessary.

**Commissioner Donahue asked the following question:**

The gap between the Lake Oswego fire contract and the amount raised by the permanent tax rate is budgeted at a little over \$200,000 a year. It would take years to spend down the current fund balance of \$1.4 million, even if the local option levy was not renewed by voters. Have you had discussions about spending down some of that balance, taxing less than the local option levy, or setting a policy to define reasonable fund balance?

Mr. Nugent said the board's practice has been to reserve one year of contract payments. This policy allows for changes such as lower interest earned in the LGPI or any changes in overhead. It also allows for potential future changes in administration. Mr. Nugent will continue to accept the accounting and bookkeeping responsibilities for his remaining term on the board, but soon, the district will need to consider contracting this out. They have talked with the Lake Grove Fire District to see how they handle their accounting process. They have a part-time staff person to do this work. They pay around \$50-\$60 thousand annually for office and contract services. Another factor in considering the size of the fund balance is that tax revenue can be disrupted.

Part of the budget process for the biennium 24-26 will be to see where they are financially and if they want to continue to assess \$0.2500 per thousand or perhaps less. The amount of \$0.5000 is a limit, and the district asks for this amount to add consistency and as a back up plan, not knowing what the next five years will bring.

Mr. Fettig added that he believes the taxpayers appreciate the board's policy and cautious approach.

Is the policy to maintain a year's expenses in reserve?

Mr. Nugent said yes.

**Chair Quiroz asked the following question:**

Riverdale Fire has historically levied less than the \$0.5000 rate approved by voters, opting to levy half that amount in recent years. We talked about why you asked for \$0.50. But can we talk about the process to determine the rate the board will assess for each budget period?

Mr. Nugent said when they approve the budget and the taxes to assess, they look at the anticipated collection rate, estimated earnings, and district expenses. They figure out what they will need for the local option levy to maintain the year of total contract costs. They have not told the voters they will levy \$0.25. They told them they had assessed \$0.25 in the past and would assess the local option taxes in the next two years according to the district's needs. Increased interest rates and the cost of the new contract will all be considered when determining what to assess.

**Commissioner Donahue added this comment:**

Reserve level for organizations of this size, credit agencies like to see at least \$500,000 reserve. Compared to other organizations, holding an entire year's expenditures is on the very conservative side of the spectrum.

Mr. Nugent said that given that overhead costs will increase and the permanent rate is not enough to cover the costs, the district could go through the reserves. He said he did not determine the amount to hold in reserve, but it seems sensible to the board, given the potential variables.

Chair Quiroz said this concluded the questions TSCC has. She thanked Mr. Nugent, Mr. Fettig, and Ms. Murphy for coming and answering TSCC's questions. She also thanked Commissioners Norton and Ofsink for their service to the community over the past eight years as TSCC commissioners. This tax levy hearing will be their final hearing, as their terms will end on December 31, 2023.

She asked if the district would like to share with the voters before the close of the hearing.

Mr. Nugent said he appreciated commissioners holding the hearing on the local option levy. He also gave a special thanks to Executive Director Willhite and Tunie Betschart for their help during the budget process and throughout the year. He said it is part of the reason they can maintain a low-overhead district.

Since no members of the public were present to make any comments or ask questions, she closed the public hearing.