



Cannon Beach

Rural Fire Protection District

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2021-2022 BUDGET MEETING MINUTES

General:

| | |
|------------------------|-----------------------|
| Date: | May 13, 2021 |
| Time: | 18:00 hours (6:00 pm) |
| Location: | City Council Chambers |
| Brought to Order Time: | 18:00 hours (6:00 pm) |
| Adjourned Time: | 19:29 (7:29 pm) |

Attendees:

| District Board Members | Citizen Budget Committee | Other |
|--|--|--|
| <input checked="" type="checkbox"/> Garry Smith (President) | <input checked="" type="checkbox"/> Marty Harris | <input checked="" type="checkbox"/> Marc Reckmann (Fire Chief) |
| <input type="checkbox"/> Bob Cerelli (Vice President) | <input checked="" type="checkbox"/> James Kingwell | <input type="checkbox"/> Bill Cotes (CPA) |
| <input checked="" type="checkbox"/> Mark Mekenas (Treasurer) | <input checked="" type="checkbox"/> Kim Bosse | <input checked="" type="checkbox"/> Deb DiStasio (Minutes) |
| <input checked="" type="checkbox"/> Dave Hermon (Member)* | <input checked="" type="checkbox"/> Linda Sweeney* | <input type="checkbox"/> Other |
| <input checked="" type="checkbox"/> Rick Schafer (Member) | <input checked="" type="checkbox"/> William Norton | <input type="checkbox"/> Other |

*Attended via Zoom

Call to Order:

Board President, Garry Smith, called the May 13, 2021 Budget Committee to order at 18:00 hours (6 pm).

Roll Call:

Board members present: Garry Smith (President), Bob Cerelli (Vice President), Mark Mekenas (Treasurer), Dave Herman (Member) attended via Zoom, and Rick Schafer (Member).

Citizen Budget Committee present: Marty Harris, James Kingwell, David Pastor, Linda Sweeney, and Lianne Thompson attended via Zoom.

Other Attendees present: Marc Reckmann (Fire Chief), and Deb DiStasio (Admin-Minutes).

Changes to Agenda:

Garry Smith returned to agenda asking for a motion to approve the agenda. **Marty Harris** moved to approve the agenda. It was seconded by **Linda Sweeney**. None opposed. All in favor. Motion carried.

Public Comment

None.

Elect Budget Committee Chair:

Smith asked for nominations to Budget Committee Chair. Linda Sweeney first wanted to elect Marty Harris. Marty Harris moved to nominate Jim Kingwell. Linda Sweeney seconded nominating Jim Kingwell. All were in favor, none opposed, motion carried.

Jim Kingwell indicated the budget book was put together beautifully, but did not see where we were comparing against year-to-date and asked what year we were in. Chief responded that our year goes from July 1 to June 30, and we are in Fiscal Year 20-21 and approving budget fiscal year 21-22, pointing out the year-to-date column in the book. With that clarification, there were no further questions.

Jim Kingwell continued that what he looks for from year-to-year are radical changes within the budget. Jim asked if there was a better way to do that rather going line by line.

Linda Sweeney excused herself but indicated she thought that the agenda needed to be approved before going on to review budget book.

Presentation of Budget Book

Reckmann asked if it would make sense for him to go through the budget book and present in sequence the budget items. Kingwell indicated that would be most expeditious. Chief continued.

Before getting into revenue, wanted to point out there was a mistake under "Personnel". The information on page 10 indicates 11 volunteer firefighters, which should actually read 13. The Division Chief should also have been listed, as he came on board in January.

On page 11 under "Funding" it shows a large percentage coming from grants. It should be noted that this is only if we are awarded all the grants for which we have applied. The grant we have been awarded is a SAFER grant for \$107K. That is what pays the salary and recruiting expenses for the Recruitment and Retention Coordinator. The Annual Report was paid by the SAFER grant. Marty Harris clarified that of the \$950,555 total, the \$107K is the only given amount so far. Chief indicated yes. Marty Harris continued with a question around the SAFER grant referring to the money coming out of General Fund money but conflicts with page 18 it shows Grant does not end until 20/22. Chief responded that there are two different SAFER grants. The grant we did not get is the "Student Grant", and that we will be budgeting out of General Fund.

Reckmann continued with budget pointing out he would for next year the percentage of "Personnel Expenses" vs. "Materials & Services" was provided. He did a quick calculation and indicated the percentage is about 60% personnel services to 40% materials services, which is fairly normal.

Marty Harris asked if anyone minded if Marc take off his mask as understanding him is difficult. He's had his covid shot and there were no objections.

On page 2 "Response Calls", Chief pointed out calls continue to be on the rise, which is something that we can't control. We are substantially up from previous years. This began around September 2020. We'll see when things open up from COVID restrictions and travel returns to more normal whether we still see this increase.

On page 3 breakdown of calls indicates ½ are medical calls and 77% are responding to out-of-District visitors. Over the last four months, it is likely it will be over 80% out-of-district calls. Out-of-District are individuals who are not renters, who are visitors, and do not pay taxes. Duty officer program will be increased slightly. It's a great program to provide a little incentive to officers to ensure at least one Duty Officer is on each call.

On page 14, we're replacing two 1995 engines as part of the planned Levy, as well as a rescue vehicle. Jim Kingwell asked if this reflected the "current" cost to replace apparatus. Chief responded yes and that we just signed purchase order for \$551K. This is cheaper cost than \$650K because we tagged on to another fire department's bid to help reduce costs. This occurs when another department buys an engine, it is built, and we are able to use the same plan and design making it cheaper for the company to build 2 engines without the cost of production and design. William Norton asked how much we save. Chief responded approximately \$100K. Linda Sweeney asked if that it includes "tricking it out" once it gets here. Chief explained we may have our minimum modifications to it after it arrives and that we already have most contents that go into stocking it.

On page 9 "Resources", Marty Harris asked about the "Assistance to firefighter grant" going down \$100K. Reckmann explained the grant figure represents multiple grants. Last year we applied for \$949K of "Firefighter Grants" which comes from one source but represents multiple grants. The bulk of the grant is for a county-wide radio system. Chief wrote three of the grants, and we are "hosting" one of them. Jim Kingwell indicated the large number is because it covers all radios and asked how much of the grant does it account for. Chief indicated CBFire would be 1/3 of grant. Marty Harris asked on the last grant of \$900K was that going somewhere else? Chief indicated we were hosting it. Marty Harris clarified, it was trying to get the same thing, not getting it, and reapplying? Chief indicated correct.

On page 20 "Personnel Services" there are some big differences in last versus this year's budget. The Division Chief will be full year. The part-time firefighters we use for special projects, like the hydrants. Moving the Administrative position to full time. The life and disability insurance increased. We are increasing the Duty Officer stipend and creating the firefighter stipend in an effort to ensure call coverage and incentive to participate in calls. As an example, the Duty Officers are given a \$25 stipend to participate in 12-hour shift, and this may be increased slightly. Garry Smith added that one of the biggest issues is getting volunteers. When you look at the budget, the amount we pay a volunteer has been the same for the last 3 years with no increase. Is there a way to increase that in this budget this year? Chief responded that was a discussion and we choose not to this year but we're going to look at it for next. Currently, the volunteers get points on a per-call basis, which splits \$4,000 each month, \$48,000/year. For every drill they get 2 points, for every call they get 1 point, and we take a formula using calls tracked and divides the \$4,000 each month.

We're going to compare this year to previous years to see how that's changed. Are we compensating as we should or are we running more calls and therefore volunteers are getting less compensation.

Chief pointed out at the bottom that there is Volunteer PERS. We are not required to pay PERS for volunteers because they are not tied into an hourly wage. However, we do have to pay PERS for those volunteers already in the PERS program through their employment, such as the City of CB or a County position. William Norton noticed that the number of FTE's listed at the bottom may be incorrect. Chief confirmed there is a typo. The 2.50 should be 2.0 which includes Admin (1/2), R&R Coordinator (full), and Division Chief (1/2) year. The Chief is in another budget.

There is a large increase in Medical Supplies. We've spent over \$9K due to COVID PPE requirements. However, most was reimbursed by covid fund. On page 19, on conflagrations and mobilizations, we had \$65K budgeted but we brought in over \$226K due to Covid Relief Fund and recouped a lot of costs. We used this line item to buy extra PPE.

On page 21, Medical supplies was increased based on PPE. Supply costs are up and believe they will stay up. Advertising was removed as it was budgeted in another place. Housing allowance budgeted for Division Chief until he was able to buy a house, so that's not budgeted this year.

On page 21 Equipment/Apparatus. Apparatus has aged and had to increase repair budget again. Fuel has definitely increased as the more calls the more fuel we use. Interestingly, our maintenance budget has reduced because of participating in county-wide contracts and sharing trip costs between 4 other departments. Jim Kingwell asked who does the maintenance work? Chief responded our annual fleet maintenance is done by Hughes Fire Equipment out of Springfield, OR. Our ladder and hose testing is done by National Hose Testing (Dallas, OR). While we reduced our maintenance budget, it didn't change our overall budget due to extra fuel costs.

On page 22, Building Maintenance. We will need to monitor building repairs in future years. Budgeted Janitorial cost is up slightly based on new service. The reason the janitorial is down this year is because we fired janitorial service because they weren't showing up and fulfilling their contract. We tried to take this on in-house, but it didn't work. We went out to RFP for both Janitorial Service and Landscape. We had the same contract in landscaping for a long time, but last year he retired, and we only had a couple of bids to replace him. We have a new contractor starting in a month. There's a slight increase from previous year, but not significant.

On page 22 "Education and Training" there is no change. Last year there was a discussion about subscriptions and dues as far as what is included in the category. The majority is directly related to training and training software. We are making sure what goes into dues and subscriptions are only dues and subscriptions. If you look at the right-side column "Budget for next year 2021 – 2023", it should be "2021-2022". It was a typo.

On page 23 "Professional Services" has quite a bit of change. Next year, we will have to pay rent on a new repeater tower at Tolovana which will be split between three agencies: Police, Fire and County. We're paying it to the new agent of the tower which is owned by T-Mobile. The property with the tower used to be owned by Weyerhaeuser who had a contract we were under and when sold made previous contract null and void. New owner, new contract, which we estimate will be considerably higher.

We have put a lot of money into Network Infrastructure in the station, and now we need to maintain it. We'll need to continue to replace computers and hardware as they become aged. Deb is now logged in to network to type minutes, which we weren't able to do before. Chief can work at home as well. It's been a great thing.

Legal was increased. We're using our legal more to protect District. Marty Harris asked what are we protecting District from? Chief explained when we do anything such as resolutions and contracts, we are now using legal more to ensure we are doing it the right way. The firm used is "Government Law", used to be called Speer & Hoyt who focuses on municipal law. We recently authored an Ordinance to bill for services on the highway and used Government Law to make sure we were doing it correctly. We're also consulting with them on the food and beverage tax.

With Medical exams, we'll be right at the \$10K when we get the bill from physicals. When we bring on new volunteers or new hires, they're required to have an entry physical examination. The \$10K was budgeted for entry level physicals only. This year however, through a count-wide cooperation initiated by Astoria Fire, we were able to get physicals for the entire department for that same money. Previously, we spent about \$1,000 per physical, but with the new program we only spend approximately \$380 for physicals and the physicals are done on-site with a semi-trailer for convenience.

Marty Harris commented that it seems like there is a whole lot more cooperation going on among districts. Is this because of your [chief] experience before you came here or is it that this is initiated by more people. Chief indicated both. He comes from an environment of a lot of cooperation and things are being initiated more to save money by county officials. Dan Crutchfield, Astoria Fire Chief, comes from Coos Bay where they had a lot of cooperation. Chris Beswick, Nehalem Fire & Rescue ensures partnering. So, believes it's a combination of all of them. Marty indicated she's pleased to see it.

The "Advertising" budget needs to be explained. The reason YTD shows \$16,776 and budget is \$7,000 is there is a lot of money budgeted in the grant that has to be spent in four years. FEMA doesn't care what year it's spent so long as the designated amount isn't over at the end. We accumulated to accommodate projects planned.

On page 24, "Insurance". Our property and vehicle insurance went up substantially. Our insurance renews in January, but we don't get our estimates until October, so we are left guessing and asking insurance to provide estimates. Every indication provided is it shouldn't go up, but it went up.

On page 24 "Uniforms" Marty Harris and Linda Sweeney congratulated on turnouts as that's been years coming. Chief added that it is a big change that we're now in the maintenance versus catching up on purchasing. He explained that turnouts have a 10-year life span. Our goal is to replace every five. That way they have five years in a new set and five years in a second set, and we're trying to maintain that cycle. When started four years ago, turnouts were 15-20 years old. Even now our new recruits are in older turnouts, but maybe only 12 years old. Some of them are good. Once they complete the Academy, they get new turnouts from the grant. Linda Sweeney asked about the "total requirements" line item at the bottom of the spreadsheet and Chief explained that's for ALL requirements not just protective equipment and uniforms.

On page 25 "Ladder Truck Bond" has \$310K left on balance of truck, which is paying for itself with bond.

Typo on page 26 under "C. Rescue", Rescue was budged vs. budgeted.

Going into reserve funds.

On page 27 Equipment Reserve Fund transferred \$125K from General Fund. You'll see two different line items of transfer this year. One from the General Fund (general tax revenue) and the other from the AFG grants. The \$125K was from general tax revenue while the other one is \$842K contingent on getting those grants.

We've been budgeting \$70K doing vehicle upgrades such as replacing radios. We've caught up somewhat. We budgeted \$20K to continue some upgrades of saws and things, but not near what we've been doing.

The Rescue apparatus was purchased and should be here mid-September. The actual purchase price was \$214K. There will be a lot of equipment to place on Rescue.

Hose and nozzle grant we received this year. It was applied for two years ago but didn't receive it. This year applied for half of it making it a two-year project and received the grant. If turns out, applying for less than \$50K makes it a micro-grant which doesn't go through quite the same review rigor.

Within the radio grant is Cannon Beach, Seaside, Gearhart and Warrenton. Not Astoria. One of the new things with FEMA is criteria they call a "frontier" department, which Elsie and Hamlet fit into these criteria.

Kim Bosse asked for clarification on how the grant radios work. Chief explained, when we purchase the radios, FEMA will pay for 95% and we pay 5%. Garry Smith added since we are hosting, we get the money from FEMA and we disburse it out.

Last item is engine. Last year, we budgeted \$250K to purchase a used Engine if we received the grant for the rescue apparatus. We did not get the grant. This year, we are budgeting to purchase an engine. From our budget, we are making a down payment of \$251K. We're financing the other \$300K on a five-year loan. Marty Harris asked who the source of the payment was. Chief indicated Capital Credit. Marty Harris asked why them. Chief indicated it went out to proposal, and they came back with the best terms and lowest rate. We will be paying 2.9%. Marty Harris is looking to see where that appears in budget. Chief indicated it would be budgeted out of the Equipment Reserve fund. Next year in the budget you will see it in debt services. The board will see it every month. Next year, we can put our balance sheets in the budget book.

On page 28, "COWS Reserve" we didn't spend out of this reserve fund year. We budgeted for normal repairs in COWS system line item out of General Fund so we didn't need to get into the reserve fund. We will continue to budget in reserve for battery and motherboard replacement. As the motherboard and batteries fail, still want to have ability to pull fund.

Jim Kingwell asked if COWs is the only warning system where there is a memorandum agreement with the county? Garry Smith explained the only memorandum we have is with the County for the equipment they gave us from Umatilla Oregon.

They let us have equipment with condition it's not to be given or sold. Seaside and Gearheart has our same system. Jim Kingwell continued that in the memorandum, the maintenance of the system falls to the department, yet the benefit is spread County-wide. Garry Smith clarified that the deal they made with us was that they probably gave us \$250K of equipment or more. They weren't willing to maintain it. We've tried to get help with maintenance. We received help from the City on a one-time deal. Only for units within CB City, not Arch Cape, Arcadia or Wayside. District has tried to get help, but we've advertised over the years that we are a "tsunami-safe" area because we have the warning system. It's a benefit for everybody who travels our District because that's what we're protecting. Jim indicated he's looking for ways to pressure other players such as increasing business licenses, etc., since it is a public benefit.

On page 29, "Capital" projects (buildings) nothing transferred in this year. Don't have a whole lot to expend out. We got a little budgeted out for tower windows, and dry rot on west-facing side of the building we're going to address this year. We'll also work on Arch Cape Computer Network, doing similar thing as main station such as TV and WIFI in board room to have better meeting capability at Arch Cape. Marty Harris asked about the \$50K in fund. Chief indicated it was a built up amount because we hadn't spent against it in preparation for doing some specific things with monies.

On page 30 "Fire chief" fund (levy), the first sheet is revenue. Keep in mind, that the first couple of years were based off the old levy, which had a fixed rate. Now we have changed the levy.

On page 31 "Personnel services" and "Material & Services". Under Material & Services the only thing being drawn from funds to speak of is Dues. Education was left in here, but due to COVID 19 haven't attended any educational event. Hopefully, next year, Chief will be able to go to a couple of them. Most of what Chief uses would come out of General Funds, so Chief's looking at these costs and trying to reduce some of those costs. A lot may be duplicated. One reason for vehicle fuel is the Duty Officer vehicle used to run on diesel, and now runs on regular gas. It's referred to as the Duty Officer vehicle and not the Fire Chief vehicle to ensure expanded use.

On page 32 "Vehicle Reserve Fund". There's no monies in it, and no intention to put monies in this reserve fund. We're getting rid of the mentality that "this is mine". It is a staff vehicle. Linda Sweeney stated "Good move". It is chief's total intention when this levy's 3 years is up to combine these two levies together. Linda Sweeney stated, at the time, the levy was the only option.

Chief pointed out this was the end of the LB Forms. The remainder is a lot of explanation and trying to be transparent with why things are the way they are.

Chief pointed out on page 38, "Appendix C, Salaries" demonstrates we are looking ahead to face some of the challenges. This last year has really proved a lot of challenges we're going to face in future. The budget was looking at toward the future, particularly when we're talking about setting up the volunteer compensation and salaries. We face a challenge with our tax rate. We are the lowest permanent tax rate for a fully functioning fire district in Oregon. There is no hiding that. With the current state laws, we can't fix it. The only way to fix a permanent rate is to redistrict or dissolve 2 or 3 districts and merge. It used to be you could do a reformation. Can't do that anymore. State law specifically says you must substantially change the area of your district.

We did the levy this last year which brought us up to 89 cents for operations. Based on what we do and who we are serving, if we could get some tourism tax such as food and beverage, the 89 cents is a good sustainable number with tourism tax.

Chief continued that he'd been asked a number of times, "Why don't we go for more levies?" Chief indicated he has a morale and ethical obligation and cannot in good conscious go to residents and ask them to pay more to fund non-visitors. Marty Harris indicated the other problem with levies, they're unreliable. We don't know if we'll get support or not. We almost didn't with the Fire Chief levy. Chief agreed and added on the flip side, if .89 cents is sustainable for maintaining operations, it should be an easy decision.

On Appendix E, page 38. Cost of housing is another challenge we are facing which impacts getting volunteers. Of all the volunteers, only 3-4 volunteers own homes in this District. The rest are renting, and those rentals are getting sold. We may have four volunteers of the 13 that may be leaving in an effort to afford a home. The question is how do we fix it? We are looking towards a "student program" and looking at other ways to market to volunteers outside the District, including a volunteer staffing program. Expensive technical rescues are increasing.

We're working on updating our contract with the State Parks. We get a \$1,000 / year to respond in State Parks. There's supportive data to leverage renegotiating. As an example, Banks has one state park. Cannon Beach has five. State Parks pays Banks \$19K/year to respond to 30 calls. We respond sometimes to 30 in a month. We received a donation last year of \$10K from a family who lost their daughter at rope rescue. Last of rope, surf, and trail rescues. Last rope rescue lasted four hours.

On the topic of rope rescue, the Volunteer Association has almost spent \$20K towards rope rescue gear out of their donations. Chief opened up to any questions.

Marty Harris asked if a resolution is needed from Budget committee. Chief responded, what is needed for tonight is a consensus from the Budget Committee and then it goes back to District Board for approval. Linda Sweeney suggested asking individuals to get consensus. Jim Kingwell agreed and proceeded to solicit decision from each Budget Board member. Kim Bosse agreed. Marty Harris agreed. William Norton agreed. Linda Sweeney agreed. Jim Kingwell agreed. Unanimous agreement was given. Linda Sweeney indicated Marc Reckmann did a good job putting this budget packet together. Marc indicated Deb DiStasio did a good job.

William Norton asked the question of how interagency assistance works. Do we get billed? Chief responded we do not get billed. We have an agreement for automatic/mutual aid. On a fire in Cannon Beach, first alarm assignment taps Cannon Beach and ladder truck for Seaside. At the same time, it tones for move ups. So, Gearhart moves up to Seaside, and Hamlet moves up to junction and Nehalem moves up to Arch Cape. On second alarm, which is any working fire, we automatically code a second alarm which is a County protocol. Ones that move up, are coming for the second alarm. For Seaside, any first alarm we will go with our ladder truck. Same protocol with water/rope rescue. Nehalem and Seaside both come to us. We go to Nehalem automatically for their fires and rope rescues.

William Norton asked if there were any checks or balances as far as how many times, we respond versus another? Chief indicated there are no metrics on that. We're going to go to their fires more, but they're going to come here more for our surf and rope rescues. It's a really good partnership. We really need them on rope and surf rescues because we don't have a fully certified surf rescue team currently. It's a really good partnership.

Marty Harris added that the house across the street from her had a fire and the street is 15 feet wide. Seaside fire district was there, and they were friendly, sharing, helpful and reassuring. A positive experience. Chief added we all work very well together.

Jim Kingwell indicated it was a perfect Segway to question on the line item for mobilization and conflagration. He wondered does the \$65K have to do with payments received from us responding to outside the District? Chief explained that the \$65K is for having an amount in the general budget which allows volunteers to get paid while waiting for reimbursement. We have to pay our volunteers \$15/hour for first 40 hours. Then we pay time and half. We have to pay and wait for reimbursement. The only thing we will send to mobilizations is the brush truck because of the limited brush trucks to cover the County. The Brush truck is billed around \$65/hour. We have five people we can send but will only send two at a time and only one of the paid staff at a time. Chief is also signed up to be one of the strike team leaders from the County.

Reckmann would like to ask if there was anything besides percentage personnel vs. opex and balance sheets that the budget committee would like to see included in next year's budget book? Marty Harris indicated this budget book was such a big improvement. Kim Bosse indicated she was impressed. Chief responded thank you to everybody and thank you to Deb DiStasio.

Jim Kingwell, Budget Committee Chair, turned meeting back to Garry Smith, CBFire District Board President.

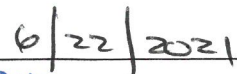
Smith thanked volunteers on Budget Committee for taking their time and listening. "We appreciate all your efforts". Garry Smith also thanked CBFire District board members, Chief Reckmann and Deb DiStasio have done amazing things in the last two years for this District to get cooperation with neighbors, cities, and general public. Smith indicated he was very pleased with the way things are going. Smith added, if we could get our volunteers squared away and housing, we'd have a solid District with little to worry about.

Smith asked if there was a motion to adjourn. It was motioned by **Mark Mekenas** to adjourn. **Rick Schafer** seconded the motion. All in favor. None opposed.

Adjourn:

- District Budget hearing is scheduled during next Board meeting on June 15, 2021.
- Meeting was adjourned at 17:21 (7:31 pm).


Garry Smith, President CBRFPD


Date: