

## Elk Creek Fire District

### Draft 2020 Budget

This draft budget represents the best estimate of expected revenues and anticipated costs for 2020. All projected revenues and expenditures are subject to change as more complete information is available.

It is worth repeating that this is a first draft budget, based on the best estimates available at the time. This budget will be updated based on public input, board input and updated figures available by the date of adoption.

In the end, the budget will be, even after adoption, an estimate of the revenue and expenditures for 2020. Actual income and costs will vary.

As the Elk Creek Fire District has a mill levy proposal up for voter approval, there are two very different scenarios that may play out. If the mill levy passes, there will be an additional \$900,000 available for programs. Each section of the budget shows two possibilities, one including the additional funding and one without.

The 2019 budget does not yet reflect estimated changes, such as the loss by attrition of two personnel. Those adjustments should be made by the November budget hearing. The 2018 budget is based off the audited budget figures.

#### **I. Revenues**

Properties are re-assessed every in odd years. After assessment, a “preliminary value by authority” is provided in August. This projection is further refined by December when the final “Certificate of Valuation” is provided. Usually, this value is less than the preliminary value due to reductions and appeals.

Despite a booming housing market, assessed values are rising more slowly than market values. Part of that is due to the “Gallagher Amendment” that reduces Residential Assessment Rates (RAR) over time. For 2020, this RAR is dropping to 7.15% of value for residential properties.

The preliminary value of assessed property shows an increase of 11% over 2019. Historically, that number will fall by one to two percentage points by December as valuation appeals are heard. Collection of property tax due rarely approaches 100%. We are projecting 97% collection in 2020.

Ambulance revenues continue to be considerably lower than in the past. Currently, the fire district recoups 43% of invoiced charges. That represents about 52% of the cost of providing the service according to audits by Colorado State. While the number of calls has continued to rise, the number of transports has stagnated. More individuals elect to go to medical call by private vehicle or to refuse

transport by EMTs and paramedics. The fire district is paid only for transports. Service refusals are not invoiced.

Specific Ownership Taxes are the taxes paid on vehicle licenses. Those taxes rise and fall annually. As such, the income is difficult to predict.

Grants are also hard to predict, as they are not guaranteed. Further, as the budget has gotten tighter recently, the availability of matching funds is harder to include in the budget. For 2020, we anticipate applying for 50% of the cost of a replacement ambulance. This will require \$120,000 to \$140,000 in funds from the general fund to meet the 50% match.

From 2017 through 2019, the fire district received grants for the community chipping program. That grant has ended and is not available for renewal.

Wildfire reimbursement is also difficult to project. We dropped from over \$600,000 in 2018 to less than \$100,000 in 2019. In addition, the fire district has had contracts with Colorado State Forestry for mitigation projects. Those grants have help fund the wildland fire module. While they have been close to 80% funding, continuation of funding even the 20% match is in doubt.

The mill levy proposal is for a sum of \$900,000. If that passes, that will be included in the available funding.

## **II. Expenditures**

Final figures for expenditures will not be available until later in the year, as many renewals and costs will not be provided until then.

### **Governance**

There are two directors up for election in 2020. While the fire district has been able to cancel the past two elections due to having fewer candidates than open seats, the same may not be true in 2020. This is particularly due to the efforts by opponents of the mill levy to promote other candidates to run.

### **Administration**

We have been able to reduce auditing and accounting costs over the past two years. Insurance costs for 2020 are not yet available. Telephone costs are expected to increase as we continue to add mobile data computers in the apparatus. These computers increase situational awareness, communication and mapping capability.

If the mill levy passes, we would consider adding a part time administrative position to handle the increased workload from additional programs, particularly the wildfire and mitigation programs. This would add \$36,000.

**EMS Operations**

EMS and Fire have some hard costs directly attributable to each service, and others that are split based on a percentage of calls. EMS is currently about 60% and fire about 40%. Salary and benefits are based on having the 7 employees currently.

Dispatch costs are remaining the same rate per call for 2020, but will increase slightly as calls have been increasing. Dispatch costs have gone from zero in 2015 to approximately \$50,000 in 2020. While the establishment of JeffCom by the larger agencies in the county saved them considerable costs, some of those costs were passed over to the smaller agencies.

If the mill levy passes, the two vacant firefighter/paramedic positions would be filled at an estimated cost of \$140,000. In addition, I would propose increasing volunteer incentive pay by \$60,000. This would be to try to slow the decreasing participation by volunteers. At this time we are down to one volunteer at Pine Junction, and may have to close that station if we cannot put in a resident facility or increase local volunteer participation.

**Prevention**

We do not have much change in the proposed prevention budget. Increased development and construction may cause us to consider adding hours as needed to the part time fire marshal.

**Training**

Not much is changed in training for 2020. If the mill levy passes, additional costs for paramedic school may be needed.

**Maintenance**

Maintenance costs are not projected to change significantly. This does not include the larger costs of much needed capital maintenance on the stations. Those costs are included under capital in the budget.

**Facilities**

For 2020, we will again try to budget for paving the parking lot at station 1. Station 3 is in need of significant maintenance including weather proofing and insulation. The station has routinely been falling below freezing inside during the winter.

If the mill levy passes, an additional \$300,000 should be allocated to facility costs. This would start the process of including resident facilities at stations 2 and 3.

In addition, \$60,000 should be allocated to water system improvements. This would include getting the cisterns at stations 2 and 4 back in service. Both failed years ago, but we have not had the funds to fix them.

**Grants**

For 2020, we are eliminating the grant for the chipping program. It is no longer available. If the mill levy passes, \$120,000 for a replacement ambulance and \$120,000 grant funding would be included. This would assume we would be successful in getting a RETAC grant for 50% of the cost of a replacement ambulance. The ambulance should be replaced rather than re-chassised as neither of the two older ambulances are good candidates for that choice.

Grants over the past several years have been keeping the department staffed and provided useful programs. All these grants have a 50% minimum match by the fire district. Grants, however, are not intended to replace operational funding and are limited to 1 to 3 years. With the possible exception of the RETAC grant, we do not anticipate any grant funding for 2020.

The SAFER grant would allow the re-hire of the two laid off positions, however the fire district would have to demonstrate the ability to pay those two positions starting in 2022. With the probability of additional cuts of approximately \$600,000 coming in 2023, that is not possible.

### **Wildland**

The 2019 budget shows a considerable net revenue from out of district wildland operations. This does not reflect the actual wildland fire season, which was considerably slower than normal. The increased revenue is a carryover from 2018, due to accrual accounting methods. 2018 showed a significant loss as expenses were included, but revenues were pushed off into 2019. The fire district has been using the funds from wildland operations to help balance the budget. With a slow fire season in 2019, the budget is much tighter.

The future of the mitigation crew will depend on both the mill levy and possible contract work with Colorado State Forestry. With new proposed contracts, we may be able to keep the mitigation crew even if chipping is cut, at least through May. After May, no funds are available at this time. We would consider laying the crew off for the winter and completing the contract work during the summer when the crew is most useful for wildfire response, however the contract runs out in May.

If the mill levy passes, the chipping program would be retained at an estimated cost of \$60,000.

### **Total Operational Expenses**

The first draft of the 2020 operational budget has a decrease of 13% from 2018. This is largely due to the staffing cuts.

### **Capital**

With one lease ending, we can move some of that funding to much needed replacement. The budget includes the 50% cost of one ambulance, replacement of two utility vehicles and the described facility improvements.

### **Total Expenditures and Ending Balance**

As currently drafted, this budget would have both a decrease in revenue and in expenditures.

This is a first draft budget, subject to considerable refinement before the end of the year.

**Mill Levy Funding**

If the mill levy is approved, the proposed assignments could include:

Staffing	\$140,000
Volunteer incentive	\$60,000
Facilities	\$300,000
Chipping program	\$60,000
Administration	\$36,000
Water systems	\$60,000
Apparatus	\$244,000
Total	\$900,000