

MARYSVILLE FIRE DISTRICT
JOINT MFD/SCFD12 SPECIAL MEETING
2021 Budget Workshop
September 29, 2020 – 9 am – Virtual Via Zoom

Chairperson Stevens called the meeting to order at 9:07 am.

OPENING STATEMENT

As indicated in the public notice, the public has been invited to join via Zoom. The public comment section of our agenda has been suspended until further notice. However any member of the public may submit comment via email, mail, or phone. Comments received will be read into the record at the following meeting.

No public comments have been received.

The following were in attendance:

Board of Directors:

Steve Muller	Participant ID 451969
Tom King	Participant ID 448507
Michael Stevens	Participant ID 465388
Kamille Norton	Participant ID 472605
Rick Ross	Participant ID 467731
Tonya Christoffersen	Participant ID 502998
Pat Cook	Absent

Staff Members:

Martin McFalls, Fire Chief
Jeff Cole, Deputy Chief
Tom Maloney, Deputy Chief
Chelsie McInnis, Finance Director
Steve Edin, Human Resource Manager
Dean Shelton, MSA, Local 3219 President
Paula DeSanctis, Board Secretary

Guests:

Chief McFalls welcomed all Board members, Staff and guests to the 2021 Budget Workshop. Stated we will be taking a ten minute break every hour or as needed.

2021 BUDGET PROPOSAL

Finance Director Chelsie McInnis reviewed the 2021 budget proposal package, which included the updated 2020 revenue estimates for the Marysville Fire District (MFD) and Snohomish County Fire District 12 (FD12). The MFD Expense Fund has an estimated 2021 increase in revenues of \$867,406 for a projected total of \$25,435,599. The FD12 Expense Fund exists only for the collection and remittance of the EMS Levy. McInnis reviewed the 2021 property values and levy rates. Property assessed values are expected to increase approximately 9.31% for a 2021 preliminary MFD assessed value of \$12,008,983,940. New Construction improvement assessed values added from January 1st to July 31st were \$251,856,195 for an approximate increase of 32.13% over last year. The 2021 MFD Regular Levy rate is estimated at \$1.37/\$1,000 of assessed value for a total estimated regular levy collection of \$16,454,421. This includes 101% of the 2020 Levy plus new construction, refunds, and state assessed utilities. The separate EMS Levies collected and remitted to MFD by the City and FD12 are set at

\$.50/\$1,000 of assessed value as a result of the 2018 levy lid lift inflation factor of up to 110% increase, for a total estimated EMS Levy collection of \$6,108,685. Per the RFA Plan Document, FD12 uses bank capacity to match the City EMS levy rate. Based on the 2020 Implicit Deflator, the Boards will need to pass additional resolutions of substantial need to access the full statutory authority increase for both levies.

RECESS

Chairperson Stevens called for a ten minute break at 10:05 am to return at 10:15 am.

RECONVENE

The Budget Workshop reconvened at 10:15 am.

Finance Director McInnis reviewed the 2021 proposed budget summary, which included all MFD fund balances, revenue estimates, expenditure proposals (including discretionary personnel costs, program costs, equipment costs), and the FD 12 Expense Fund summary of EMS levy collection and remittance to the MFD. Proposed fund level budget appropriations were presented as follows: (1) MFD RFA Expense Fund \$26,357,089, (2) MFD RFA Apparatus Fund \$2,113,100, (3) MFD RFA Capital Reserve Fund \$2,963,210, (4) FD12 Expense Fund \$1,400,000. McInnis shared that the working budget with all individual line item detail can be found in the Board members hard packets.

Human Resources Manager Steve Edin reviewed the proposed 2021 wage and benefits which is a 4.5% increase for a total of \$19,690,045, a variance of \$825,515 from 2020.

Deputy Chief Neuhoff reviewed all proposed 2021 capital projects budgeted within the Expense Fund. Neuhoff also expanded on the proposed 2021 purchase of four new apparatus totaling \$2.1M. McInnis shared considerations for the purchase of the \$1.4M ladder truck. The Washington State Treasury has a finance program that allows us to piggyback on the Washington State bond ratings to finance large projects at a very low interest rate. This will allow us to reinvest the \$1.4M to likely offset a higher interest rate on known lending we will need in the future for fire station construction. We will continue to monitor interest rates and make the final decision on lending for the ladder truck by November 2021.

RECESS

Chairperson Stevens called for a ten minute break at 11:05 am to return at 11:15 am.

RECONVENE

The Budget Workshop reconvened at 11:15 am.

McInnis followed the Budget Summary with a presentation of the MFD annual cash flow cycle, considering minimum fund balance and the expectation of both first and second half of the year property tax collections, and an overview of the 2021-2026 financial outlook, RFA transitions, apparatus replacement plan, and fire station projects.

STRATEGIC PLANNING

Chief McFalls shared slides from the recent Community Driven Strategic Planning meetings including a list of 2020/2021 delayed budget items, 2021 requested apparatus, and the



2020/2021 station projects. Chief expressed the importance of the Planning Committee to reassemble to start moving forward on needed projects. The Planning Committee scheduled to meet Wednesday, October 7, 2020, 6 pm via zoom.

BUDGET ADOPTION

Finance Director McInnis stated if there is need for additional discussion on the 2021 budget, she can present at the October 7, 2020 Planning Committee Workshop and/or the October 19, 2020 regular meeting. The 2021 Budget adoption is required by November 30, 2020. Historically, the budget adoption is done at our November regular meeting which will be November 18, 2020.

ADJOURNMENT

With no action required, the September 29, 2020 Budget Workshop adjourned at 12:12 pm.

Martin McFalls
Martin McFalls
District Secretary

10/19/2020
Date approved

