



## TALLAHASSEE FIRE PROTECTION DISTRICT 2018 BUDGET MESSAGE

### Introduction

It is my pleasure to transmit to you the 2018 proposed budget for the Tallahassee Fire Protection District (TFPD). The TFPD provides fire suppression, emergency medical, and other emergency services, pursuant to provisions of the Colorado Special District Act. This budget for fiscal year 2018 is submitted as directed by the board of directors and as required by Colorado law. The budget is a financial master plan for the District and is prepared in accordance with the modified accrual basis of accounting. The 2018 budget contains two appropriated funds established by the board of directors:

- General Fund - Accounts for all financial resources except those reported in the capital fund of the District.
- Capital Projects Fund - Utilized for major capital projects of the District financed with general fund operating transfers.

### Budget Process

The budget process is initiated by updating and reviewing an annual financial forecast under various scenarios. After evaluating the various scenarios, a budget model was created.

The District did not have a mill levy at its organization in 2016, nor in 2017. Revenues were uncertain and were dependent upon donations, grants and income from deployments to State and Federal incidents. Only one in four residents of the District donate to the TFPD. The number of paid deployments is variable, depending on climatic conditions, and the number of large incidents (wildfires, natural disasters, and man-made) in the United States.

This uncertainty in the District's revenue made it difficult to project income and spending plans. On November 7, 2017, the voters of the District approved a mill levy of 10.000 mills for the TFPD. This should generate approximately \$132,000 in property tax collections in fiscal year 2018. Property tax collection is expected to relieve some of the uncertainty in financial management and budgeting. The model for the 2018 budget includes projected revenues from all sources, including District taxes.

The District takes a conservative approach to projecting revenues and a realistic approach to projecting expenditures. Managers develop the budget with overall guidance and philosophy that is outlined by the District treasurer.

The District prepares a budget for funds that are subject to the budget requirements of state law. The budgeting process allows for citizen input through a public hearing, and approval of the budget by the board of directors.

### Budget Management

The board of directors' resolution authorizing appropriations at the fund level sets the amount by which expenditures cannot exceed appropriations. Appropriations lapse at year-end. Additional resources not anticipated in the original budget may be added using a supplemental budget.

Internal budgetary control is maintained through monitoring of the following cost categories:

- Administration – includes the administrative salary and benefits for the District’s Fire Chief and operating expenses not directly related to firefighting and rescue operations, such as board expenses and contracts for professional services for bookkeeping, accounting and legal counsel.
- Operations – includes deployments, shift coverage and maintenance salaries and benefits, grant expenses, firefighting supplies, emergency medical services (EMS) supplies, equipment repairs and maintenance, building repairs and maintenance, training and recruitment, utilities and other expenses directly related to firefighting and EMS operations.
- Capital Outlay – includes the cost of land, buildings and improvements, furniture and equipment.

By maintaining close budgetary control, the TFPD ensures that expenses do not exceed revenues.

The District’s goal for the 2018 budget year is to recognize the strategic priorities adopted by the board of directors. These include long-range financial stability of the District and ensuring appropriate levels of service to members of our community.

The District began the strategic planning process building on the existing strategic plan of the District’s predecessor organization, the Tallahassee Volunteer Fire Protection, Inc. (TVFP). The District generated its own mission, vision and values. Through the process, with research and discovery of strengths, weaknesses, opportunities, threats, and with feedback from a community survey, the 2018 strategic plan was developed. The District’s board of directors was briefed in June 2017 for adoption of the strategic plan.

### **Budget Highlights**

The District carries no debt and does not anticipate the need for debt in 2018.

The general fund budgeted revenue of \$346,020 for 2017. Because the District was organized on November 26, 2016, there was no budget or expenses for 2016. The TVFP transferred assets and employees to the District on January 1, 2017. Approximately half of the District’s 2017 revenue came from the transfer of TVFP funds to the District. The TVFP, a 501(c)(3) organization, remains intact and supports the District with fundraising activities. Any future transfer of funds to the District from the TVFP will be recognized as donations.

The District, as a quasi-governmental organization is permitted by law to charge for its services. Through an agreement with Fire Recovery USA, Inc., the District will begin charging persons not living in the District for its services. With its location in a popular tourist area, the District typically responds to more non-resident in-district calls in the summer months than in-district calls from residents.

The revenue streams for 2018 compared to 2017 are:

**REVENUE STREAMS**

	Property Tax	Donations	Grants	Deployment Income out-of-District	Response Income in-District	Fund Transfers from the TVFP	Other Revenue*	Prior Year Carryover	Total Income
2017 Budget	0	\$16,000	\$27,000	\$99,000	0	\$214,000	\$20	\$0	\$356,020
2018 Budget	\$119,515	\$2,500	\$27,779	\$99,000	\$9,375	\$0	\$3,020	\$28,698	\$289,887
Increase/ (Decrease)	\$119,515	(\$13,500)	\$779	\$0	\$9,375	(\$214,000)	\$3,000	\$28,698	(\$66,133)

\*advertising income, checking account interest and credit card cash back rewards.

General Fund expenditures by cost categories are:

**EXPENSES**

	GENERAL FUND			CAPITAL FUND	Ending Balance (Both Funds)
	Administration	Operations	Emergency Reserve (TABOR)	Capital Outlay*	
Budget 2017	\$44,618	\$91,100	\$10,381	\$89,500	\$235,599
Budget 2018	\$59,117	\$176,711	\$8,697	\$37,000	\$281,524
Increase/(Decrease)	\$14,499	\$85,611	(\$1,684)	(\$52,500)	\$45,925

\*Funds for capital projects come from the General Fund.

The general fund expenditure budget for 2018 represents an increase of \$45,925 when compared to the 2017 adopted budget expenditures (\$235,599). The increase is a result of the need to obtain critical fire and EMS equipment, improving the inventory of EMS supplies, and providing for contingency funds not budgeted in 2017.

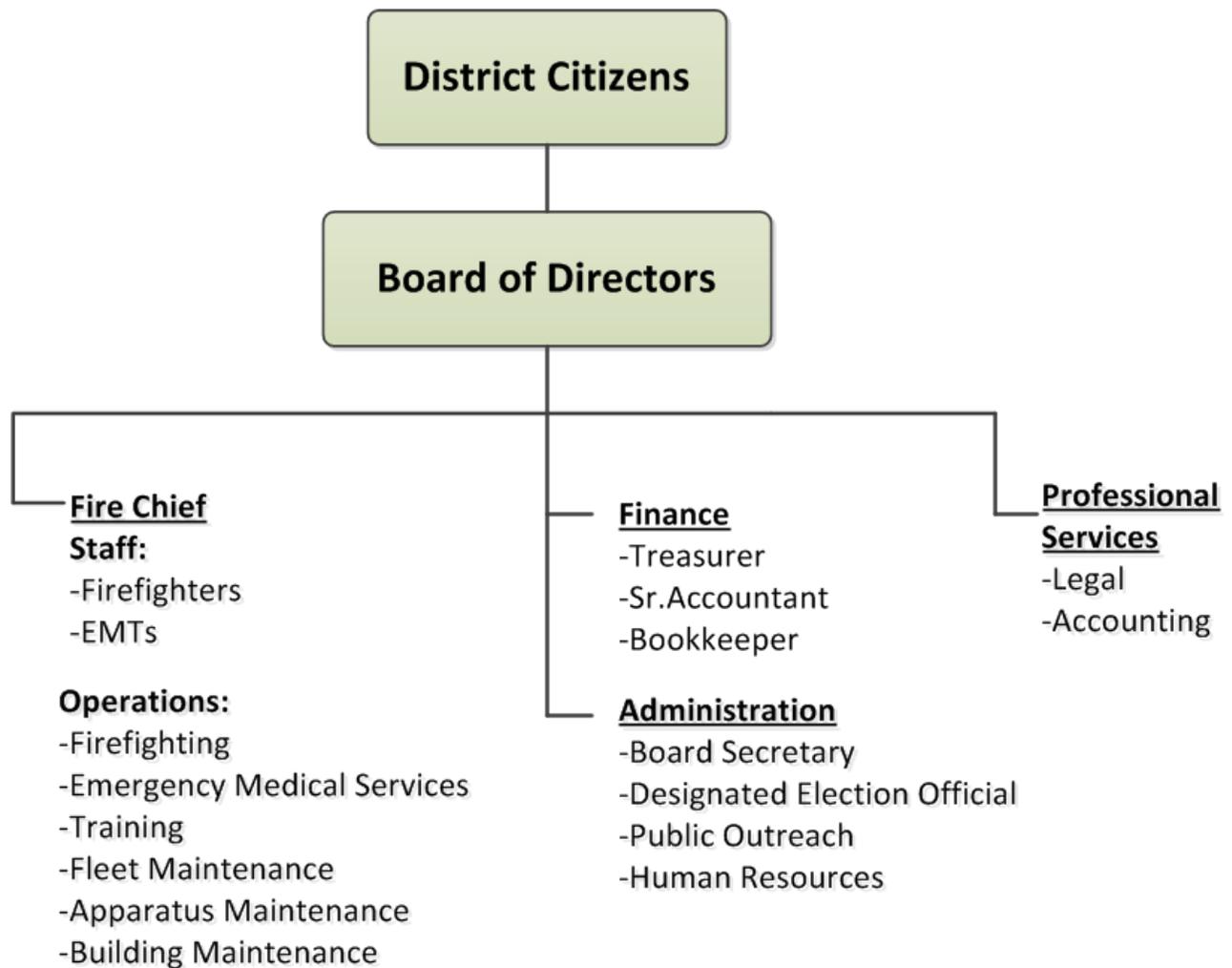
Administrative expenses show an increase of \$14,499. This is due to an accounting change. In 2017, administrative labor and benefits were accounted for within the operations budget line item. In 2018, labor and benefits have been appropriately segregated into administrative and operations. Administrative labor and benefits is for the Fire Chief.

Operations expenses show an increase of \$85,611. This is because the planned capital outlay in 2018 is \$52,500 less than in 2017. Capital project funds come from the General Fund, principally, the operations budget, so when capital funds decrease, the operations budget increases.

The District is currently staffed with five unpaid civilians (board secretary, treasurer, accountant, assistant treasurer and assistant board secretary) and 16-20 volunteer emergency response personnel supervised by the Fire Chief. These personnel provide District management, fire

prevention, emergency medical services, training and routine maintenance services. The District's organization is shown below.

## TALLAHASSEE FIRE PROTECTION DISTRICT ORGANIZATION



The Fire Chief is the District's only employee. The operations staff are all volunteers and are paid a nominal fee for shift coverage and/or paid for deployments out of the District. All other work is unpaid.

### **Closing Comments**

The Tallahassee Fire Protection District has set forth a budget for this year's submission for the fiscal year 2018. Our desire is to meet the needs of our District's citizens and utilize available resources while maintaining the stability of future funds for the District's overall capital and need for services. The District is always looking for innovative ways to improve our efficiency and effectiveness, while maintaining the necessary needs of the citizens we serve.

Thank you to the citizens of the District, finance staff, operations staff and board of directors for your support in accomplishing these goals to help ensure the safety of the District and of the firefighters and EMTs that respond to emergencies during the year.

Sincerely,



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Donna Toeroek, PhD  
TFPD Treasurer