



AREA FIRE & RESCUE SERVICES

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To: JPA Parties
Ben Martig, Jerry Anderson, John McCarthy

From: Gerry Franek, Fire Chief
Glen Castore, NAFRS Board Chair

Date: August 1, 2017

Subject: NAFRS 2018 Budget Request

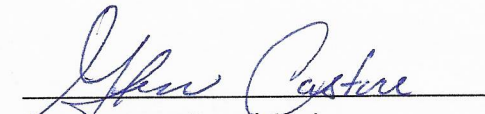
The Board of the Northfield Area Fire and Rescue Service has approved an operations budget of \$525,000 and capital expenditures of \$26,000 for 2018. We request that each of the JPA Parties approve the operations budget of \$525,000 and capital expenditures of \$26,000 for 2018 per paragraph 6b of the Joint Powers Agreement. The Board has also approved a 10 year Capital Equipment Plan which is attached.

Please note that the Party Contribution percentages are adjusted in 2018, per paragraph 7b of the Joint Powers Agreement, to take into account changes in population and estimated market value. An explanation of the revised percentages is attached. The revised percentages are:

Party	2014 - 2017	2018 - 2019
Northfield	72.18%	71.57%
Rural Fire District	22.44%	22.88%
Dundas	5.38%	5.55%

Respectfully,


Gerry Franek, Fire Chief


Glen Castore, Board Chair

Attachments:

1. Line item operations budget for 2018 with comparison to 2016 and 2017
2. Background on 2018 capital equipment expenditures
3. Capital Equipment Plan 2018 – 2027
4. Capital Equipment Plan history
5. JPA percentage adjustments

**NAFRS
OPERATING BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2018**

	<u>ACTUAL 2016</u>	<u>BUDGET 2017</u>	<u>4 M '17-ann.</u>	<u>BUDGET 2018</u>
REVENUES:				
Misc. Revenues	\$562.14	\$0	\$0	\$0
Member contributions-Operations	<u>\$525,000.00</u>	<u>\$525,000</u>	<u>\$525,000</u>	<u>\$525,000</u>
Total Revenues	\$525,562.14	\$525,000	\$525,000	\$525,000
EXPENSES:				
Human Resources-				
Gross payroll	\$169,431.06	\$169,000	\$145,000	\$172,000
less, Elko Speedway Personnel Reimb.	(\$6,587.96)	\$0	\$0	\$0
FICA	\$13,094.36	\$13,500	\$9,000	\$14,500
PERA retirement contribution	\$2,371.50	\$2,000	\$2,500	\$4,000
Fire Relief Pension	\$0.00	\$0	\$0	\$0
Workers Compensation Insurance	\$41,279.96	\$42,000	\$44,000	\$46,000
Group Disability/Medical Insurance	\$817.68	\$1,500	\$900	\$13,000
Background checks	\$0.00	\$0	\$0	\$0
Employee vaccinations/annual tests	\$5,564.90	\$5,000	\$14,200	\$7,000
Recruiting	\$0.00	\$10,000	\$0	\$0
Other, misc. including recruit gear/testing	<u>\$0.00</u>	<u>\$10,000</u>	<u>\$0</u>	<u>\$10,000</u>
Total Human Resources	\$225,971.50	\$253,000	\$215,600	\$266,500
Facility-				
Utilities-electricity	\$16,688.35	\$14,000	\$11,400	\$18,000
Utilities-natural gas	\$5,702.38	\$10,000	\$10,300	\$8,000
Utilities-water/sewer/storm	\$1,589.51	\$3,000	\$1,300	\$2,000
Outside services-refuse	\$1,846.15	\$3,000	\$2,100	\$3,000
Outside services-lawn/snow removal	\$2,655.00	\$5,000	\$4,700	\$5,000
Outside services-cleaning	\$4,361.44	\$4,000	\$3,100	\$4,000
Building maintenance & repairs	\$15,177.10	\$20,000	\$300	\$12,500
Security Monitoring	\$0.00	\$1,000	\$0	\$1,000
Supplies	\$1,114.45	\$3,000	\$700	\$2,000
Insurance	\$14,005.01	\$14,000	\$23,100	\$25,000
Facility Rent	\$20,011.00	\$20,000	\$20,000	\$20,000
Other, misc.	<u>\$0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Facility	\$83,150.39	\$97,000	\$77,000	\$100,500
Equipment-				
Small equipment purchases	\$15,080.71	\$15,000	\$40,100	\$10,000
General supplies	\$1,053.81	\$10,000	\$1,200	\$6,000
Repairs & maintenance-general	\$5,991.02	\$2,000	\$2,500	\$5,000
Equipment rent	\$0.00	\$0	\$0	\$0
Other, misc.	<u>\$0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Equipment	\$22,125.54	\$27,000	\$43,800	\$21,000
Fleet-				
Fuel/oil/lubricants	\$5,441.02	\$6,000	\$3,400	\$6,000
Repairs and maintenance	\$24,919.76	\$20,000	\$15,900	\$20,000
Insurance	\$11,690.00	\$13,000	\$11,900	\$13,000
Small equipment purchases	\$0.00	\$0	\$0	\$0
Supplies	\$2,156.57	\$0	\$0	\$2,000
Other, misc.	<u>\$0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Fleet	\$44,207.35	\$39,000	\$31,200	\$41,000
Education & Training-				
Conference & Seminar/School Fees	\$900.00	\$10,000	\$14,500	\$10,000
Lodging	\$2,505.51	\$3,000	\$0	\$3,000
Per Diems, mileage, other travel	\$0.00	\$2,000	\$7,300	\$1,000
Other education & training costs	<u>\$8,426.76</u>	<u>\$1,000</u>	<u>\$2,100</u>	<u>\$4,000</u>
	\$11,832.27	\$16,000	\$23,900	\$18,000
Communications/I.T.-				
	\$5,914.71	\$10,000	\$4,600	\$6,000
General Insurance (liab/excess)-				
	\$3,671.68	\$3,500	\$3,500	\$4,000
General & administrative-				
Professional Services-HR/Payroll	\$29,957.05	\$28,000	\$29,700	\$30,000
Professional Services-Legal	\$16,380.00	\$10,000	\$10,800	\$12,000
Professional Services-Accounting & Audit	\$10,525.00	\$9,000	\$27,500	\$12,000
Professional Services-Other	\$54,117.25	\$22,500	\$1,900	\$3,000
Memberships & Dues	\$995.00	\$1,000	\$1,000	\$1,000
Office Supplies	\$2,841.53	\$4,500	\$4,900	\$4,000
Small Equipment purchases	\$0.00	\$0	\$0	\$0
Equipment leases	\$0.00	\$0	\$0	\$0
Business software	\$0.00	\$0	\$0	\$0
Postage/Delivery	\$183.09	\$500	\$0	\$500
Subscriptions	\$184.00	\$0	\$200	\$500
Board expenses	\$2,063.87	\$2,000	\$4,100	\$3,000
Miscellaneous (advertising, promotion.)	\$553.61	\$2,000	\$1,300	\$2,000
Contingency Reserve	<u>\$0.00</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total general & administrative	<u>\$117,800.40</u>	<u>\$79,500</u>	<u>\$81,400</u>	<u>\$68,000</u>
TOTAL EXPENSES-OPERATING	<u>\$514,673.84</u>	<u>\$525,000</u>	<u>\$481,000</u>	<u>\$525,000</u>
EXCESS (DEF) OF REVENUES OVER EXPENSES-OPS	\$10,888.30	\$0.00	\$44,000.00	<u>\$0</u>
TOTAL	\$10,888.30	\$0.00	\$44,000.00	<u>\$0</u>

Background on NAFRS 2018 Capital Equipment Request

Scott Sight

This is a face mask which incorporates an infrared camera with a display in a section of the mask. The camera detects hot spots in walls, doors and staircases for example. A traditional infrared camera is handheld and the firefighter must look down at the display. The Scott Sight leaves both hands free and the firefighter is able to keep attention focused on the immediate surroundings rather than on the handheld camera display.



BullEx Simulator

This is a laser-based simulator for training people how to use a fire extinguisher. The system consists of a flat screen display with integrated sensors which respond to the lasers in the fire extinguisher nozzle. The trainer can select the type of fire which changes the response of the system to the lasers. The fire is displayed on the screen and the trainee while the trainee is being taught to point the nozzle at the appropriate part of the fire for an appropriate time. While the extinguishers are the same weight as fully loaded real extinguishers, they do not spray foam. Thus training can be done inside during inclement weather. Training on the system is accepted by OSHA and insurance companies as satisfying their requirements. Many companies get a discount on their fire insurance if they can document fire extinguisher training for their employees. This will be a significant improvement in NAFRS capacity to conduct training for organizations in its service area. NAFRS charges for this service.

**Northfield Area Fire & Rescue Services
2018 - 2027 Capital Equipment Plan
Vehicles and Equipment**

Type	Year	No.	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Aerial Ladder	2013	8118										
Pumper	1987	8115		\$ 600,000								
Elevating Platform	2004	8128										
Heavy Rescue	2001	8120										
Ambulance	2002	8110										
Grass Rig	2011	8113				\$ 75,000						
Pumper	2017	8125						\$ 620,000				
Tanker	2005	8126			\$ 350,000							
Tanker	2009	8116							\$ 350,000			
ATV	2013							\$ 22,000				
ATV	2004											
Other												
Compressor	2016											
Air Packs and Bottles	2016											
Scott Sights			\$ 10,000									
Bullseye Simulator			\$ 12,000									
ATV Trailer	2013							\$ 3,000				
Boat												
Duck Trailer	1993											
Boat Trailer	1993											
Dive Trailer	2002											
TOTAL			\$ 22,000	\$ 600,000	\$ 350,000	\$ 75,000	\$ -	\$ 645,000	\$ 350,000	\$ -	\$ -	\$ -

NAFRS Capital Equipment Plan History

T NAFRS Board has approved 10 year Capital Equipment Plans in 2015, 2016, and now 2017.

The first CEP covering the period 2015 – 2024 budgeted total expenditures of \$3,700,000 over this 10 year period. The average expenditure per year was \$370,000. This plan included the following equipment which has been acquired:

Equipment	Scheduled Year to Purchase	Actual Year of Purchase	Budgeted Cost	Actual Cost
Air Pack System	2015	2015	\$250,000	\$232,114
Pumper 8125	2016	2016	\$600,000	\$553,211
Aerial 8128*	2022	2016	\$1,100,000	\$365,699
			\$1,950,000	\$1,151,024

*8128 was replaced with a used truck in 2016 rather than a new truck in 2022 as planned.

The proposed CEP for 2018 – 2027 has total expenditures of \$2,042,000 resulting in an average expenditure per year of \$204,200.

The period 2018 – 2024 is common to all three plans.

CEP	Expenditures for 2018-2024	Major Changes
2015	\$2,250,000	
2016	\$1,120,000	<ul style="list-style-type: none"> Purchase of used aerial in 2016 results in decrease in 2022 of \$1,100,000.
2017	\$2,042,000	<ul style="list-style-type: none"> Added \$620,000 for replacement of 8125 in 2023 per truck policy approved in 2016 Increased cost of 2 tankers from \$250,000 to \$350,000 each.

The scheduled purchase of pumper 8115 in 2019 will complete the replacement of the seriously outdated equipment. The proposed 2017 CEP schedules the replacement of the tankers 8126 and 8116 and the pumper 8125 according to the Truck Replacement Policy approved in 2016. The purchase of new equipment may vary from the CEP depending on condition of equipment, needs of the department, new technologies and availability of financing.

MEMO

TO: JPA Parties
FROM: Glen Castore
DATE: July 31, 2017
SUBJECT: JPA Cost Allocation Percentages

Section 7b of the Joint Powers Agreement directs the organization to update the Party Contribution percentage every two Years starting in 2018 following the process given in Exhibit D of the Agreement.

Following that procedure the changes are:

Party	2014 - 2017	2018 - 2019
Northfield	72.18%	71.57%
Rural Fire District	22.44%	22.88%
Dundas	5.38%	5.55%

The information below shows the basis for the changes. A comparison to the data used to calculate the current percentage is included.

Items to note are:

1. The population estimates are for 2016. They were released by the State Demographer in July 2017.
2. The Estimated Market Value information from Dakota County for Sciota and Waterford Townships varies significantly from what they provided in 2014. Discussions with the Dakota County Auditor's Office have not resolved the differences. They are confident the current figures are correct. They cannot reproduce the 2014 reports since their software has changed in the interim.
3. The Estimated Market Values (EMV) uses the amount payable in the given year.
4. The Population estimate used the figures released by the state demographer in the given year and is actually for the previous year. Thus in July 2017 they release the estimates for the population in 2016. Because of the timing of the JPA negotiations the population estimates used were those released in July 2013.

Characteristic	Weight
EMV	20%
Population	80%

2014	Estimated Market Value	EMV %	Population (2012)	Population Percentage	JPA %
Northfield	\$1,129,244,200	54.9%	20,373	76.5%	72.18%
Dundas	\$117,547,100	5.7%	1,407	5.3%	5.38%
Rural Fire District	\$810,170,600	39.4%	4,836	18.2%	22.44%
	\$2,056,961,900	100.0%	26,616	100.0%	100.00%

2017	Estimated Market Value (payable 2017)	EMV %	Population (2015)	Population Percentage	JPA %
Northfield	\$1,321,215,200	53.8%	20,320	76.1%	71.66%
Dundas	\$134,878,000	5.5%	1,480	5.5%	5.53%
Rural Fire District	\$999,416,500	40.7%	4,895	18.3%	22.81%
	\$2,455,509,700	100.0%	26,695	100.0%	100.00%

Rural Fire District	EMV - 2014	EMV - 2017	Pop - 2012	Pop - 2015
Bridgewater	270,341,600	302,837,800	1,791	1,813
Forest	119,961,600	129,536,400	680	682
Greenvale	182,029,900	189,505,700	811	818
Northfield	192,709,000	218,000,100	843	863
Sciota	4,253,800	32,884,300	111	113
Waterford	7,295,500	92,971,500	332	338
Webster	33,579,200	33,680,700	268	268
	810,170,600	999,416,500	4,836	4,895