



VFD 2026 Proposed Budget Highlights

In accordance with the terms of the Interlocal Agreement, the Village Fire Department's **2026 Budget** is hereby submitted for consideration and approval by the contracting Cities, pursuant to Section 5.02 of the Interlocal Agreement, by a unanimous vote of Commissioners, the Board has approved and recommended this budget. Please place this item on your Council's agenda for consideration within the time and manner specified in the Interlocal, then advise the Department of your Council's action.

Commissioners 2026

City of Piney Point Village	Dan Ramey, Chair
City of Spring Valley Village	John Lisenby, Vice Chair
City of Hunters Creek Village	Rob Adams, Treasurer
City of Hilshire Village	Mike Garofalo, Secretary
City of Hedwig Village	Matt Woodruff, Member
City of Bunker Hill	Keith Brown, Member

Alternates 2026

City of Piney Point Village	Henry Kollenberg
City of Spring Valley Village	Steve Bass
City of Hunters Creek Village	John DeWitt
City of Hilshire Village	Robert "Bob" Buesinger
City of Hedwig Village	Patrick Breckon
City of Bunker Hill	Clara Towsley

This budget includes a 3% salary increase, allowances for step increases anticipated in 2026, increases the department's contribution to the employees' 457(b) Plan from 2% of base pay to 4%, and calls for no contribution from the Cities to the Capital Replacement Fund. The budget also maintains training at last year's levels to ensure the department has an adequate level of personnel trained in certain specialized areas.

The VFD is requesting an overall budget of \$10,962,801 which is \$675,729 or 7%, over the FY 2025 Adopted Budget. The Cities' assessments will be \$10,587,801, or 5% over the prior year's assessment.

This budget is broken down into overarching categories as follows:

General Fund – Capital, **\$176,210**

General Fund – Personnel, **\$9,053,606**

General Fund – Operating, **\$1,357,984**

Capital Replacement Fund Contribution, **\$0**

Ambulance Billing Fund Contribution, **\$375,000**

Total – \$10,962,801

The following is a comparison between these categories from 2024 Unaudited Actual through the Proposed 2026 Budget:

Village Fire Department Budget History			
	FY 2024 Actual (unaudited)	FY 2025 Budget Adopted	FY 2026 Budget Proposed
General Fund Expenditures:			
Capital	173,955	146,600	176,210
Personnel	7,696,046	8,489,687	9,053,606
Operating	984,971	1,200,785	1,357,984
Total Expenditures	8,854,973	9,837,072	10,587,801
Annual % change year-to-year	-2.27%	11.09%	7.63%
Capital Replacement Fund:			
\$ for Cap. Replacement Plan	400,000	200,000	0
Total to Fund	400,000	200,000	0
Ambulance Billing Fund:			
Revenue	0	250,000	375,000
Total to Fund	0	250,000	375,000
Cost to Cities	9,254,973	10,037,072	10,587,801
Annual % change year-to-year including the CRF	-0.07%	8.45%	5.49%

Below is a breakdown of the cost to each City for this budget. The total cost for City Assessments is \$10,587,801.

2026 Assessments					
		Total City Assessment	Jan Payment	Feb-Nov	Dec Payment
Bunker Hill	19%	\$2,011,682	\$251,460	\$167,640	\$83,820
Hedwig Village	18.50%	\$1,958,743	\$244,843	\$163,229	\$81,614
Hilshire Village	3%	\$317,634	\$39,704	\$26,470	\$13,235
Hunters Creek Village	22.25%	\$2,355,786	\$294,473	\$196,315	\$98,158
Piney Point Village	21%	\$2,223,438	\$277,930	\$185,287	\$92,643
Spring Valley Village	16.25%	\$1,720,518	\$215,065	\$143,376	\$71,688
	100%	\$10,587,801	\$1,323,475	\$882,317	\$441,158

2026 Budget Highlights

General Fund – Capital – \$176,210

The General Fund – Capital has a 20% increase from 2025. This increase is due largely to EMS equipment purchases, apparatus computers, and radio purchases, which are all past end of life, as well as necessary bunker gear replacement. This category includes:

- Physical Plant/Facility – \$0
- Misc. Tools & Equipment – FIRE – \$10,000
- Misc. Tools & Equipment – EMS – \$60,210
- Protective Gear – \$45,000
- Office Computers – \$4,000
- Apparatus Computers – \$12,000
- Radios – \$45,000

General Fund – Personnel

The Department's costs to the Cities lie primarily within the Personnel budget, as it makes up 70% of the total budget. This category includes salary, overtime (regular, CPR, event & EMS/Fire Training), professional certification, TMRS contributions at 2:1, 4% employer contribution to 457(b), health benefits cost, and meal allowance. An additional 2% was added to the employees' 457(b) plan in 2026.

Village Fire Department currently has fifty-three full-time employees. The breakdown consists of forty-five Fire and EMS personnel, one Fire Chief, one Fire Marshal, one Administrator/Finance Director, one Administrative Specialist, and four Communication Specialists (Dispatchers). The Department also employs two part-time dispatchers.

Payroll: \$7,291,517

Salaries – \$6,062,300

This category includes the base annual pay for 53 full-time employees. It also reflects the 3% salary adjustment for all employees and anticipated step increases, as well as the part-time dispatchers.

Employer 457(b) Contribution – \$242,492

This category includes a 4% employer contribution of base salary for full-time employees after 12 months of continued employment. This is an increase of 2% over previous years.

Longevity & Higher Class – \$53,211

This category includes employees with one year or more of service who will be paid \$4 per month per year of service. The maximum annual earnings are reached after 25 years of service and equals \$1,200 annually. Higher class is paid to an employee working a higher position than their regular current job class. This rate of pay is the difference between the higher-grade hourly rate and the employee's regular hourly rate.

Overtime (regular, CPR, training) – \$372,000

The requested overtime cost takes into consideration the historical costs of operating the department. The category is broken down into sub-categories for different areas of overtime incurred by the department. There has been concern in the past as to whether the overtime budget allowed sufficient authority for the department to call in additional staff for extraordinary events, such as fires, floods, hurricanes, and the like. It should be noted that the cost of doubling department manpower by calling in an extra shift costs approximately \$25K each day. This budget allows approximately \$50K in overtime for unknown but anticipated events during the year.

Professional Certification – \$21,402

The cost of certification pay for qualified personnel. Intermediate Structure Firefighter certification pay is \$810 annually. Advanced Structure Firefighter certification pay is \$1,260 annually. Master Structure Firefighter certification pay is \$1,929 annually.

FICA Tax (ER) – \$540,112

The 7.65% employer tax on the combination of base salary, employer 457(b) contribution, longevity, higher class, overtime and professional certification.

Benefit: \$1,762,089

Retirement (TMRS) Contribution – \$419,937

The Village Fire Department provides a 2:1 ratio with the 2025 employee contribution rate of 7% and the employer contribution rate of 6.22%. TMRS will provide the department's 2026 employer rate in June.

Health Insurance & Life/LTD – \$1,188,590

Medical/Dental/Vision/BAC Insurance estimate: \$1,163,050 2026 employer contribution. A 10% increase from 2025 Adopted for all eligible full-time employees. The Department provides employee term life, AD&D, and long-term disability coverage to its employees; \$25,540 is a 1% increase from the 2025 Adopted.

Workers Compensation – \$107,562

The employer's contribution rates for workers compensation (WC) are based on the rates with Deep East Texas Self Insurance Fund (DETSIF) – Higginbotham. DETSIF – Higginbotham provides the Department with a proposal after a workers compensation audit is performed annually. The Department receives bids for WC annually. Increased 15% from 2025.

General Fund – Operating (“red trucks and saving lives”) \$336,434

This category includes “red trucks and saving lives.” In this category, there is a 2% decrease due to reduced uniform replacement and internet efficiencies.

Dispatch – \$12,950

This category covers the needs of Dispatch. In this category, there is a 15% increase from the 2025 Budget due to the increased annual maintenance cost for the dispatch alerting system.

Fire Prevention – Fire Marshal Office – \$5,000

This category covers the needs of the Fire Marshal's office. In this category, there is an 11% reduction from the 2025 budget due to costs moving elsewhere.

Fire Station – \$255,310

This category covers the needs of the Fire Station. In this category, there is a 19% increase from the 2025 Budget due to increased costs in the maintenance of the station and supplies.

Office – \$98,200

This category covers expenses for items pertaining to administration. In this category, there is a 71% increase from the 2025 Budget based on prior year's actuals and significant investments in efficiencies with new software. This should help to stem the rising costs of accounting services and professional services seen over the last two years.

Professional Services – \$172,622

This category covers expenses for all outsourced services. There is a 5% increase from the 2025 Budget. Enhancements include accounting services, IT improvements, and health insurance consulting service increase.

Training – \$93,469

This category has an increase of 2% over 2025 Budget.

Maintenance – \$339,400

This category provides funding for expected maintenance. In this category, there is a 25% increase from the 2025 Budget. The increase is due to expected vehicle, bunker gear, and fuel system maintenance and prior year actuals.

Events/Other – \$44,600

This category covers various event expenses and provides a small contingency for unknown costs. In this category, there is a 10% increase from the 2025 Budget. The increase is due largely to CPR supplies and cards which are largely reimbursed through the fees of the CPR program.

Capital Replacement Fund – \$2,256,000

The Capital Replacement Strategic Plan was developed to provide an instrument to aid the recommended replacement timeline for apparatus and equipment. Our vehicle maintenance officer reviews the cost of the vehicle, its age, miles, and time it has on the engine. Industry standards and practices are used to determine the replacement of apparatus and equipment.

The Commission has evaluated the current needs of the long-term plan. The vehicle costs for 2026 were updated with recommendations from VFD's insurance carrier and vehicle manufacturers. The Commission believes that while **there is no need for a CRF assessment in 2026**, each subsequent year needs to be evaluated to ensure the health of the fund. Upon the conclusion of the analysis, the Commission will make appropriate recommendations for future-year contributions to ensure the long-term health of this fund.

The following additional documents are attached to this 2026 Proposed Budget Highlights Memo:

- **2026 Proposed Budget Chair Letter**
- **2026 Proposed Budget**
- **Capital Replacement Fund Schedule Spreadsheet**

Village Fire Department



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Protecting and Serving the Cities of:

BUNKER HILL VILLAGE
HEDWIG VILLAGE
HILSHIRE VILLAGE
HUNTERS CREEK VILLAGE
PINEY POINT VILLAGE
SPRING VALLEY VILLAGE

May 31, 2025

Dear Mayors:

In accordance with the terms of the Interlocal Agreement, the Village Fire Commission has unanimously approved and is forwarding for the consideration and approval of each City the following documents:

- **2024 Unaudited surplus in the amount of \$525,408.** This Fire Commission is requesting a 2024 surplus in the amount of \$236,000 from these funds be placed in the Capital Replacement Fund (CRF).
- **EMS Revenue to the end of 2026.** The Fire Commission is requesting the 2026 EMS Revenue to be placed in the Capital Replacement Fund. This matter will be reevaluated each year to determine the allocation of EMS funds.
- **Proposed 2026 Budget.** The budget is explained in some detail in the attached documents. Please note the budget has been presented in terms of major categories and subcategories to simplify ease of presentation. The itemized budget “worksheet” containing line-by-line estimates for different costs such as TMRS, health insurance, etc. under benefits is still available to the Cities for review. To briefly summarize, the budget represents an assessment increase of 5% from the 2025 Budget. The overall 7% increase over 2025 Budget contains the EMS revenue contribution being allocated to CRF. It provides a 3% across the board salary increase for personnel and anticipated step increases, as well as an increase in the contribution to the employee 457(b) plan from 2% to 4% of base pay. The Cities’ contribution toward the CRF has been eliminated for Budget Year 2026. The Fire Commission will continue to assess the unprecedented increase in the cost of fire apparatus, properly evaluating the expected life of current apparatus and recommending the proper investment vehicles for the sums in the fund. Future-year contributions to this fund may need to be adjusted to ensure the long-term solvency of the fund.

Throughout this process, it has been our goal to provide the Cities with a realistic, transparent, and achievable budget. The Fire Commission continues to evaluate and reassess throughout the year to ensure the budget meets the needs of the Fire Department and provides the best service to the residents of the Memorial Villages.

We ask that you place the three items above on your Council’s agenda for consideration within the time and manner specified in the Interlocal Agreement and then advise the Department of your Council’s action in writing.

Respectfully submitted,

Dan Ramey, Chair

Village Fire Department Board of Commissioners

Attachments

CC: Village Fire Department Commissioners and Alternates

City Administrators/City Secretaries

Village Fire Department
2026 Proposed Budget

CAPITAL EXPENDITURES:

Capital Expenditures TOTAL

\$176,210.00

PERSONNEL EXPENDITURES:

Payroll 7,291,517

Benefit 1,762,089

Personnel Expenditures TOTAL

\$9,053,606.33

OPERATIONAL EXPENDITURES

Red Trucks & Saving Lives 336,434

Dispatch 12,950

Fire Prevention - Fire Marshal's Office 5,000

Fire Station 255,310

Office 98,200

Professional Services 172,622

Training 93,469

Maintenance 339,400

Events & Other 44,600

Operating Expenditures TOTAL

\$1,357,984.25

Subtotal

\$10,587,801

CAPITAL REPLACEMENT ASSESSMENT

0

\$0

TOTAL BUDGET TO BE ASSESSED

\$10,587,800.58

EMS Revenue Contribution

375,000

Total Budget for Village Fire Department

\$10,962,800.58

Capital Replacement Fund Schedule

Vehicles	Life (years)	2025	2026	2027	2028	2029
2026 Aerial	15		2,121,000			
2020 Pumper 1	20					
2008 Pumper 2	20			1,600,000		
2014 Deputy Chief's Vehicle	10	150,000				
2019 Fire Chief's Vehicle	10					90,000
2020 Utility Vehicle	10					
2023 Medic 1	10					
2023 Medic 2	10					
2014 Medic 3	10				300,000	
2017 Fire Marshal's Vehicle	10			90,000		
Interest Earnings Used for Lease			135,000			
Total to be spent for Vehicles		150,000	2,256,000	1,690,000	300,000	90,000

SCBA Equipment		2025	2026	2027	2028	2029
SCBA Equipment	10	225,000				
Total to be spent for SCBA Equipment		225,000	0	0	0	0

Balance	2025	2026	2027	2028	2029
Beginning Cash -AP	1,237,493	3,130,493	1,393,493	282,493	511,493
Planned Budgeted Annual Contribution	0	0	0	0	0
Additional Contributions	0	0	0	0	0
EMS Revenue	250,000	375,000	350,000	350,000	350,000
Interest Income	18,000	144,000	144,000	144,000	144,000
Revenue from sale or trade-in	2,000,000	0	85,000	35,000	5,000
Disbursements	-375,000	-2,256,000	-1,690,000	-300,000	-90,000
Ending Cash	3,130,493	1,393,493	282,493	511,493	920,493

Capital Replacement Fund Schedule

Vehicles	2030	2031	2032	2033	2034	2035
2026 Aerial						
2020 Pumper 1						2,000,000
2008 Pumper 2						
2014 Deputy Chief's Vehicle						150,000
2019 Fire Chief's Vehicle						
2020 Utility Vehicle						
2023 Medic 1				350,000		
2023 Medic 2				350,000		
2014 Medic 3						
2017 Fire Marshal's Vehicle						
Interest Earnings Used for Lease						
Total to be spent for Vehicles	0	0	0	700,000	0	2,150,000

SCBA Equipment	2030	2031	2032	2033	2034	2035
SCBA Equipment						226,000
Total to be spent for SCBA Equipment	0	0	0	0	0	226,000

Balance	2030	2031	2032	2033	2034	2035
Beginning Cash -AP	920,493	1,414,493	1,908,493	2,402,493	2,196,493	2,690,493
Planned Budgeted Annual Contribution	0	0	0	0	0	0
Additional Contributions	0	0	0	0	0	0
EMS Revenue	350,000	350,000	350,000	350,000	350,000	350,000
Interest Income	144,000	144,000	144,000	144,000	144,000	144,000
Revenue from sale or trade-in	0	0	0	0	0	0
Disbursements	0	0	0	-700,000	0	-2,150,000
Ending Cash	1,414,493	1,908,493	2,402,493	2,196,493	2,690,493	1,034,493

Capital Replacement Fund Schedule

Vehicles	2036	2037	2038	2039
2026 Aerial				
2020 Pumper 1				
2008 Pumper 2				
2014 Deputy Chief's Vehicle				
2019 Fire Chief's Vehicle				90,000
2020 Utility Vehicle				
2023 Medic 1				
2023 Medic 2				
2014 Medic 3			400,000	
2017 Fire Marshal's Vehicle		90,000		
Interest Earnings Used for Lease				
Total to be spent for Vehicles	0	90,000	400,000	90,000

SCBA Equipment	2036	2037	2038	2039
SCBA Equipment				
Total to be spent for SCBA Equipment	0	0	0	0

Balance	2036	2037	2038	2039
Beginning Cash -AP	1,034,493	1,528,494	1,932,494	2,026,494
Planned Budgeted Annual Contribution	0	0	0	0
Additional Contributions	0	0	0	0
EMS Revenue	350,000	350,000	350,000	350,000
Interest Income	144,000	144,000	144,000	144,000
Revenue from sale or trade-in	1	0	0	0
Disbursements	0	-90,000	-400,000	-90,000
Ending Cash	1,528,494	1,932,494	2,026,494	2,430,494

Capital Replacement Fund Schedule

Vehicles	2040	2041	2042	2043	2044	2045
2026 Aerial		4,400,000				
2020 Pumper 1						
2008 Pumper 2			2,000,000			
2014 Deputy Chief's Vehicle						150,000
2019 Fire Chief's Vehicle						
2020 Utility Vehicle						
2023 Medic 1				450,000		
2023 Medic 2				450,000		
2014 Medic 3						
2017 Fire Marshal's Vehicle						
Interest Earnings Used for Lease						
Total to be spent for Vehicles	0	4,400,000	2,000,000	900,000	0	150,000

SCBA Equipment	2040	2041	2042	2043	2044	2045
SCBA Equipment						226,000
Total to be spent for SCBA Equipment	0	0	0	0	0	226,000

Balance	2040	2041	2042	2043	2044	2045
Beginning Cash -AP	2,430,494	2,924,494	-981,506	-2,487,506	-2,893,506	-2,399,506
Planned Budgeted Annual Contribution	0	0	0	0	0	0
Additional Contributions	0	0	0	0	0	0
EMS Revenue	350,000	350,000	350,000	350,000	350,000	350,000
Interest Income	144,000	144,000	144,000	144,000	144,000	144,000
Revenue from sale or trade-in	0	0	0	0	0	0
Disbursements	0	-4,400,000	-2,000,000	-900,000	0	-150,000
Ending Cash	2,924,494	-981,506	-2,487,506	-2,893,506	-2,399,506	-2,055,506

Capital Replacement Fund Schedule

Vehicles	2046	2047	2048
2026 Aerial			
2020 Pumper 1			
2008 Pumper 2			
2014 Deputy Chief's Vehicle			
2019 Fire Chief's Vehicle			
2020 Utility Vehicle			
2023 Medic 1			
2023 Medic 2			
2014 Medic 3			
2017 Fire Marshal's Vehicle		90,000	
Interest Earnings Used for Lease			
Total to be spent for Vehicles	0	90,000	0

SCBA Equipment	2046	2047	2048
SCBA Equipment			
Total to be spent for SCBA Equipment	0	0	0

Balance	2046	2047	2048
Beginning Cash -AP	-2,055,506	-1,561,506	-1,157,506
Planned Budgeted Annual Contribution	0	0	0
Additional Contributions	0	0	0
EMS Revenue	350,000	350,000	350,000
Interest Income	144,000	144,000	144,000
Revenue from sale or trade-in	0	0	0
Disbursements	0	-90,000	0
Ending Cash	-1,561,506	-1,157,506	-663,506

2026 Assessments

	Total City Assessment		Jan Payment	Feb-Nov	Dec Payment
Bunker Hill	19%	\$2,011,682	\$251,460	\$167,640	\$83,820
Hedwig Village	18.50%	\$1,958,743	\$244,843	\$163,229	\$81,614
Hilshire Village	3%	\$317,634	\$39,704	\$26,470	\$13,235
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	100%	\$10,587,801	\$1,323,475	\$882,317	\$441,158