



2024 ADOPTED
BUDGET

SOUTH SNOHOMISH COUNTY FIRE AND
RESCUE REGIONAL FIRE AUTHORITY



Contents

EXECUTIVE SUMMARY..... 4

FIRE CHIEF’S BUDGET MESSAGE..... 5

ABOUT SOUTH COUNTY FIRE 7

ORGANIZATIONAL CHART 8

SCHEDULE OF DECISION PACKAGES AND ONE-TIME ITEMS 9

FINANCIAL AND BUDGETING SYSTEM 10

REVENUES..... 11

PROPERTY TAX LEVY ANALYSIS..... 14

OPERATING EXPENDITURES 15

TRANSFERS 16

CHANGES IN FUND BALANCE 17

LONG-RANGE FORECAST 18

CAPITAL EXPENDITURES & RESERVES 19

 APPARATUS.....19

 MAJOR FACILITIES MAINTENANCE.....20

 EQUIPMENT22

 PRIOR PERIOD REAUTHORIZATIONS23

SCHEDULE OF BUDGETED POSITIONS – FULL TIME..... 24

DIVISION DESCRIPTIONS AND BUDGETS 25

 BOARD OF COMMISSIONERS25

 OFFICE OF THE FIRE CHIEF26

 HUMAN RESOURCES.....27

 PUBLIC INFORMATION.....27

 NON-DEPARTMENTAL EXPENSES.....28

 FINANCE.....28

 GIS AND DATA ANALYTICS (formerly GIS)29



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

COMMUNICATIONS AND TECHNOLOGY (IT).....	29
LOGISTICS	30
VEHICLE MAINTENANCE	31
FACILITY MAINTENANCE.....	31
STATION OPERATIONS - SUPPRESSION.....	32
WILDLAND	32
TECHNICAL RESCUE	33
HAZARDOUS MATERIALS	33
EMS – ADMINISTRATION	34
EMS – COMMUNITY RESOURCE PARAMEDICINE (CRP)	35
EMS – COMMUNITY HEALTH WORKERS (CHW).....	35
EMS – PARAMEDIC SCHOOL	36
EMS – BIKE TEAM.....	36
TRAINING – SCF TRAINING.....	37
TRAINING – NEW HIRES	37
SAFETY	38
SAFETY –PEER FITNESS AND PEER SUPPORT.....	38
VOLUNTEERS.....	39
COMMUNITY READINESS – INSPECTIONS (formerly Community Risk Reduction).....	39
COMMUNITY READINESS – PUBLIC EDUCATION	40
COMMUNITY RISK REDUCTION – ACT.....	41
OTHER FUNDS AND RESERVES	42
EMERGENCY RESERVE FUND	42
LEOFF 1 MEDICAL RESERVE FUND.....	43
COMPENSATED ABSENCES RESERVE FUND.....	44
HEALTHCARE SELF-INSURANCE FUND.....	45
COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES	46



EXECUTIVE SUMMARY

The 2024 Adopted Budget is the result of a budget process that seeks to reconcile the operational needs of the organization with available resources, while also advancing the Board's goals and priorities.

All property tax dependent local governments in Washington are faced with expenditure growth that outpaces revenue growth, due to State law limiting annual property tax increases. Persistent high inflation over the past few years has compounded the situation and has made it increasingly difficult to maintain current levels of service without significant tax increases. As a result, a budget theme emerged, to employ innovation to maintain current levels of service in an effort to minimize the financial burden on the Community.

The Adopted Budget balances the economic factors and includes only three discretionary additions to the status quo budget. The additions are: \$40,000 to bring a benefit charge renewal to voters in 2024; \$15,000 to support a restructuring of the Emergency Medical Services (EMS) Division; and \$25,000 to support organization-wide training and development.

Exclusive of the impacts of recent annexations, the incremental increase in taxes and fees charged by the RFA is less than two percent in the proposed budget. The current year deficit of approximately \$3.5 million is proposed to be funded with General Fund cash and investments that are in excess of the target set by policy.

The budget proposal maintains current levels of service, is balanced, and forecasts that the RFA will meet all its financial targets and commitments in the coming year.



SOUTH COUNTY FIRE

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FIRE CHIEF'S MESSAGE

October 3, 2023

Commissioners, Staff and Residents of our Regional Fire Authority,

This has been a year of growth for South County Fire as we welcomed residents of Brier and Mountlake Terrace to our regional fire authority (RFA) on Aug. 1, 2023. Voters in both cities overwhelmingly approved annexation into the RFA in a special election on April 25, 2023. We are humbled by this show of support. Our firefighters have served both cities under contract for nearly 20 years. By joining South County Fire, these communities will now also benefit from the long-term planning, stability and regional resources that come with being part of an RFA.

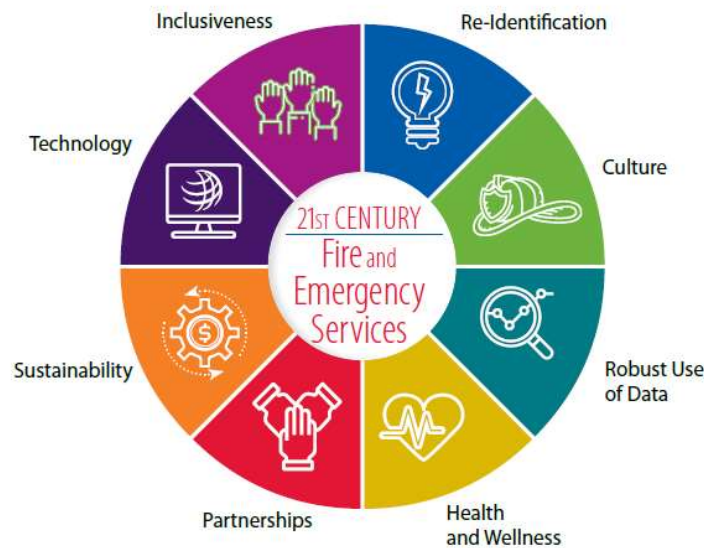
South County Fire now provides high-quality fire and EMS to nearly 300,000 people in southwest Snohomish County. This would not be possible without strong support from the public. Thank you! Here's just a small sampling of services and programs you made possible with your support during the past year:

- **Our cardiac arrest save rate of 61.5%** is well above the state average of 38.5% and the national average of 34.3%. It takes at least nine firefighters working as a team to provide high-performance CPR. Your tax dollars support this level of response and the required training and equipment. The public plays a more direct role too. We know we can save more lives if we have more people in our community trained to start lifesaving CPR in the minutes before firefighters arrive. Our innovative ACT First Aid & CPR program makes this training more accessible in a free one-hour class available online and in person. We are on pace to have trained more than 15,000 people by the end of the year.
- **A tractor-drawn aerial ladder truck** was placed in service in 2023. This tiller truck provides a 107-foot ladder and greater maneuverability to meet the fire service needs of our region where density and building heights are on the rise.
- **We are the first fire agency in Snohomish County with the capability to provide lifesaving blood transfusions** in the field for patients with traumatic injuries or serious medical conditions. This is one of the most dramatic EMS advances we've seen in a decade.
- **Our Community Resource Paramedic program provides 24/7 emergent/non-emergent responses** to help our most vulnerable community members. The program connects these frequent 911 callers to social services and resources. This has reduced 911 calls and emergency room visits. We will be receiving \$1 million in grant funds in the coming year to bolster these services.

As we look forward to the coming year, the recent unprecedented inflation continues to impact the people and communities we serve. For 2024, we are proposing a status quo budget that maintains current levels of emergency and non-emergency services with only three discretionary additions: \$25,000 for organization-wide training, \$15,000 for EMS Division reorganization and \$15,000 to pursue a long-term revenue strategy.

Our RFA maintains its historically strong financial position, but South County Fire is feeling inflation's pinch too. The majority of the RFA's funding for emergency service operations comes from property taxes. State law limits the annual increase in property tax to 1 percent. At the same time, inflation over the past three years has been close to 20%. Our voter-approved benefit charge provides revenue to maintain service levels and keep our cost to taxpayers lower than most fire agencies. Unlike traditional levy's based on a property's value, this fee is based on building size and use to take into consideration its fire protection service needs. For this to continue, the benefit charge will need to be renewed by voters before its expiration in 2026. We need to prepare for this as well as the renewal of our EMS levy, set to expire in 2028, and an expected reduction in funding from a federal program that has provided Medicaid reimbursement for EMS patient transports that supports our operations.

The budget proposal presented here represents hours of hard work and discussion. Staff and I have evaluated all aspects of this plan through the "lenses" of the [Center for Public Safety Excellence 21st Century Fire & Emergency Services White Paper](#):



Our annual budgets focus on the dollars and cents that keep our RFA up and running, but I want to also put a spotlight on the people – your firefighters and the staff members who support them in responding whenever our residents call 911. I thank each member of our organization for your dedication, compassion and commitment you demonstrate daily in serving the communities within South County Fire.

Respectfully,

Thad Hovis
Fire Chief



ABOUT SOUTH COUNTY FIRE

South County Fire and Rescue Regional Fire Authority (the RFA) providing fire and emergency medical services to a population of more than 300,000 in southwest Snohomish County. The RFA employs approximately 400 employees and operates 15 fire stations within its service area. The RFA includes the cities of Lynnwood, Mill Creek, Mountlake Terrace, Brier and unincorporated areas in the southwest portion of the County. The RFA also provides services to the city of Edmonds under contract.

South County Fire History

On August 8, 2017, voters in the city of Lynnwood and Fire District 1 approved a plan creating and funding the South Snohomish County Fire and Rescue Regional Fire Authority (SCF). The creation of SCF consolidated and standardized resources providing sustainable and stable funding for fire and emergency medical services.

Effective October 1, 2017, existing City of Lynnwood and Fire District 1 fire personnel and equipment transferred to SCF. The new entity was initially governed by an appointed Board of Commissioners consisting of two Lynnwood elected officials and five Fire District 1 Commissioners. Commissioner positions now follow a normal reelection cycle with five positions elected by their respective district; two positions are elected at-large. Recent annexations into the RFA have caused the district lines to be redrawn to ensure equal representation following annexation.

At an election held on August 7, 2018, a proposition to impose a ten-year Emergency Medical Services Levy ("EMS Levy") at a levy rate of fifty cents (\$.50) or less per thousand dollars of assessed valuation (in addition to its regular property tax levy) was approved by the voters paving the way for the dissolution of Fire District 1. The District submitted a ballot measure to its voters on February 19, 2019, to dissolve the District in accordance with RCW 52.10.010. The ballot measure was approved, and the District was dissolved effective December 31, 2019.

In 2022 voters in the city of Mill Creek voted to annex into the RFA and in 2023 voters in the cities of Brier and Mountlake Terrace also voted to annex into the RFA. The RFA continues to provide services to the city of Edmonds under an existing contract.



RESIDENTS

of South County Fire

Board of Commissioners

David Chan, Derek Daniels,
Michael Fearnough, Jim Kenny,
Mark Laurence, Micah Rowland, Chris Teofilak
City Liaisons - Brier, Paula Swisher; Mill Creek - Mike Todd;
Mountlake Terrace - Jesse Hoffman

Executive Assistant
Board of Commissioners
MELISSA BLANKENSHIP

Fire Chief

THAD HOVIS

Executive Assistant
Office of the Fire Chief
SUSAN BJORLING

Assistant Chief

BOB EASTMAN

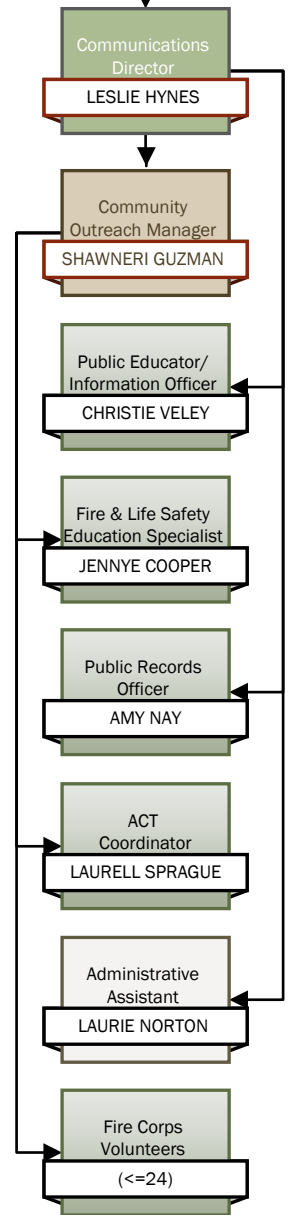
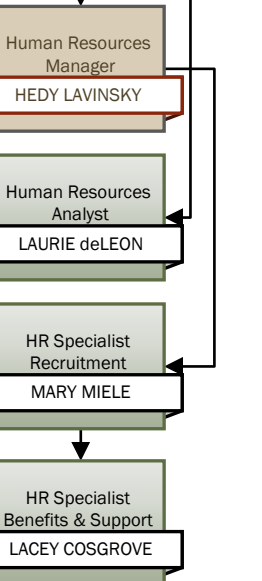
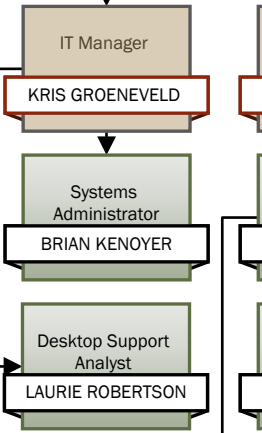
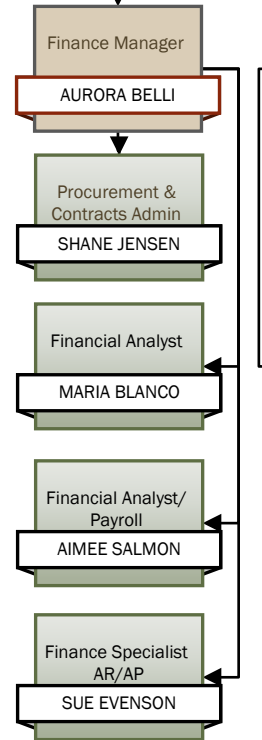
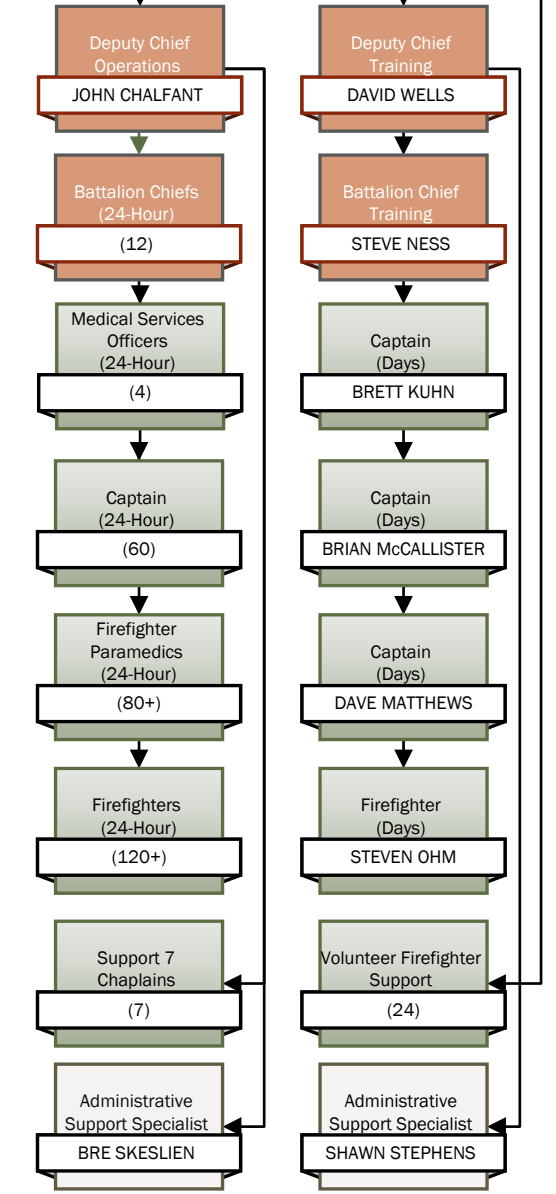
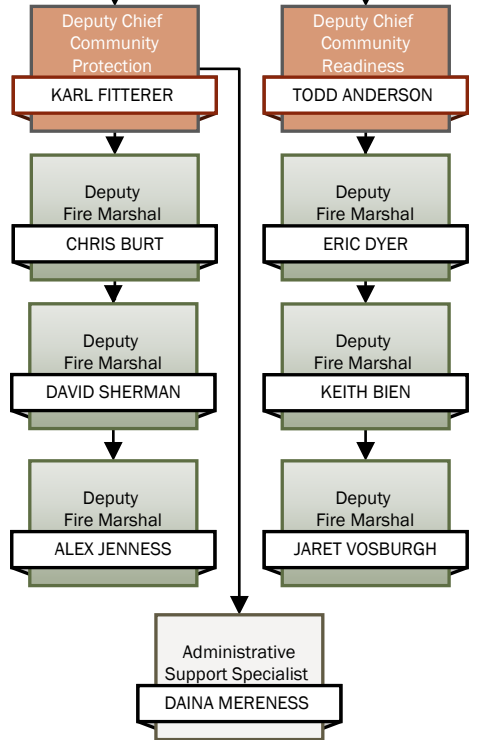
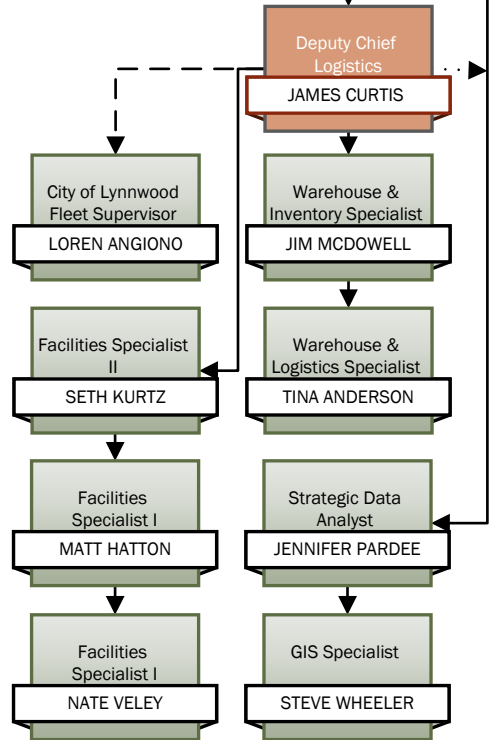
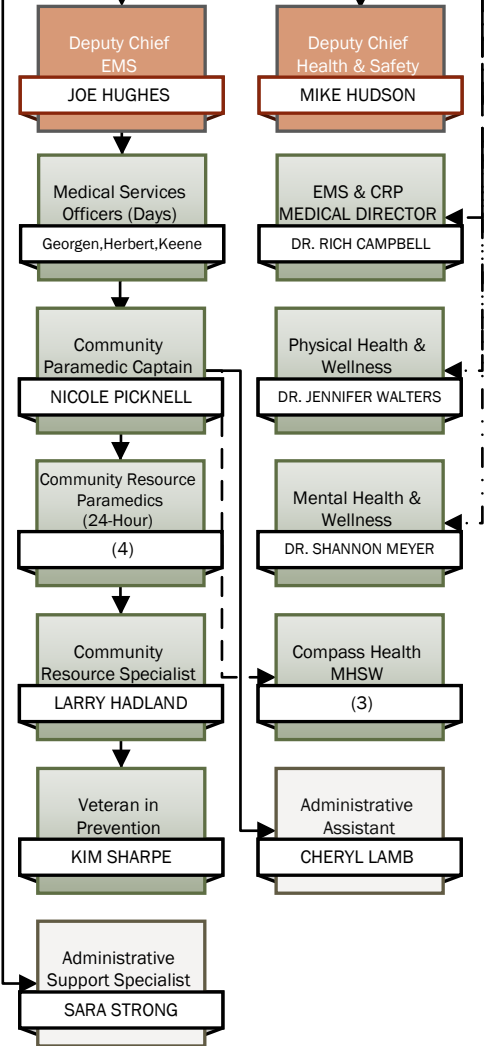
Assistant Chief

SHAUGHN MAXWELL

JASON ISOTALO

CHRIS BOTHWELL

DAVID CULLEN





SCHEDULE OF DECISION PACKAGES AND ONE-TIME ITEMS

One internal step in the development of the Chief’s Preliminary Budget is the solicitation of discretionary budget requests from divisions, submissions are known as decision packages. Several of the decision packages submitted by divisions were presented to the Board of Commissioners during the formulation of the Chief’s budget proposal.

The following is the schedule of the decision packages that are included in the Adopted Budget, followed by the schedule of one-time items funded. A brief description of each item follows the table.

Schedule of Decision Packages Included in the Budget

Title	Budget
Revenue Initiative to Voters	40,000
EMS Division Restructuring	15,000
Organization Wide Training	25,000
Total Decision Packages	80,000

Schedule of One-Time Items Included in the Budget

Title	Budget
Bunker Gear - Excess of Annual Replacements	270,000
Cost of Service Study	200,000
Total One-Time Items	470,000

Revenue Initiative to Voters | \$40,000

This item funds additional outreach and elections costs associated with taking a ten-year benefit charge renewal to voters in 2024. This is a one-time expenditure.

EMS Division Restructuring | \$15,000

This item funds the additional costs associated with a restructuring of the Emergency Medical Services (EMS) Division. This is an ongoing expenditure.

Organization Wide Training | \$25,000

This item funds additional organization wide training. This item is an ongoing expenditure.

Bunker Gear – Excess Annual Replacements | \$270,000

Bunker gear has a ten-year expiration from the date that it was placed into service. The number of expirations in 2024 is above the budgeted average. The annual budget only accounts for the average number of replacements, as such this is considered a one-time item.

Cost of Service Study | \$200,000

This item funds a cost-of-service study in 2024. This is a one-time item.



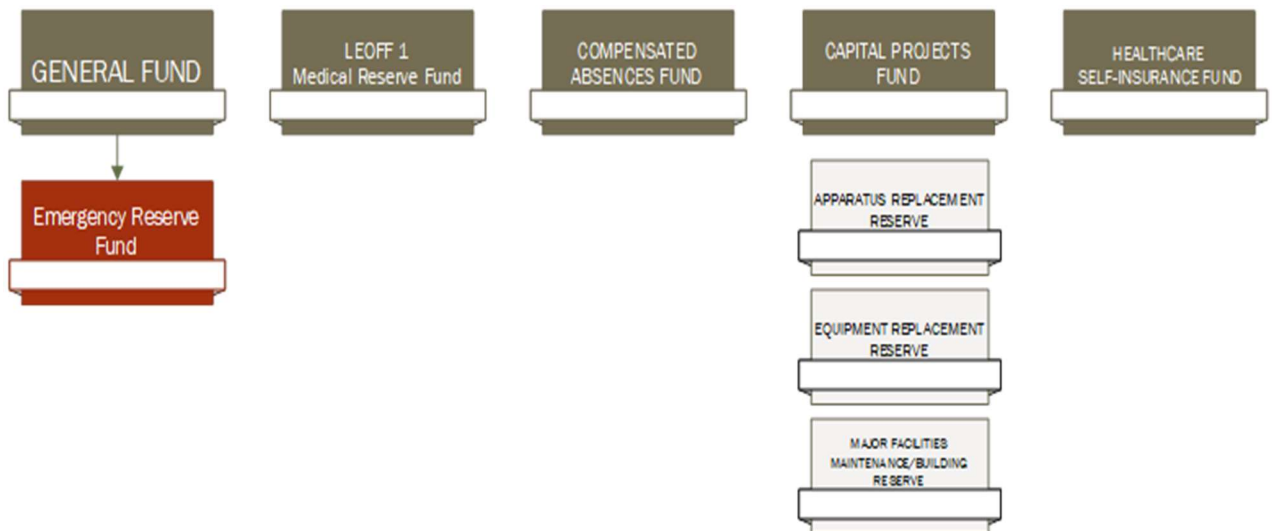
FINANCIAL AND BUDGETING SYSTEM

SCF's accounting structure contains six funds, or accounting entities, plus three additional funds in a custodial capacity. Each fund is a fully self-contained accounting entity with its own cash and investments, revenues, and expenditures. The RFA must adopt a budget annually for each of its six funds, the custodial funds are budgeted by their respective governing body.

The RFA adopted the District One policy(s) to segregate capital reserves for three classes of assets within one fund. The policies identify three asset classes: apparatus, equipment, and facilities major maintenance. As a practical matter, all of the capital reserves are maintained in one fund, the Capital Reserve Fund, but the resources and expenditures are allocated to the separate asset classes within the fund for the purposes of financial planning.

The following is a visual description of the fund structure.

Financial Organizational Chart





REVENUES

The revenues section describes each of the RFA’s five largest revenues that make up approximately ninety-eight percent of the RFA’s total revenues followed by a table that contains the smaller revenues that make up approximately two percent of annual revenues. A note about the forecasting method employed for the forecast is contained in the header for each item and a description of changes can be found in the narrative following each item.

Property Taxes | Forecasting Method-Actual

Property taxes account for nearly sixty percent of the RFA’s operating revenues. South County Fire levies a general fire levy and a voter approved emergency medical services (EMS) levy. The Proposed Budget assumes a general fire levy rate of \$0.79 per \$1,000 of assessed value and an EMS levy rate of \$0.34 per \$1,000 of assessed value, based on preliminary values from the County. A detailed levy analysis can be found in the following section labeled Property Tax Levy Analysis.

Description	2023 Budget	2024 Forecast	Percent Increase	Percent of Total Revenue
Real & Personal Property Taxes	52,523,895	60,004,210	14.2%	56.7%
Annexation Property Tax	6,886,214	7,900,093	14.7%	7.5%

Description of Changes

Property tax collections are forecasted to increase in 2024 due to the following: the imposition of the one-percent annual increase allowed under State law; additional property taxes resulting from new construction added to the tax rolls in 2023; and additional property taxes resulting from the annexations of Brier and Mountlake Terrace into the RFA.

Service Contract Revenue | Forecasting Method-Actual

SCF has contracts with the city of Edmonds to provide Fire and EMS Services. Additionally, SCF provides fire marshal and inspection services for the cities of Lynnwood, Mill Creek, Mountlake Terrace, and Brier. The RFA receives contract revenue resulting from these agreements.

Description	2023 Budget	2024 Forecast	Percent Increase	Percent of Total Revenue
Edmonds Contract	11,004,000	11,631,228	5.7%	11.0%
Contract Fire Marshal Services	1,185,216	1,506,195	27.1%	1.4%
Brier and Mountlake Terrace Contracts	5,349,144	-	-	-

Description of Changes

Prior to annexation the cities of Brier and Mountlake Terrace paid the RFA for fire and EMS services under contract. Contract revenue will decrease in 2024 because of the annexations. At the time of publishing, contracts with Brier and Mountlake Terrace for fire marshal services are likely. So, contract revenue is assumed for these services based on the estimated fire marshal needs of the cities.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

Ground Emergency Medical Transportation (GEMT) | Forecasting Method-3 Year Moving Average

The GEMT program provides supplemental payments to cover the funding gap between a provider’s actual costs per qualifying transport and the allowable amount received from Washington Apple Health (Medicaid) and any other sources of reimbursement.

Description	2023 Budget	2024 Forecast	Percent Increase	Percent of Total Revenue
GEMT	9,275,425	9,059,084	-2.3%	8.6%

Description of Changes

GEMT is forecasted based on an average of the past three years of collections.

Benefit Charge | Forecasting Method-Actual

SCF voters approved the imposition of a benefit charge in the election on November 3, 2020. A benefit charge is not based on a property’s assessed value, rather it is tied to the cost to defend a structure in a fire or other emergency. The maximum allowable general fire property tax levy is reduced by one-third as a result of the imposition of a benefit charge. The Proposed Budget assumes a two percent increase is consistent with the estimated increase in property tax revenue.

Description	2023 Budget	2024 Forecast	Percent Increase	Percent of Total Revenue
Benefit Charge	5,938,012	6,797,351	14.5%	6.4%
Annexation Benefit Charge	726,058	967,239	33.2%	0.9%

Description of Changes

The benefit charge is forecasted to increase by two percent to align with the customary annual increase in property tax, plus additional revenue resulting from the Brier and Mountlake Terrace annexation into the RFA.

Transport Fee Revenue | Forecasting Method-3 Year Moving Average

The RFA transports individuals from accident scenes and other locations to local emergency rooms; a fee is charged to insurers and individuals for the service. The resulting revenue is labeled transport revenue. By a provision in the contract with the City of Edmonds SCF remits transport fees collected in Edmonds back to the City and is recognized as a non-department expenditure.

Description	2023 Budget	2024 Forecast	Percent Increase	Percent of Total Revenue
Ambulance Services	5,496,697	5,272,971	-4.1%	5.0%

Description of Changes

The forecasted decrease is the result of the three-year moving average forecasting method.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

Other Revenue | Various Forecasting Methods Used

Revenues in the following table make up approximately two percent of total revenue. A description of the forecasting method used for each revenue can be found at the bottom of the table.

Description	2023 Budget	2024 Forecast	Percent of Total Revenue	Forecasting Method
State Pool Interest	300,000	625,000	0.6%	ME
Verdant Grant - CRP	351,900	500,000	0.5%	A
Workers Comp Reimbursements	156,177	359,342	0.3%	3M
North Sound ACH Grant - CHW	-	455,000	0.4%	A
County Pool Interest	-	200,000	0.2%	ME
Other County Interest	-	100,000	0.1%	ME
Miscellaneous	90,969	68,000	0.1%	A
Disability Insurance Reimburse	56,732	172,838	0.2%	3M
SOW Non-Grant Reimbursements	271,686	35,000	0.0%	A
School Fire Protection Program	25,000	25,000	0.0%	A
Miscellaneous Revenue	201,793	74,724	0.1%	3M
Rents and Leases	20,947	23,620	0.0%	3M
L & I Stay at Work Program	11,653	10,127	0.0%	3M
Local Share LHT	7,207	7,995	0.0%	3M
Notes and Assumptions:				
Note 1 - Forecasting abbreviations are as follows: A -Actual, EI -Estimated Inflation, ME -Market Estimate, S -Straight Line, 3M -3-year Moving Average, 3M+ 3-year Moving Average plus Other				
Note 2 - The forecast assumes estimated inflation of 5.7%.				

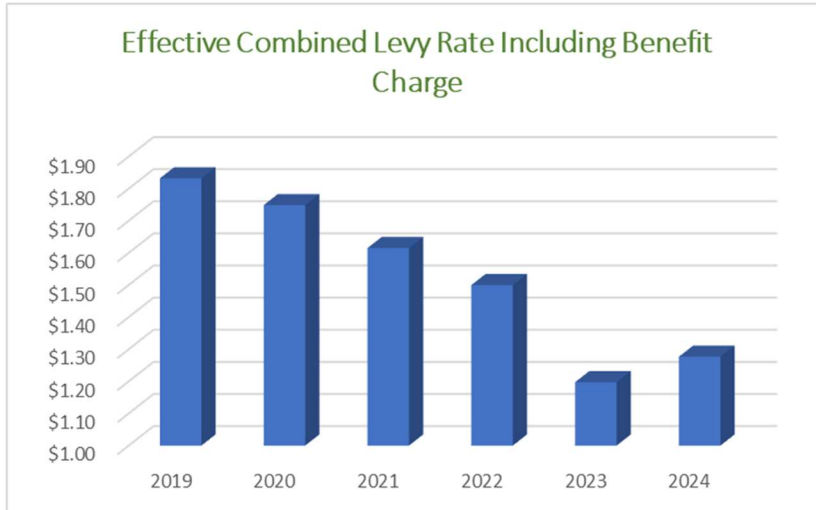
Total General Fund Revenues

All revenues for South County Fire are accounted for in the General Fund, the following table is a summary of the revenues described above.

Description	2023 Budget	2024 Forecast	Percent Increase	Percent of Total Revenue
Total	99,962,673	105,795,019	5.8%	100%



PROPERTY TAX LEVY ANALYSIS



Washington utilizes a budget-based property tax system, meaning that the basis for the imposition of property taxes by local jurisdictions is the budget required to fund services, subject to certain limitations. Property tax levy rates, however, provide a basis for comparison and financial planning.

The above chart is an analysis of historical levy rates for the RFA. The analysis includes the effect of the benefit charge on overall rates, due to similarities to the property tax. Including the benefit charge component in the analysis aids comparison with other local fire agencies. The following table contains the numerical values supporting the chart.

	Tax Collection Year		
	2019	2020	2021
Assessed Value	28,831,230,728	31,511,476,533	33,621,486,355
Fire Levy	38,401,916	40,370,080	33,621,486
EMS Levy	14,415,915	14,730,428	14,966,873
Total	52,817,831	55,100,508	48,588,359
Combined Levy Rate	1.83	1.75	1.45
Benefit Charge			5,707,431
Effective Combined Rate	\$ 1.83	\$ 1.75	\$ 1.61
	2022	2023	2024
Assessed Value	37,099,067,859	54,978,642,529	60,031,055,366
Fire Levy	34,547,936	41,480,119	47,235,265
EMS Levy	15,266,345	17,929,990	20,669,038
Total	49,814,281	59,410,109	67,904,303
Combined Levy Rate	1.34	1.08	1.13
Benefit Charge	5,821,580	6,664,070	7,723,590
Effective Combined Rate	\$ 1.50	\$ 1.20	\$ 1.26



OPERATING EXPENDITURES

Schedule of Operating Expenditures by Division and Functional Area

	2023 Budget (Excluding Retro)	2024 Adopted Budget	Change	Percent Change
Board of Commissioners	285,262	315,164	29,902	10.5%
Administration and Support Services				
Office of the Fire Chief	2,155,458	2,288,778	133,320	6.2%
Human Resources	1,048,060	1,167,846	119,786	11.4%
Public Information	549,773	585,556	35,783	6.5%
Non-Departmental	4,571,824	4,521,756	(50,068)	-1.1%
Finance	897,508	959,896	62,388	7.0%
GIS Mapping and Data Analytics	99,463	250,978	151,515	152.3%
Communications and Technology (IT)	2,075,039	2,123,627	48,588	2.3%
Logistics	-	645,500	645,500	100.0%
Fleet Maintenance	1,221,200	1,958,000	736,800	60.3%
Facility Maintenance	2,155,367	2,306,836	151,469	7.0%
Total Administration and Support Services	14,773,691	16,808,773	2,035,082	13.8%
Station Operations				
Suppression	65,057,827	70,346,453	5,288,626	8.1%
Wildland	67,100	98,723	31,623	47.1%
Technical Rescue	156,139	156,139	-	0.0%
Hazardous Materials	135,938	144,938	9,000	6.6%
Operations Total	65,417,004	70,746,253	5,329,249	8.1%
Emergency Medical Services				
EMS Administration	3,188,976	3,455,917	266,942	8.4%
Community Resource Paramedic	1,076,522	1,174,362	97,840	9.1%
Community Health Worker Program	500,000	455,390	(44,610)	100.0%
Paramedic School	719,376	721,126	1,750	0.2%
Bike Program	19,750	19,750	-	0.0%
Total EMS	5,504,624	5,826,546	321,922	5.8%
Training	2,724,020	2,830,190	106,169	3.9%
New Hire Training	2,234,449	2,307,745	73,296	3.3%
Safety	996,171	1,047,005	50,834	5.1%
Volunteers	99,700	216,874	117,174	117.5%
Physical Fitness	57,540	63,540	6,000	10.4%
Peer Support	60,000	63,000	3,000	5.0%
Community Readiness (formerly CRR)				
Inspections	2,074,484	2,231,581	157,097	7.6%
Community Outreach	629,265	663,693	34,428	5.5%
ACT	146,523	153,797	7,275	5.0%
Total Community Readiness	2,850,272	3,049,072	198,800	7.0%
Grand Total	95,002,734	103,274,162	8,271,427	8.7%



TRANSFERS

All RFA revenues are received in the General Fund. RFA policies and adopted budgets do, however, require that certain resources are accounted for in funds other than the General Fund.

As such, resources are transferred out of the General Fund to other funds to satisfy internally imposed restrictions and to implement the budget. The following schedule details routine transfers out of the General Fund; no non-routine transfers are funded in the Budget.

Schedule of Routine Transfers out of the General Fund

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
Transfer to Apparatus Reserve	4,363,400	2,136,723	-51%
Transfer to Major Facilities Maintenance	500,000	500,000	0%
Transfer to Equipment Reserve	1,125,000	1,198,125	7%
Transfer to Emergency Reserve	1,500,000	400,000	-73%
Transfer to LEOFF 1 Medical Reserve	1,233,714	1,289,231	4%
Transfer to Compensated Absences Res.	721,791	717,111	-1%

OPERATING BUDGET SUMMARY

The operating budget summary provides a brief comparison of budgeted revenues, operating expenditures, and routine transfers. The result is the operating surplus or deficit.

Operating Budget Summary, Adopted Budget

	2024 Adopted Budget
Total General Fund Revenue	106,174,127
General Fund Expenditures	103,074,162
Routine Transfers out of the General Fund	6,241,190
Total General Fund Expenditures and Transfers	109,315,352
Budgeted Current Year Operating Surplus (Deficit)	(3,141,225)

CHANGES IN FUND BALANCE

Fund balance is the value of cash and investments that is available at the end of a budgetary or reporting period for use in future periods. Two of the RFA's funds have minimum fund balance targets set by policy, a description of each follows the chart.

Fund	Forecasted Beginning Fund Balance	Forecasted Revenues	Budgeted Expenditures	Forecasted Ending Fund Balance	Change In Fund Balance	Fund Balance Target	Target Met
General Fund	30,391,593	105,795,019	109,215,352	26,971,260	(3,420,333)	26,866,977	Y
Emergency Reserve	5,099,115	327,478	-	5,426,593	327,478	5,289,751	Y
LEOFF 1 Medical Reserve	3,647,679	1,380,423	1,046,189	3,981,913	334,234	-	na
Compensated Balances Reserve	1,167,246	746,292	1,000,000	913,538	(253,708)	-	na
Capital Projects	25,872,303	4,481,656	5,659,841	24,694,118	(1,178,185)	-	na
Apparatus Reserve	1,255,485	2,168,110	2,629,000	794,595	(460,890)	-	na
Major Facilities Maint. Res.	22,558,503	1,063,963	2,140,000	21,482,466	(1,076,037)	-	na
Equipment Reserve	2,058,315	1,249,583	890,841	2,417,057	358,742	-	na
Healthcare Self Insurance	3,529,596	8,262,294	8,070,967	3,720,923	191,327	-	na
All Funds	69,707,532	120,993,162	124,992,349	65,708,345	(3,999,187)	-	na

General Fund | Minimum Fund Balance Target Met. RFA policy states that the ending balance for cash and investments shall be ninety days of operating expenditures. The minimum fund balance target for the General Fund is forecasted to be met with the Adopted Budget.

Emergency Reserve | Minimum Fund Balance Target Met. The RFA has established an emergency reserve fund, separate from the General Fund, Policy states that periodic contributions shall be made to the fund until the ending balance of cash and investments reaches five percent of General Fund revenue. The minimum fund balance target for the Emergency Reserve is forecasted to be met with the Adopted Budget.

LONG RANGE FORECAST

The long-range forecast applies economic forecast data to the budget to provide insight into the future financial health and stability in the coming six years. The forecast is based on the following assumptions.

Revenues - The forecast assumes the revenue mix in the Adopted Budget. All revenues are assumed to grow at the rate of inflation, except property tax and the benefit charge. Property tax is assumed to grow by two percent per year, consistent with historical performance. **Expenditures** - The forecast assumes services are provided at the levels of service funded in the Adopted Budget. The forecast assumes funding for all routine capital replacements and facilities major maintenance. Expenditures are assumed to grow at the rate of inflation.

Long Range Forecast, Adopted Budget

	2024		2025		2026		2027		2028		2029	
		Inflation Percent		Inflation Percent		Inflation Percent		Inflation Percent		Inflation Percent		Inflation Percent
Beginning Fund Balance	30,391,593		26,971,260		22,848,815		18,071,836		12,694,296		6,624,425	
Forecasted Revenues	105,795,019	5.6%	107,979,686	2.1%	110,298,550	2.1%	112,694,786	2.2%	115,126,176	2.2%	117,584,120	2.1%
Forecasted Expenditures	109,215,352	5.9%	112,102,132	2.6%	115,075,529	2.7%	118,072,326	2.6%	121,196,047	2.6%	124,312,240	2.6%
Ending Fund Balance	26,971,260		22,848,815		18,071,836		12,694,296		6,624,425		(103,695)	
Annual Surplus/(Deficit)	(3,420,333)		(4,122,446)		(4,776,979)		(5,377,540)		(6,069,871)		(6,728,120)	
Min. Fund Balance Target	26,211,684		26,904,512		27,618,127		28,337,358		29,087,051		29,834,938	
Excess/(Deficiency) to Target	759,576		(4,055,697)		(9,546,291)		(15,643,062)		(22,462,627)		(29,938,633)	
Notes:												
75% of revenue (property tax and benefit charge) is assumed to grow at 2% and the balance of revenue is assumed to grow at the forecasted rate of CPI-U.												
Employee costs represent 78% of operating expenditures and are assumed to grow at the forecasted rate of CPI-W.												
Non-Employee costs are assumed to grow at forecasted rate of CPI-U.												
CPI-U Forecast (KC Office of Economic Analysis)		3.10		2.69		2.59		2.69		2.63		2.54
CPI-W Forecast (KC Office of Economic Analysis)		4.50		2.63		2.67		2.58		2.65		2.58



CAPITAL EXPENDITURES & RESERVES

Capital assets are assets with a significant value and a useful life greater than one year. The RFA schedules and budgets for the replacement of its capital assets. The ongoing annual budget impact of capital asset planning is funding the annual set aside for future capital asset replacements. From time-to-time one-time resource infusions may be necessary due to prior period funding shortfalls or external factors such as extraordinary inflationary increases.

RFA policies recognize three classes of capital assets: apparatus, equipment, and facilities. The following tables contain the assets budgeted for replacement in 2024 the tables are separated by RFA asset class. Additionally, it is not uncommon for the procurement of certain assets to span more than one budget period. Those replacements must be reauthorized in the subsequent budget period. The final table in this section lists assets that are being reauthorized in the 2024 budget.

APPARATUS

The apparatus listed in the following table are scheduled and funded for replacement in 2024. The value of annual replacement funding and a reserve analysis can be found below each schedule of replacements.

Fire and EMS Apparatus, Routine Replacements and Reauthorizations from Prior Period

Apparatus Description	Cost
Engine Refurb	250,000
Engine Refurb	250,000
F-Series Medic Unit	305,000
F-Series Medic Unit	305,000
Brush Engine	250,000
Deputy Chief Vehicle (DC11)	74,000
Deputy Chief Vehicle (DC15)	74,000
Deputy Chief Vehicle (DC10)	74,000
Chief's Vehicle (CH11)	74,000
Deputy Chief Vehicle (DC20)	74,000
Assistant Chief Vehicle (AC21)	74,000
Deputy Chief Vehicle (DC21)	74,000
Battalion Chief Vehicle (BC11)	106,000
Facilities Van	75,000
Deputy Fire Marshal	80,000
Deputy Fire Marshal	80,000
Total 2024 Apparatus	2,219,000
Total Reauthorized from Prior Period	410,000
Total 2024 Apparatus Budget	2,629,000



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

Apparatus Reserve Analysis

Apparatus Reserve	2023 Budget	2024 Budget
Projected Beginning Fund Balance	2,047,085	1,255,485
Revenue		
Apparatus Reserve Property Tax	-	-
App Res State Pool Interest	-	31,387
Miscellaneous Revenue	-	-
Sale of Assets	-	-
Transfer In From General Fund	4,363,400	2,136,723
Revenue Total	4,363,400	2,168,110
Expenses		
Repair/Maintenance	-	-
Machinery and Equipment	5,155,000	2,629,000
Expense Total	5,155,000	2,629,000
Projected Ending Fund Balance	1,255,485	794,595

MAJOR FACILITIES MAINTENANCE

Major facilities maintenance projects scheduled for 2024 are carryovers from prior years. In many cases major facilities maintenance needs are emergent. The 2024 Budget funds \$100,000 for emergent major facilities maintenance needs. Use of this funding is also subject to the requirements of the RFA’s purchasing policy.

Facilities Major Maintenance and Reauthorizations from Prior Period

Description	Budget
Emergent Facilities Major Maintenance	100,000
Total 2024 Major Facilities Maintenance	100,000
Total Reauthorized from Prior Period	2,040,000
Total 2024 Major Facilities Maintenance Budget	2,140,000



SOUTH COUNTY FIRE
2024 ADOPTED BUDGET

Facilities Major Maintenance Reserve Analysis

Major Facilities Maint. Reserve	2023 Budget	2024 Budget
Projected Beginning Fund Balance	26,541,503	22,558,503
Revenue		
Building Reserve Property Tax	-	-
GEMT	-	-
Bldg Res State Pool Interest	250,000	563,963
Miscellaneous Revenue	-	-
Transfer In From General Fund	500,000	500,000
Revenue Total	750,000	1,063,963
Expenses		
Building Prof Svcs	-	-
Building Repair/Maint	1,893,000	2,140,000
Buildings and Structures	-	-
Other Improvements	-	-
Land Acquisition	2,840,000	-
Construction of Capital Assets	-	-
Expense Total	4,733,000	2,140,000
Projected Ending Fund Balance	22,558,503	21,482,466

Note: \$1,740,000 of expenditures budgeted in 2023 are reauthorized in 2024 as a result of the likely timing. The 2023 ending fund balance is understated by the duplicate budgeted values.



SOUTH COUNTY FIRE
2024 ADOPTED BUDGET

EQUIPMENT

Operations, technology, and EMS equipment replacements are scheduled and funded by annual contributions to the Equipment Reserve. The items in the following schedule are scheduled for replacement in 2024.

Operations, Technology, and EMS Equipment, Routine Replacement

Description	Budget
OPERATIONS	
Hose-Annual Replacement	21,855
(30) Body Armor	92,700
Outfit (2) Apparatus	230,000
Apparatus Total	344,555
TECHNOLOGY	
Desktops and Laptops	77,500
Switches	44,000
ESO Tablets	27,000
Tablets	15,000
Peripherals and Equipment	57,500
Technology Total	221,000
EMS	
(3) Lucas Mechanical CPR Devices	73,792
Simman Adult	30,747
Simman Child	30,747
Outfit New Medic Units	190,000
EMS Total	325,286
Total 2024 Equipment	890,841



SOUTH COUNTY FIRE
2024 ADOPTED BUDGET

Equipment Reserve Analysis

Equipment Reserve	2023 Budget	2024 Budget
Projected Beginning Fund Balance	1,624,963	2,058,315
Revenue		
Equip\Mach Res Property Tax	-	
Equip\Mach Res St Pool Int	-	51,458
Miscellaneous Revenue	-	
Transfer In From General Fund	1,125,000	1,198,125
Revenue Total	1,125,000	1,249,583
Expenses		
Equip\Mach Budgeted EFB		
Operations	232,218	344,555
Technology	211,063	221,000
EMS	248,367	325,286
Expense Total	691,648	890,841
Projected Ending Fund Balance	2,058,315	2,417,057

PRIOR PERIOD REAUTHORIZATIONS

The following schedule contains expenditures budgeted in prior periods, but not completed in the period. The budget must be reauthorized to provide funding in the current period.

Schedule of Reauthorizations

	2024 Budget
<u>Apparatus</u>	
Brush Engine	250,000
Deputy Fire Marshal Vehicle	80,000
Deputy Fire Marshal Vehicle	80,000
Apparatus Reauthorization Total	410,000
<u>Facilities/ Building</u>	
Headquarters Basement Upgrades	300,000
Locution Station Alerting	1,500,000
Solo Washers for Gear Exposed to Fire	240,000
Facilities/Building Reauthorization Total	2,040,000



SCHEDULE OF BUDGETED POSITIONS – FULL TIME

The Schedule of Budgeted Positions lists full-time permanent positions authorized by the budget. The schedule does not include limited-term, part-time, or volunteer positions. Additionally, the Chief is authorized to fill up to twenty additional firefighter positions in anticipation of attrition, so the actual employee count often exceeds the number of budgeted positions.

There are no changes to the number of full-time permanent employees in the Adopted Budget.

Schedule of Budgeted Positions

DIVISION	POSITION	2023	2024	Change
Board of Commissioners	Executive Assistant to the Board of Commissioners	1.0	1.0	
Office of the Fire Chief	Fire Chief	1.0	1.0	
Office of the Fire Chief	Assistant Fire Chief	2.0	2.0	
Office of the Fire Chief	Executive Assistant to the Fire Chief	1.0	1.0	
Office of the Fire Chief	Receptionist	1.0	1.0	
Office of the Fire Chief	Public Records Officer	1.0	1.0	
Human Resources	Human Resources Director	1.0	1.0	
Human Resources	Human Resources Manager	1.0	1.0	
Human Resources	Human Resources Analyst	1.0	1.0	
Human Resources	Human Resources Specialist	2.0	2.0	
Public Information	Communications Director	1.0	1.0	
Public Information	Public Information Officer	1.0	1.0	
Finance	Chief Financial Officer	1.0	1.0	
Finance	Finance Manager	1.0	1.0	
Finance	Financial Analyst	2.0	2.0	
Finance	Finance Specialist	1.0	1.0	
GIS and Data Analytics	Strategic Data Analyst	1.0	1.0	
GIS and Data Analytics	GIS Specialist-Contract	1.0	1.0	
Communications & Technology	IT Manager	1.0	1.0	
Communications & Technology	Help Desk Analyst	1.0	1.0	
Communications & Technology	Network Administrator	1.0	1.0	
Logistics	Deputy Chief of Logistics	1.0	1.0	
Facilities	Procurement and Contracts Administrator	1.0	1.0	
Facilities	Facilities Maintenance Lead	1.0	1.0	
Facilities	Facilities Maintenance Technician	2.0	2.0	
Facilities	Central Stores Specialist	2.0	2.0	
Operations	Deputy Chief-Operations	1.0	1.0	
Operations	Battalion Chief	12.0	12.0	
Operations	Medical Service Officer	4.0	4.0	
Operations	Captain	60.0	60.0	
Operations	Firefighter\Paramedic	101.0	101.0	
Operations	Firefighter	130.0	130.0	
Operations	Administrative Assistant	1.0	1.0	

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SOUTH COUNTY FIRE
2024 ADOPTED BUDGET

Schedule of Budgeted Positions, continued.

DIVISION	POSITION	2023	2024	Change
EMS Administration	Assistant Chief of EMS	1.0	1.0	
EMS Administration	Deputy Chief of EMS	1.0	1.0	
EMS Administration	Medical Service Officers-Days	3.0	3.0	
EMS Administration	Administrative Assistant	1.0	1.0	
Community Resource Paramedicine	Captain Paramedic	1.0	1.0	
Community Resource Paramedicine	Community Resource Paramedic	3.0	3.0	
Community Resource Paramedicine	Firefighter Days	1.0	1.0	
Community Resource Paramedicine	Administrative Assistant	1.0	1.0	
Training	Deputy Chief-Training	1.0	1.0	
Training	Battalion Chief-Days	1.0	1.0	
Training	Captain-Days	3.0	3.0	
Training	Firefighter-Days	1.0	1.0	
Training	Administrative Assistant	1.0	1.0	
Safety	Deputy Chief	1.0	1.0	
Inspections	Deputy Chief	2.0	2.0	
Inspections	Deputy Fire Marshal	6.0	6.0	
Inspections	Administrative Assistant	1.0	1.0	
Community Outreach	Community Outreach Manager	1.0	1.0	
Community Outreach	Fire/Life Safety Education Specialist	1.0	1.0	
Community Outreach	Community Resource Specialist	1.0	1.0	
Community Outreach ACT	ACT Coordinator	1.0	1.0	
TOTAL FULL TIME POSITIONS		373.0	373.0	0.0

DIVISION DESCRIPTIONS AND BUDGETS

The following section contains a brief description of each division, a table with the respective 2024 budget, and a description of changes. Division budgets are categorized into employee costs, salaries and wages, benefits, and overtime. Non-employee costs are found in the line labeled Supplies and Services.

BOARD OF COMMISSIONERS

The Board of Commissioners is the elected seven-member governing body. The Board of Commissioners budget includes funding for the Executive Assistant to the Board as well as other Board needs.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
COMMISSIONERS			
Salaries and Wages	211,188	240,191	14%
Overtime	-	-	-
Employee Benefits	36,624	38,272	4%
Supplies and Services	37,450	36,700	-2%
TOTAL	285,262	315,164	10%



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

Description of Changes

Increases are attributable to inflationary adjustments, including an inflationary adjustment to commissioner meeting stipend.

OFFICE OF THE FIRE CHIEF

PROGRAM DESCRIPTION

The primary function of the Office of the Fire Chief is to oversee the specific operations of the RFA, to assure compliance with RFA policies, to delegate operating authority and responsibility to the Assistant and Deputy Chiefs, to assist staff in conducting their respective duties, and to initiate the expenditure of funds for the receipt of goods and services received by the RFA. The Administration manages the conduct and affairs of the RFA to assure the highest level of service consistent with the resources approved by the Fire Commissioners.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
ADMINISTRATION			
Salaries and Wages	1,368,612	1,313,252	-4%
Overtime	2,000	2,000	-
Employee Benefits	436,846	468,026	7%
Supplies and Services	348,000	705,500	45%
TOTAL	2,155,458	2,488,778	6%

Description of Changes

Increases are attributable to inflationary adjustments. Additionally, the data analyst position was moved out of the Office of the Fire Chief and into the GIS and Data Analytics Division. Changes also include funding for a cost-of-service study (one-time expenditure).



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

HUMAN RESOURCES

PROGRAM DESCRIPTION

The Human Resources Program (HR) oversees all human resource activities. Activities include labor negotiations, compensation and benefits, health care contract management and administration, and staffing management which includes advertising, testing, interviewing, and orientation for new employees.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
HUMAN RESOURCES			
Salaries and Wages	605,055	664,896	8%
Overtime	35,840	35,840	0%
Employee Benefits	248,765	266,610	7%
Supplies and Services	158,400	260,000	33%
TOTAL	1,048,060	1,227,346	11%

Description of Changes

Increases are attributable to inflationary adjustments and additional organization-wide training.

PUBLIC INFORMATION

PROGRAM DESCRIPTION

The Public Information program serves as the official communications channel for the RFA in promulgating technical, financial, and operational data to the media and the general public. The channels include direct interviews with the print and visual media, newsletters, informational flyers, brochures, management of the website, press releases, coordinating RFA involvement in community events, and on-scene media relations.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
PUBLIC INFO & ED			
Salaries and Wages	232,557	248,255	7%
Overtime	3,000	3,000	-
Employee Benefits	88,316	94,651	7%
Supplies and Services	225,900	239,650	6%
TOTAL	549,773	585,556	7%

Description of Changes

Increases are attributable to inflationary adjustments.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

NON-DEPARTMENTAL EXPENSES

PROGRAM DESCRIPTION

The Non-Departmental Expenses are RFA expenses not otherwise assigned to a specific operations program. This program captures major organizational expenses that arise from Commissioner Policy directives which are not under the discretionary control of the Fire Chief and management staff, such as legal services, insurance, on-going fire service contracts, Interlocal agreements, and interagency programs. Interfund transfers are also accounted for as non-department expenses, but are presented separately.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
ORGANIZATIONAL EXPENSE			
Supplies and Services	4,571,824	4,561,756	0%
TOTAL	4,571,824	4,561,756	0%

Description of Changes

Changes are the net effect of inflationary increases, an increase in the cost of dispatch services for recently annexed cities, and a decrease in transport reimbursements paid to Mountlake Terrace prior to annexation into the RFA.

FINANCE

PROGRAM DESCRIPTION

The Finance Division provides full-service finance and accounting services for the organization including: accounting and reporting, treasury and investment management, annual budget development, payroll and related accounting functions, disbursements and accounts payable, financial planning and analysis, financial policy development and monitoring, and annual report preparation and audit representation.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
FINANCE			
Salaries and Wages	653,797	697,928	7%
Overtime	3,000	3,000	-
Employee Benefits	230,811	247,368	7%
Supplies and Services	9,900	11,600	17%
TOTAL	897,508	959,896	7%

Description of Changes

Increases are attributable to inflationary adjustments.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

GIS AND DATA ANALYTICS (formerly GIS)

PROGRAM DESCRIPTION

The GIS and data analytics program provides digital mapping services for the RFA's needs and is available for mapping services work to outside agencies on a reimbursement basis. Additionally, the data analytics program will be accounted for in this program starting in 2024.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
<i>GIS & DATA ANALYTICS, formerly only GIS</i>			
Salaries and Wages	71,166	221,369	211%
Overtime	-	-	-
Employee Benefits	18,297	19,609	7%
Supplies and Services	10,000	10,000	-
TOTAL	99,463	250,978	152%

Description of Changes

Increases are attributable to inflationary adjustments and the movement of data analytics from the Office of the Fire Chief to this program.

COMMUNICATIONS AND TECHNOLOGY (IT)

PROGRAM DESCRIPTION

The Communications and Technology program provides for the estimated cost of placing technology equipment into service at the administrative and operational levels of the RFA. It also includes the maintenance and service agreements for the software and the hardware the RFA uses, as well as professional services required to maintain. It provides the RFA with data, voice communications and connectivity required for department operations.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
COMM/TECH IT			
Salaries and Wages	363,745	388,298	7%
Overtime	3,000	3,000	-
Employee Benefits	128,744	137,980	7%
Supplies and Services	1,579,550	1,594,350	1%
TOTAL	2,075,039	2,123,627	2%

Description of Changes

Increases are attributable to inflationary adjustments.

LOGISTICS

PROGRAM DESCRIPTION

The Logistics Division coordinates the activities of fleet and facilities. The Division was new in 2023.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
LOGISTICS			
Salaries and Wages	-	235,000	-
Overtime	-	-	-
Employee Benefits	-	56,000	-
Supplies and Services	-	354,500	-
TOTAL	-	645,500	-

Description of Changes

Logistics is a new division created as part of an internal restructuring. The Division is staffed by one deputy chief that was reallocated from another division during the restructuring. The majority of the Logistics Division supplies and services budget was similarly reallocated from other divisions.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

VEHICLE MAINTENANCE

PROGRAM DESCRIPTION

This program budgets for the cost of vehicle maintenance and operations. The majority of repairs and preventative maintenance are done by the City of Lynnwood Fleet Maintenance Division.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
APPARATUS M & O			
Supplies and Services	1,221,200	1,958,000	60%
TOTAL	1,221,200	1,958,000	60%

Description of Changes

Changes are attributable to increases in the cost and usage of apparatus fuel and recent significant increases in the costs to maintain apparatus, most notably the cost of parts.

FACILITY MAINTENANCE

PROGRAM DESCRIPTION

This program budgets for the cost of repairing and maintaining all the buildings owned and utilized by the RFA. The RFA currently fully maintains fire stations, headquarters, a training facility, a classroom, and two pieces of vacant land.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget
BUILDING M & O		
Salaries and Wages	562,075	600,015
Overtime	3,000	3,000
Employee Benefits	237,466	254,500
Supplies and Services	1,352,826	1,449,321
TOTAL	2,155,367	2,306,836



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

STATION OPERATIONS - SUPPRESSION

PROGRAM DESCRIPTION

The Station Operations program covers the cost of managing, equipping, staffing, and operating fifteen fire stations to prepare for all hazard mitigation to include fire suppression and EMS related incidents. This program is established with the goal of meeting all standards of response objectives as established by the RFA and contracts, in a safe and effective manner.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
STATION OPERATIONS			
Salaries and Wages	43,760,237	46,484,091	6%
Overtime	4,344,824	5,768,548	33%
Employee Benefits	16,644,285	17,877,214	7%
Supplies and Services	308,481	216,600	-30%
TOTAL	65,057,827	70,346,453	8%

Description of Changes

Increases are attributable to inflationary and contractual adjustments resulting from the implementation of the new labor contract. Additionally, post-academy new hire salaries are funded for temporary periods when forecasted attrition does not occur as forecasted. The reduction in supplies and services is the result of budget being transferred to the new Logistics Division.

WILDLAND

PROGRAM DESCRIPTION

The Wildland Program trains designated SCF personnel to Wildland Firefighter Red Card certification level (meeting WAC 296.305 – 07001-18) to increase operational readiness for SCF's internal risk from Wildland-Urban Interface (WUI) fires; as well as enable the timely deployment of SCF personnel when requested to support wildland firefighting events outside our jurisdiction.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
WILDLAND			
Wildland Salaries and Wages	-	-	-
Wildland Overtime	29,400	60,723	107%
Wildland Employee Benefits	-	-	-
Supplies and Services	37,700	38,000	1%
TOTAL	67,100	98,723	47%

Description of Changes

Increases are attributable to inflationary adjustments, plus additional overtime to support the training needs of the Wildland Program.

TECHNICAL RESCUE

PROGRAM DESCRIPTION

The Technical Rescue Program covers the cost of training 44 highly specialized personnel in rescue operations including high and low angle rescue, liquid and frozen water surfaces, confined space and urban search and rescue. Highly specialized equipment is utilized in the conduct of these rescue operations. The RFA is a member as a full participating agency in the Special Operations (SOPB) Interlocal agreement. Assessments are split between Technical Rescue and Hazardous Materials programs.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
TECHNICAL RESCUE			
Overtime	80,850	80,850	-
Employee Benefits	-	-	-
Supplies and Services	75,289	75,289	-
TOTAL	156,139	156,139	-

HAZARDOUS MATERIALS

PROGRAM DESCRIPTION

The HazMat program identifies the cost of training and developing 36 highly specialized personnel who may safely confront and control a field operation involving hazardous materials utilizing expert



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

techniques and dedicated equipment. The RFA is a member as a full participating agency in the Special Operations (SOPB) Interlocal agreement. Assessments are split between Hazardous Materials and Technical Rescue programs.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
HAZMAT			
Overtime	92,138	92,138	-
Employee Benefits	-	-	-
Supplies and Services	43,800	52,800	21%
TOTAL	135,938	144,938	7%

Description of Changes

Increases are attributable to inflationary adjustments.

EMS – ADMINISTRATION

PROGRAM DESCRIPTION

This program provides for the oversight, management, licensing and certification and quality control of EMS operations and training, and funds equipment maintenance and disposable supplies used when responding to EMS incidents. The program coordinates paramedic school training and integration and provides oversight of the EMS billing and electronic medical reporting system.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
EMS			
Salaries and Wages	975,690	1,067,694	8%
Overtime	399,498	417,475	4%
Employee Benefits	372,338	398,075	7%
Supplies and Services	1,441,450	1,607,673	10%
TOTAL	3,188,976	3,490,917	8%

Description of Changes

Increases are attributable to inflationary adjustments and a new staff position added as a decision package in the Adopted Budget.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

EMS – COMMUNITY RESOURCE PARAMEDICINE (CRP)

PROGRAM DESCRIPTION

This program encompasses the Community Paramedicine program implemented in 2013 with a grant from Verdant Health Commission. The grant has been extended multiple times and was recently adapted to support shifting the program from a weekday only staffing model to 24-hour response model.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
COMMUNITY RESOURCE PARAMEDIC			
CRP Salary and Wages	763,274	811,779	6%
CRP Overtime	24,000	24,000	0%
CRP Employee Benefits	265,248	283,583	7%
Supplies and Services	24,000	55,000	129%
TOTAL	1,076,522	1,174,362	9%

Description of Changes

Increases are attributable to inflationary adjustments and increased supply needs.

EMS – COMMUNITY HEALTH WORKERS (CHW)

PROGRAM DESCRIPTION

The Community Health Workers program was new in 2023. The program adds additional resources to address the evolving needs of the community. The program is funded with a grant from North Sound ACH. The grant funds the program for most of 2024. If the funding arrangement is renewed the program is expected to continue beyond the current expiration.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
COMMUNITY HEALTH WORKERS			
CHW Salary and Wages	350,000	297,360	-15%
CHW Overtime	-	-	-
CHW Employee Benefits	135,000	128,030	-5%
TOTAL	500,000	455,390	-9%



EMS – PARAMEDIC SCHOOL

PROGRAM DESCRIPTION

The paramedic school program funds the costs associated with sending current SCF firefighters to school to become paramedics. For the last few years, SCF has sent 2 to 4 firefighters to paramedic school at a program operated at Harborview Medical Center. Recently SCF began sending students to the Central Washington University Program.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
PARAMEDIC SCHOOL			
PM School Salary and Wages	-	393,357	-
PM School Overtime	624,376	68,681	-89%
PM School Employee Benefits	-	162,338	-
Supplies and Services	95,000	96,750	2%
TOTAL	719,376	721,126	-

Description of Changes

Changes are attributable to a reallocation of expenditures.

EMS – BIKE TEAM

PROGRAM DESCRIPTION

The Bicycle Response Team (BRT) provides EMS coverage and safety through an outreach model focused on public education and prevention. In conjunction with EMS Division and Public Education, teams deploy in a tandem fashion to prominent South County events within our agency’s response area.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
BIKE TEAM			
Bike Team Overtime	12,000	12,000	-
Bike Team Employee Benefits	-	-	-
Supplies and Services	7,750	7,750	-
TOTAL	19,750	19,750	-



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

TRAINING – SCF TRAINING

PROGRAM DESCRIPTION

The Training Budget supports the overall goals of organizational compliance with Federal, State, and local laws, rules, regulations, and codes governing emergency response and employee preparedness. The budget also supports the organizational career development goals that are defined by industry best standards and practices that include both formal education and competency-based evaluations.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
TRAINING			
Salaries and Wages	1,055,565	1,122,066	6%
Overtime	855,110	878,678	3%
Employee Benefits	420,745	449,675	7%
Supplies and Services	392,600	354,771	-3%
TOTAL	2,724,020	2,805,190	4%

Description of Changes

Increases are attributable to inflationary adjustments.

TRAINING – NEW HIRES

PROGRAM DESCRIPTION

The New Hires program captures the cost of recruiting, advertising, interviewing, screening, hiring, and initial Fire Academy training of all new career suppression personnel additions and those who replace retirees. This program also captures the cost of new member’s initial uniforms and required protective equipment and the salaries and benefits for new suppression members while attending the Snohomish County Fire Training Academy.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
NEW HIRES			
Salaries and Wages	978,662	1,022,701	5%
Overtime	36,000	36,000	-
Employee Benefits	497,860	526,166	6%
Supplies and Services	721,928	722,878	-
TOTAL	2,234,449	2,307,745	3%

Description of Changes

Increases are attributable to inflationary adjustments.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

SAFETY

PROGRAM DESCRIPTION

The Safety and Health program is responsible for managing and enforcing the rules, regulations, and policies relating to the safe operation of the Fire Department. The Safety Officer responds to emergency activities, manages the personal protection equipment (PPE) program, the SCBA program, the Wellness Program and the Exposure Control Program among several others. The Safety Officer coordinates with Training on new and existing programs designed to ensure the continued safety of all RFA personnel.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
SAFETY			
Salaries and Wages	200,139	235,000	17%
Overtime	38,360	38,360	0%
Employee Benefits	69,422	74,195	7%
Supplies and Services	688,250	989,450	2%
TOTAL	996,171	1,337,005	34%

Description of Changes

Increases are attributable to inflationary adjustments and bunker gear that is due for replacement.

SAFETY –PEER FITNESS AND PEER SUPPORT

PROGRAM DESCRIPTION

The Physical and Peer Fitness program accounts for the cost of providing a variety of physical strength and stamina training to operational staff under the tutelage of trained instructors. The program also includes peer fitness.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
PEER FITNESS			
Salaries and Wages	-	-	-
Overtime	5,040	5,040	-
Supplies and Services	52,500	58,500	11%
TOTAL	57,540	63,540	10%



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
PEER SUPPORT			
Supplies and Services	60,000	63,000	5%
TOTAL	60,000	63,000	5%

Description of Changes

Increases are attributable to inflationary adjustments.

VOLUNTEERS

PROGRAM DESCRIPTION

The Volunteer program identifies the cost of maintaining a volunteer staff of trained personnel who assist and support the suppression crews during tactical operations.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
VOLUNTEERS			
Salaries and Wages	59,200	272,524	191%
Overtime	2,000	2,000	-
Employee Benefits	-	-	-
Office & Operating Supplies	38,500	42,350	10%
Supplies and Services	38,500	42,350	10%
TOTAL	99,700	316,874	118%

Description of Changes

Increases are attributable to additional funding for volunteer stipends and funding for additional volunteers.

COMMUNITY READINESS – INSPECTIONS (formerly Community Risk Reduction)

The RFA collaborates with the Snohomish County Fire Marshal’s Office on construction projects and tenant improvements within the unincorporated service areas served by the RFA. Additionally, fire marshal services are provided to contract cities, including fire cause and origin investigations, construction plan reviews, building inspection and codes, standards and ordinance development.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
COMMUNITY RISK REDUCTION			
Salaries and Wages	1,514,261	1,611,275	6%
Overtime	20,000	20,000	-
Employee Benefits	490,723	504,021	3%
Supplies and Services	49,500	96,285	95%
TOTAL	2,074,484	2,231,581	8%

Description of Changes

Increases are attributable to inflationary adjustments.

**COMMUNITY READINESS – PUBLIC EDUCATION
PROGRAM DESCRIPTION**

The Public Education program provides fire and life-safety education and training services throughout the RFA and contract cities including, Senior Fall Prevention, Community Emergency Response Teams (CERT), Map Your Neighborhood and other disaster preparation classes, Fire Corps/Veteran activities, Fire Prevention, car seat checks, school-based programs and other risk reduction education.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
COMMUNITY OUTREACH			
Comm Outreach Salaries & Wages	421,165	448,148	6%
Community Outreach Overtime	20,000	20,000	-
Community Outreach Empl Ben	145,600	149,546	3%
Supplies and Services	42,500	46,000	8%
TOTAL	629,265	663,693	5%

Description of Changes

Increases are attributable to inflationary adjustments.



SOUTH COUNTY FIRE
2024 ADOPTED BUDGET

**COMMUNITY RISK REDUCTION – ACT
PROGRAM DESCRIPTION**

ACT training was created to focus on the emergencies that truly save lives prior to the arrival of first responders. In as little as an hour, citizens can be trained in recognizing, calling for help and treating victims of opioid overdose, cardiac arrest and severe hemorrhage.

FINANCIAL SUMMARY:

	2023 Budget w/o Retro	2024 Adopted Budget	Percent Change
ACT			
ACT Salaries and Wages	68,127	72,492	6%
ACT Overtime	30,000	30,000	-
ACT Employee Benefits	41,896	44,806	7%
Supplies and Services	6,500	6,500	-
TOTAL	146,523	153,797	5%

Description of Changes

Increases are attributable to inflationary adjustments.



OTHER FUNDS AND RESERVES

EMERGENCY RESERVE FUND

DESCRIPTION

RFA policy establishes an emergency reserve to respond to provide funding during revenue disruptions, emergent events, or for exceptional acquisitions. The emergency reserve target is five percent of General Fund revenues.

Emergency Reserve	2023 Budget	2024 Budget
Projected Beginning Fund Balance	3,599,115	5,099,115
Revenue		
Real & Personal Property Taxes	-	-
State Pool Interest	-	127,478
Transfer In from General Fund	1,500,000	200,000
Revenue Total	1,500,000	327,478
Expenses		
Professional Services	-	-
Expense Total	-	-
Projected Ending Fund Balance	5,099,115	5,426,593



LEOFF 1 MEDICAL RESERVE FUND

DESCRIPTION

The RFA maintains a separate fund to manage a financial reserve to provide funding for future medical claims for retired LEOFF1 employees. By policy a contribution equal to 125% of anticipated annual LEOFF1 expenses is contributed to this reserve.

LEOFF 1 Medical Reserve		
	2023 Budget	2024 Budget
Projected Beginning Fund Balance	3,362,186	3,647,679
Revenue		
Real & Personal Property Taxes	-	-
State Pool Interest	38,750	91,192
Miscellaneous Revenue	-	-
Transfer In from General Fund	1,233,714	1,289,231
Revenue Total	1,272,464	1,380,423
Expenses		
Other Benefits	640,575	679,010
Professional Services	33,924	35,959
Insurance	312,472	331,220
Miscellaneous	-	-
Expense Total	986,971	1,046,189
Projected Ending Fund Balance	3,647,679	3,981,913



COMPENSATED ABSENCES RESERVE FUND

DESCRIPTION

The RFA maintains a separate fund to provide funding for vacation and sick leave bank payouts for employees separating service. By policy 12% of the compensated absences liability as reported in the latest published annual financial report is contributed to this reserve.

Compensated Absences Reserve		
	2023 Budget	2024 Budget
Projected Beginning Fund Balance	931,317	1,167,246
Revenue		
Real & Personal Property Taxes	-	-
State Pool Interest	14,138	29,181
Transfer In from General Fund	721,791	717,111
Revenue Total	735,929	746,292
Expenses		
Salaries and Wages	500,000	1,000,000
Employee Benefits	-	-
Expense Total	500,000	1,000,000
Projected Ending Fund Balance	1,167,246	913,538



HEALTHCARE SELF-INSURANCE FUND

DESCRIPTION

The RFA self-insures for healthcare benefits provided to employees, the self-insurance program is accounted for in a separate fund. The program is administered by a Third-Party Administrator and is reinsured through the purchase of individual and aggregate stop loss insurance. Participants in the Self-Insurance program are prior District 1 employees and all RFA new hires.

Healthcare Self Insurance Fund		
	2023 Budget	2024 Budget
Projected Beginning Fund Balance	3,400,390	3,529,596
Revenues		
State Pool Interest	33,755	88,240
Employer Contribution	6,697,935	7,233,770
Retiree Insurance Premiums	870,634	940,285
Revenue Total	7,602,324	8,262,294
Expenses		
Other Benefits	6,877,305	7,427,489
Professional Services	258,025	278,667
Insurance	337,788	364,811
Miscellaneous	-	-
Expense Total	7,473,118	8,070,967
Projected Ending Fund Balance	3,529,596	3,720,923



COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES

1. Policy Administration.

- 1.1. Purpose. Comprehensive financial management policies provide policy direction and a framework for staff to administer financial matters.
- 1.2. Roles. The Board of Commissioners is responsible for providing policy direction and adopting policies. Staff is responsible for recommending policies for consideration of adoption by the Board of Commissioners. Staff is also responsible for the implementation of the adopted policies and the day-to-day management of financial activities consistent with the policies.
- 1.3. Updates. Staff shall review the Policies annually in anticipation of budget development. The results of the review should be discussed with the Board of Commissioners preceding, or in conjunction with, budget development.

2. Accounting and Reporting.

- 2.1. Accounting. The RFA will maintain an accounting and financial reporting system that follows governmental accounting professional standards and satisfies the requirements of the State of Washington Budgeting, Accounting, and Reporting System (BARS) Manual.
- 2.2. Funds. The RFA utilizes fund accounting; the following funds have been established for this purpose.
 - 2.2.1. General Fund. The General Fund is the primary operating fund of the RFA. All revenues shall be accounted for in the General Fund, unless an external restriction is present that prohibits them from being accounted for in the General Fund.
 - 2.2.2. Emergency Reserve Fund. The Emergency Reserve Fund exists to provide funding for situations declared by the Commissioners to be of an emergency basis (RFA Policy 500.00.008.00).
 - 2.2.3. Capital Fund. The Capital Fund is used to account for capital asset reserves and purchases. The Capital Fund accounts for apparatus, major facilities maintenance/building, and equipment separately.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

- 2.2.4. Compensated Absences Fund. The Compensated Absences Fund is used to account for payouts of leave banks for separating employees (RFA Policy 500.00.006.00).
- 2.2.5. LEOFF 1 Medical Reserve Fund. The LEOFF 1 Medical Reserve Fund is used to account for annual medical claims and expenses for LEOFF 1 retirees (RFA Policy 500.00.005.00).
- 2.2.6. Self-Insurance Fund. The Self-Insurance Fund is used to account for the self-insured medical claims and other program expenses.
- 2.3. Cash Basis Prescribed. The RFA will report and budget on the cash basis of accounting. A temporary exception may be allowed to satisfy an external requirement, if it is determined to be in the best interest of the RFA. Any permanent change in accounting basis requires a policy update.
- 2.4. Internal Controls. Internal controls shall be designed, implemented, and monitored by staff to safeguard assets and resources and to ensure the integrity of the accounting system, financial data, and reporting.
- 2.5. Periodic Reporting. Staff shall prepare quarterly financial reports for the Board of Commissioners. The reports should also be made available for public inspection in Board meeting materials or by other means.
- 2.6. Timing of Reporting. All required external reporting should be performed/filed timely. If circumstances prevent timely reporting, then staff should communicate an updated timeline to relevant parties.
- 3. Budgeting.**
- 3.1. Budget Development Calendar. Staff shall recommend a budget development calendar no later than June 30th each year to guide and schedule development of the operating budget for the following year.
- 3.2. Budget Forecast. The forecasts used in budget development shall use conservative assumptions for revenues and expenditures that are based on credible and relevant sources. Revenues, funding sources, should be included in the forecast only when receipt in the upcoming periods is reasonably certain, speculative sources of funding should not be included in the forecast.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

- 3.3. **Balanced Budget.** The administration’s budget proposal shall be a balanced budget. The budget is considered balanced if forecasted resources (period revenues, plus forecasted cash and investments) exceed forecasted expenditures for the budgetary period. Measurement of whether the budget is balanced shall be performed at the fund level. Staff should also disclose whether the budget is balanced at the overall fund level during the budget process. All funds must be balanced for the budget to be labeled balanced. The Board should not adopt any fund budget that results in a forecasted negative fund balance. Interfund loans are permitted to address emergency situations that may cause a negative fund balance provided a plan is in place to repay the interfund loan.
- 3.4. **Budget Adoption and Authority.** A budget shall be adopted at the fund level for each of the RFA’s funds, excluding custodial and fiduciary funds. The Fire Chief has the authority to move appropriations within a fund, but changes to any budget at the fund level requires Board approval.
- 3.5. **Budget Monitoring.** Monitoring actual expenditures to budgeted values is the responsibility of division heads. Variances that are determined to be likely to result in any division exceeding its respective budget before year end should be reported to the Fire Chief. Divisions should make a reasonable effort to identify and report any such variances as early as possible.
- 3.6. **Personnel Budgeting and Authorization**
 - 3.6.1. **Employment Position Authorization.** All employment positions required for budgeted operations, and ancillary services, shall be included on a schedule of budget positions. The schedule of budgeted positions shall be included with the budget package presented for consideration of adoption by the Board of Commissioners.
 - 3.6.2. **Station Staffing Factor.** The schedule of budgeted positions shall include positions required to provide coverage for operations during vacations, training, and other leave based on a staffing analysis (the “staffing factor”).
 - 3.6.3. **Personnel Budget.** The budget shall include the total cost of salaries and benefits for each position included on the schedule of budgeted positions. The salaries and



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

benefits expenditure used in budget development should utilize conservative assumptions.

3.6.4. Positions for Forecasted Attrition. To ensure enough post-probation employees are available to staff operations, with consideration given to the unusually long recruiting and training process in the fire service, the Fire Chief is authorized to hire up to twenty positions in excess of what is required to staff operations up to six months in advance of forecasted retirements and routine attrition. The budget shall include funding for twelve weeks of salaries and benefits to fund these positions, subsequent to graduation from the academy. If forecasted retirements and routine attrition does not occur as planned, then excess staffing shall be maintained until the forecasted attrition occurs. The policy recognizes that this condition may result in staff requesting a budget amendment to provide additional funding for the extra positions until actual attrition occurs. The Fire Chief shall present a revised attrition forecast along with any such budget amendment request.

3.7. Asset Replacement. The RFA should set aside funding for current and future asset replacements in the annual budget. The annual set aside should be based on an analysis of the future costs for replacement. Assets should be budgeted for replacement in the budgetary year if the replacement is determined to be necessary, irrespective of when the asset is scheduled for replacement. If an annual budget does not fully fund a representative portion of future replacements, current year replacements, or a future funding shortfall is identified, then staff should develop a plan to correct the situation.

3.8. One-Time Revenues. One-time revenues should be used for one-time expenditures. Any use of one-time revenues for ongoing expenditures shall be disclosed during the budget process and shall include a funding plan for future years.

3.9. Budget Amendments. The adopted budget may be amended at any time by a majority vote of the Board of Commissioners. Budgets shall be amended at the fund level.

3.10. Fund Balance. Beginning and ending fund balances should be forecasted during the budget process, based on the Chief's Preliminary Budget and subsequent iterations being considered for adoption by the Board. The forecast should note whether the minimum fund balance target is achieved.



4. Disbursements.

- 4.1. Voucher Authorization. All vouchers/checks must be properly authorized by a division head, or designee, and the Board of Commissioners. Authorization should be obtained in advance of payment, except in the case of prepaid disbursements and emergent situations.
- 4.2. Disbursements Schedule. Warrants/checks will be released to vendors immediately following approval by the Board of Commissioners. Typically, this will result in payment being released after the first and third meeting of the month, except in the case of prepaid disbursements and emergent situations.
- 4.3. Prepaid Disbursements. Staff is authorized to make disbursements prior to Board approval in the following situations: the Board does not meet on either the first or third meeting of the month or a quorum is not present at one of the meetings. Staff shall bring prepaid disbursements to the Board for approval following disbursement.
- 4.4. Emergent Situation Disbursements. Staff is authorized to make a disbursement(s) prior to Board approval when it is in the best interest of the RFA to pay a vendor in advance of Board approval and it would be to the detriment of the RFA to withhold payment until Board approval. Emergent situation disbursements must be authorized by either the Fire Chief or, if the expenditure is fully funded included in the adopted budget or is required by a contract approved by the Board, the CFO. Staff shall bring emergent situation disbursements to the Board for approval following disbursement.

5. Reserves and Other Financial Commitments.

5.1. Minimum Fund Balance Targets. Minimum fund balance targets are intended to provide resources to fund operations during normal revenue cycles, during unforeseen revenue disruptions, for future needs, and for emergent needs and opportunities. Minimum fund balance targets follow. Whether the targets are achieved in the preliminary and adopted budget should be disclosed in the budget document.

5.1.1. General Fund – Target: 90 days of Budgeted Operating Expenditures. Budgeted operating expenditures, for the purposes of the target are all General Fund



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

expenditures, less one-time expenditures, and transfers to other funds (D1 Policy 500.00.006.01).

5.1.2. Emergency Reserve Fund – Target: Five Percent of General Fund Revenue. General Fund revenues are all revenues without an external restriction for accounting in another fund (RFA Policy 500.00.008.00).

5.2. Other Financial Commitments.

5.2.1. LEOFF 1 Medical Reserve Fund. The annual budget shall contribute 125% of LEOFF 1 anticipated annual expenditures (RFA Policy 500.00.005.00).

5.2.2. Compensated Absences Reserve Fund. The annual budget shall contribute approximately twelve percent of the compensated absences liability reported in the most recent annual financial report (RFA Policy 500.00.006.00).

5.2.3. Healthcare Self Insurance Fund. State law requires that the RFA maintains a fund balance equal to or greater than sixteen weeks of program expenses (WAC 200.110.040(1)).

6. Long Range Financial Planning.

6.1. Six Year Financial Forecast. The RFA shall use a six-year financial forecast for routine long-term financial planning. The forecast shall use prudent assumptions for revenue and expenditure growth over the forecasting period. The forecast shall forecast major revenues separately and salaries, benefits, supplies and services shall be forecasted separately. The forecasted ending fund balance must be included in the forecast.

6.2. Update Schedule. The Six Year Forecast shall be updated annually in connection with the annual budget; the results of the forecast should be published with the budget.

7. Capital.

7.1. Capital Facilities Plan and the Budget. Projects included in the adopted capital facilities plan shall be incorporated into the annual budget for the budget period, only if resources for project(s) included in the CFP are fully funded through to completion. A project is considered fully funded if funding for the entire project is certain; speculative funding for any phase of a project disqualifies it for inclusion in the budget. A budget amendment should be forwarded for Board consideration when funding is secured to fully fund the project to completion.



SOUTH COUNTY FIRE

2024 ADOPTED BUDGET

- 7.2. Capital Maintenance and Operating Costs. Ongoing maintenance and operating costs associated with capital facilities, new and existing, shall be included in the annual budget and the six-year financial forecast.
- 7.3. Capital Assets. Capital assets are assets with a useful life of greater than one year and a value at the time of acquisition greater than \$1,000.
- 7.3.1. Small and Attractive Assets. Small and attractive assets are assets that are determined to be susceptible to misappropriation, misuse or loss. Examples include laptops, tablet computers and smart phones, provided the value threshold is met.
- 7.3.2. Asset Tracking. The RFA shall maintain an asset inventory database that includes an asset identification number and other identifying information applicable to the asset.
- 7.3.3. Annual Asset Inventory. An inventory of capital assets and small and attractive assets shall be performed annually to ensure that assets are accounted for. The inventory may utilize sampling, if appropriate, and should employ technology to the greatest extent possible to reduce the administrative burden of the inventory process. Items that cannot be accounted for in the inventory process should be investigated and reported to the Fire Chief, governing body, and outside stakeholders, as appropriate.
- 7.3.4. Surplus and Disposition. Surplus and disposition of property shall be handled in accordance with Fire District 1 Policy No. 500.00.009.02.



8. Investments.

8.1. Investment Officer. The Chief Financial Officer is the Investment Officer. The investment officer is responsible for executing the investment program consistent with the investment policy. If the CFO position is vacant, then the Finance Director or Finance Manager is the Investment Officer during the term of the vacancy.

8.2. Priorities. The investment program priorities, in order of importance, are safety, liquidity, and return on investment. Staff should be mindful of the priorities during the execution of the investment program.

8.3. Available for Investment. Resources that are available for investment are cash balances in excess of what is expected to be required to fund upcoming expenditures during the investment period. Operating and emergency reserves should not be invested in long-term investments unless a unique situation exists.

8.4. Allowable Investments. The policy recognizes two classes of investments: short-term investments and long-term investments. Allowable investments within each investment class are described in the following sections. Additionally, investments must be permitted by State Statute for investment by local governments.

8.4.1. Short-Term Investments. The investment officer is authorized to invest short-term (temporary) excess cash balances in the Local Government Investment Pool (LGIP) managed by the State of Washington and similar products offered by the RFA's bank.

8.4.2. Long-Term Investments. The investment officer is authorized to invest long-term cash balances in the following: an investment portfolio described in a later section of the policies; the Snohomish County Investment Pool; and, in the Separately Managed Account Program managed by the Washington State Office of the State Treasurer, subject to an interlocal agreement.

8.4.3. Investment Portfolio. The investment officer is authorized to manage an investment portfolio for long-term investments.

8.4.3.1. Investment Portfolio Investment Types. The following investments are authorized for purchase: US Treasuries and US Federal Government Agency Bonds.



8.4.3.2. Investment Portfolio Duration. The investment portfolio should have an average duration not longer than thirteen (13). The maximum duration of any single investment should not exceed twenty-four (24).

8.4.3.3. Investment Ownership/Custodial Safe Keeping Required. Investments shall be held in the RFA's name. A custodial safekeeping account shall be utilized for investment transactions and for custody of investments.

9. Debt.

9.1. Allowable Uses. Debt is permitted to fund capital purchases including apparatus, facility improvements, buildings, and land. Debt cannot be used to fund ongoing operations or to address revenue disruptions.

9.2. Debt Service Period. The debt service period shall not exceed the useful life of the asset funded by the debt.

9.3. Refunding. The RFA is permitted to refund debt if the financial benefit of the refunding provides a significant benefit to the RFA.

9.4. Financing Options Analysis. Alternative methods of financing should be considered before the issuance of any type of debt.

9.5. Repayment. A repayment source must be identified prior to the issuance of any debt. The repayment must be forecasted for the entire debt service period. The forecast shall utilize conservative assumptions and shall not be speculative.

9.6. Interfund Loans and Line of Credit. Interfund loans are permitted for any fund owned by the RFA (excludes custodial funds) for any purpose. Interfund loans are permitted to fund any lawful purpose of government, including to compensate for revenue shortfalls and operating expenditures. Interest shall not be paid on interfund loans, unless required by policy, accounting standards, or external restriction. The maximum term of an interfund loan is twenty-four (24) months. Interfund loans must be approved by the Board of Commissioners.

9.7. Authorization. All new debt must be approved by majority vote of the Board of Commissioners.



10. Risk.

10.1. The RFA shall protect the organization from financial risks with third party insurance or a self-insurance program. The RFA will maintain adequate property and casualty liability insurance coverage on its property and operations. Funding for the implementation of risk mitigation strategies shall be included in the adopted budget.

10.2. Self-Insurance. The RFA is permitted to self-insure for any risk allowable under State law, including healthcare benefits provided to employees. Self-insurance is allowed if the program provides a benefit to the RFA and does not result in increased financial or other risk to the organization, compared to third party insurance. The self-insurance program must meet all regulatory requirements and shall be reviewed periodically to ensure that it meets the program objective(s) and the management of the program is appropriate for current conditions.

10.2.1. Healthcare Self-Insurance. Self-insurance for healthcare benefits provided to employees may be administered by a third-party administrator (TPA).

The following requirements shall be met if the services of a TPA are utilized:

10.2.2. Procurement Process. A competitive process should be utilized to select the TPA. The method of procuring the services shall comply with the provisions of the purchasing policy and state law.

10.2.3. Contract Required. A complete written description of the agreement between the RFA and the TPA shall be memorialized in writing and shall include: a description of the services to be performed, compensation, term of agreement, ownership of information and data, authorization for the RFA and its representatives and designees to inspect and audit the records and performance of the TPA's performance under the contract, confidentiality, and indemnification provisions. All aspects of the contract should comply with applicable local, state, and federal laws.

10.2.4. Contract Monitoring. The RFA shall monitor the TPA's performance under the contract by means determined appropriate by the RFA including feedback from



employees regarding account discrepancies and other matters, periodic reporting by the TPA, and discussions with TPA representatives.

11. Other Matters

- 11.1. Related Policies – Procurement, travel, credit/purchase card use, and the purchase of meals and refreshments are addressed in separate standalone policies. These policies can be incorporated into the comprehensive financial management policies at any time with the approval of the Board of Commissioners.

A red rectangular graphic with a black border at the bottom. At the top, the text "Enhance the Lives of Our Community" is written in white. Below this is the South County Fire EMS logo. To the right of the logo is a bulleted list of five values: Integrity, Humility, Compassion, Family, and Trust.

Enhance the Lives of Our Community



- Integrity
- Humility
- Compassion
- Family
- Trust



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