



2025 CHIEF'S  
PRELIMINARY  
BUDGET

SOUTH SNOHOMISH COUNTY FIRE AND  
RESCUE REGIONAL FIRE AUTHORITY



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## SOUTH COUNTY FIRE

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## SOUTH COUNTY FIRE

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## FIRE CHIEF'S MESSAGE

October 1, 2024

Commissioners, Staff and Residents of our Regional Fire Authority,

Thanks to strong public support, South County Fire continues evolving in response to our community's growing emergency needs. As we look to 2025 and beyond, that support will help us prioritize community safety, prepare for future growth and ensure we are delivering the highest quality emergency services possible to our residents and businesses.

In the primary election on August 6, 2024, voters across the RFA approved a 10-year renewal of the benefit charge, which provides a fair and balanced way to distribute emergency service costs. Unlike traditional levies based on a property's value, this fee is based on building size and use. That means residential homeowners typically pay less than higher risk industrial or commercial buildings.

We do not take our community's trust for granted. By prioritizing fiscal responsibility to our taxpayers, the RFA has maintained emergency services with minimal tax increases of one percent or less in each of the last five years, despite record inflation.

Thank to your support of our mission and our responsibility to save lives, here are a few of the goals we've achieved during the past year:

- **Our overall cardiac arrest survival rate is double the national average**, among the highest in the country. It takes at least nine firefighters working as a team to provide high-performance CPR, which gives patients the best chance of surviving and returning home to their families. Your tax dollars support this level of response and the required training and equipment. There's another way community members are making a life-saving difference. South County Fire has now trained more than 20,000 people in our innovative ACT to Save a Life program. ACT is a one-hour class that teaches hands-only CPR, how to use an AED and how to apply a tourniquet, in the critical minutes before firefighters arrive. Bystander CPR can double or triple someone's chance of survival after cardiac arrest.
- **Firefighters are using a new tool against the opioid crisis.** A grant-funded pilot program allows South County Fire's Community Resource Paramedics to administer buprenorphine to overdose patients. Buprenorphine is a prescription drug that relieves opioid withdrawal symptoms. This short-term relief provides a window of opportunity to better engage with patients in conversations around treatment and social services. Our Community Resource Paramedic program continues to reduce 911 calls and emergency room visits by connecting frequent 911 callers to social services and resources.
- **A new brush truck** was placed in service in 2024 to help protect South County Fire communities from the increasing threat of wildfires. This 4-wheel drive truck holds 450 gallons of water, can pump water from lakes or streams, and can be driven while spraying water at the same time.

Looking ahead to 2025, the expansion of light rail services will bring both challenges and opportunities for our response. Population increases will attract more vertical growth and we must plan operational efficiencies through fire prevention.

For 2025, we are proposing a balanced budget that maintains current levels of emergency and non-emergency services with discretionary additions that prioritize community and firefighter safety: \$776,000 for Deputy Fire Marshals to answer our community's fire prevention needs and \$225,000 for a Safety Captain to ensure healthy and ready responders. Other additions focus on building organizational efficiencies and securing vital assets: \$150,000 for HR and Finance process and technology optimization, \$100,000 for records management assistance and \$60,000 for IT security services. Maintaining our focus on fiscal responsibility to our taxpayers, this proposal includes a modest tax and fee increase of 2.5%, below the current rate of inflation.

As inflation stabilizes, our RFA maintains its historically strong financial position, due to years of sound financial stewardship. With this budget, we recommend a further step toward future financial security for critical emergency services: establishing a revenue stabilization reserve. This important opportunity can be funded without an increase in taxes or fees to the community.

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. We must prepare for 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.

While dollars and cents are necessary to keep our RFA running, it's important we also recognize the firefighters who are there when our residents need emergency help - 24 hours each day, 365 days each year – and the staff members who support them. Thank you to every member of our organization for your commitment to the people we serve throughout South Snohomish County.

Respectfully,

A handwritten signature in black ink, appearing to read 'Bob Eastman', with a long horizontal flourish extending to the right.

Bob Eastman  
Fire Chief



## EXECUTIVE SUMMARY

The Chief's Preliminary Budget (aka the Budget Proposal) 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. Despite the recent return to a more normal inflation environment, inflation continues to increase the cost to provide services faster than revenues are allowed to grow under current State law. In response to inflationary budget pressures, the Fire Chief challenged staff to employ innovation and technology to maintain current levels while minimizing the financial burden on the Community.

The Chief's Preliminary Budget balances the economic factors and keeps the annual tax and fee increases below inflation. The Budget Proposal includes modest discretionary additions that are focused on community and firefighter safety and operational efficiency.

The incremental increase in taxes and fees charged by South County Fire with the Budget Proposal is less than two and one-half percent (2.5%). The Chief's Preliminary Budget recommends a current year deficit of approximately three and one-half percent (3.5%) of the operating budget. Most of the recommended deficit is expected to be offset by budget underspend resulting from an organizational culture of excellent budget discipline and careful stewardship of resources.

The Budget Proposal maintains current levels of service, makes investments in community and firefighter safety, health, and wellness, is balanced, and achieves all financial targets and commitments in the coming year.



## ABOUT SOUTH COUNTY FIRE

South County Fire and Rescue Regional Fire Authority (the RFA) provides 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.

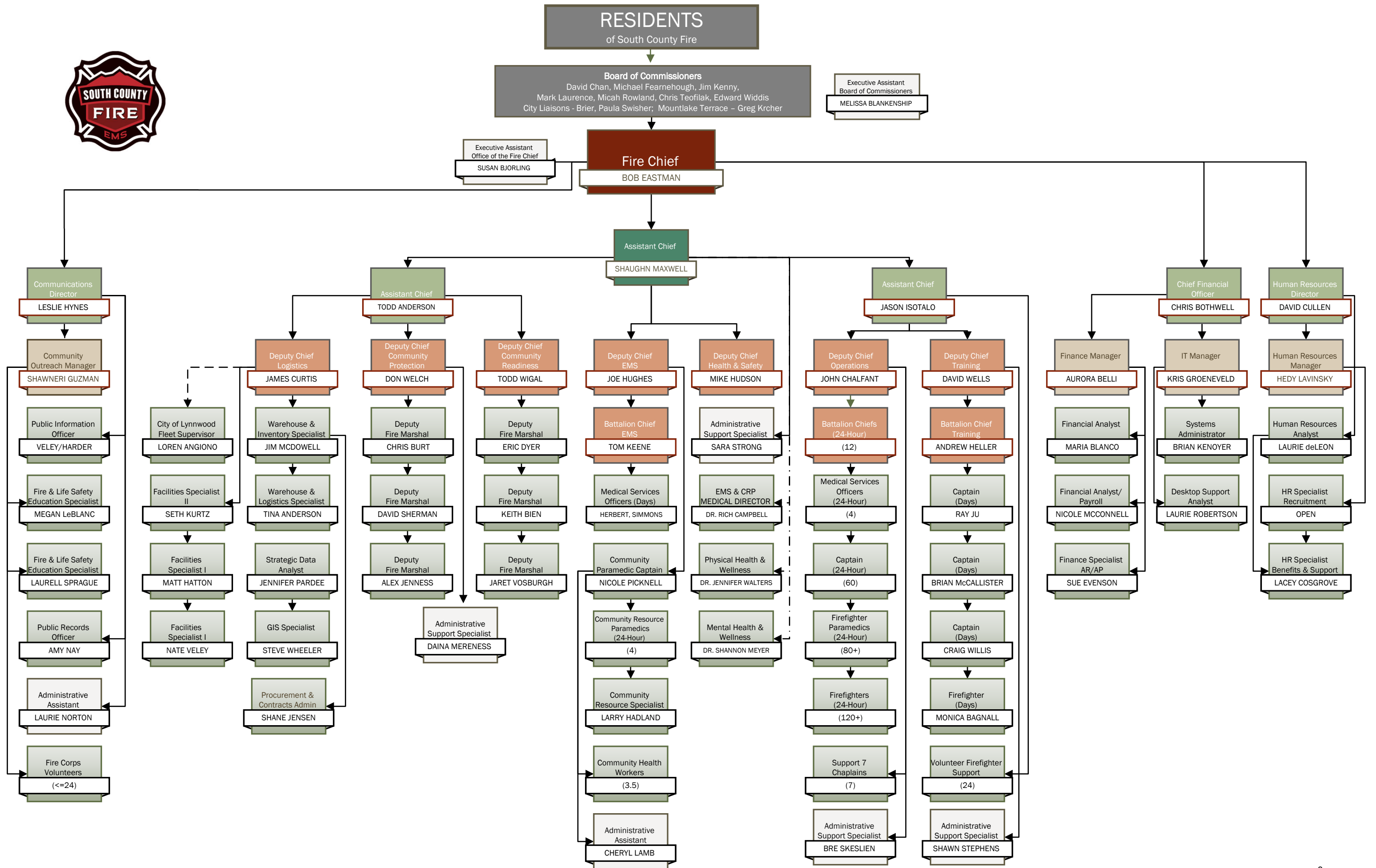
### ***South County Fire History***

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 and 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 will continue to provide services to the City of Edmonds during 2025 under an existing contract. The contract will, however, terminate on December 31, 2025. The RFA is working with the City of Edmonds on a plan to provide services to the Community after the current contract expiration.







## SCHEDULE OF BUDGET ENHANCEMENTS AND ONE-TIME ITEMS

One step in the development of the Chief's Preliminary Budget is the solicitation of discretionary budget requests from divisions, submissions are known as budget enhancement requests. The requests are extensively vetted by the executive team and only a few requests are advanced for consideration of inclusion in the Chief's Preliminary Budget.

The following schedule outlines the discretionary budget enhancements included in the Budget, followed by the schedule of one-time item reauthorized from 2024 in the Budget Proposal. A brief description of each item follows the tables.

### *Schedule of Budget Enhancements*

Title	Budget
DFM Transitional Staffing and Upstaff	776,000
Captain Assigned to Health and Wellness	224,000
Process and Technology Optimization	150,000
Records Management Services	100,000
Security Professional Services	60,000
Enhancement Total	1,310,000

### *Schedule of One-Time Items Included in the Budget*

Title	Budget
Cost of Service Study	200,000
Total One-Time Items	200,000

#### Deputy Fire Marshal Transitional Staffing and Upstaff | \$776,000

This item has two parts: temporary funding to address planned attrition and a permanent addition of two deputy fire marshal positions to address increased workload. The enhancement includes \$80,000 in capital expenditures. The ongoing annual cost of this item is \$462,000.

#### Captain Assigned to Health and Wellness | \$224,000

This item funds a captain position in the Safety Division to focus on health and wellness. The position is expected to result in decreased injuries and improved outcomes for firefighters leading to more productive time and overall savings in personnel costs. This is an ongoing item.



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

#### Process and Technology Optimization (Finance and HR) | \$150,000

The Finance and HR divisions have identified opportunities to improve processes and modernize the use of technology. This budget enhancement funds the pursuit of process and technology optimization to increase operational efficiency. This is a one-time item.

#### Records Management Services | \$100,000

This item provides funding for records management consulting services to identify and implement improvements in records management and to modernize the RFA's use of technology in this area. This is a one-time item.

#### IT Security Professional Services | \$60,000

IT security is an area of risk for all organizations including the RFA. Opportunities have been identified to consistently staff and manage the RFA's security monitoring and protocols. This request funds a security consultant to provide the resources for this purpose. This is an ongoing item.

#### Cost of Service Study | \$200,000

This item funds a cost-of-service study in 2025. This item is being reauthorized from the 2024 budget. This is a one-time item.



# FINANCIAL AND BUDGETING SYSTEM

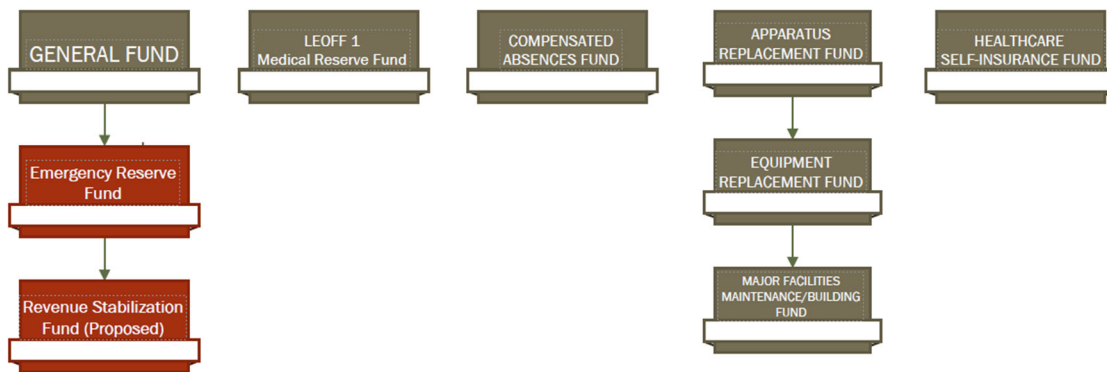
A fund is a fully self-contained accounting entity with its own cash and investments, revenues, and expenditures. South County Fire maintains its own fund, plus a few funds that it manages in a custodial capacity. The RFA must adopt a budget annually for each of its funds, the custodial funds are budgeted by their respective governing body.

Historically South County Fire has maintained six of its own funds, plus a varying number of custodial funds. The RFA recently adopted a policy to move its capital reserves for three classes of assets within one fund to three separate funds. As a result, the RFA will maintain eight (8) of its own funds in 2025; the RFA will manage three (3) custodial funds during the year.

Additionally, the Chief's Preliminary Budget includes a proposal to create a Revenue Stabilization Fund to offset forecasted near-term revenue losses and to provide stability during future revenue disruptions. The proposal funds the endeavor with General Fund cash and investments in excess of the target set by policy without an impact on 2025 taxes and fees.

The following is a visual description of the fund structure for South County Fire's funds.

*Financial Fund Structure - Organizational Chart*





## REVENUES

The revenues section describes each of the RFA’s five largest revenues that make up more than ninety-seven percent (97%) of the RFA’s total revenues followed by a table that contains the smaller revenues that make up approximately three percent (3%) 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 approximately sixty-four percent (64%) 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 \$0.82 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	2024 Budget/Forecast	2025 Forecast	Percent of Total Revenue	Change from Prior Year
Real & Personal Property Taxes	59,846,553	71,857,957	64.1%	3.7%
Annexation Property Tax	9,480,535	-	-	0.0%

#### Description of Changes

Property tax collections are forecasted to increase in 2025 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; and the use of \$1.075 million of banked levy capacity.

### 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	2024 Budget/Forecast	2025 Forecast	Percent of Total Revenue	Change from Prior Year
Edmonds Contract	11,514,637	11,929,164	10.6%	3.6%
Contract Fire Marshal Services	1,506,195	451,858	0.4%	-70.0%

#### Description of Changes

Contract Fire Marshal Services Revenue is expected to decrease in 2025 due to renegotiated contracts for service. While not affecting the 2025 Budget, the contract to provide services to the City of Edmonds will terminate on December 31, 2025. Leadership from both entities are in discussions regarding the future of service to the community. The RFA desires to continue to serve the Edmonds community beyond 2025.



**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	2024 Budget/Forecast	2025 Forecast	Percent of Total Revenue	Change from Prior Year
GEMT	13,200,000	10,793,050	9.6%	-18.2%

Description of Changes

GEMT is forecasted based on an average of the past three years of collections. 2024 collections significantly exceeded prior year collections as a result of a number of factors that are also relevant to future collections. The forecast results is a decrease in collections compared to 2024 actual collections, but a significant increase compared to prior forecasts and budgets.

**Benefit Charge | Forecasting Method-Actual**

SCF voters approved the imposition of a benefit charge in the election on November 3, 2020 and in 2024 overwhelming supported a 10-year renewal. 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 consistent with the estimated increase in property tax revenue.

Description	2024 Budget/Forecast	2025 Forecast	Percent of Total Revenue	Change from Prior Year
Benefit Charge	6,797,351	7,919,883	7.1%	2.0%
Annexation Benefit Charge	967,239	-	-	0.0%

Description of Changes

The benefit charge is forecasted to increase by two percent to align with the customary annual increase in property tax.

**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	2024 Budget/Forecast	2025 Forecast	Percent of Total Revenue	Change from Prior Year
Ambulance Services	5,272,971	6,062,466	5.4%	15.0%

Description of Changes

The forecast is the result of the three-year moving average forecasting method, plus additional revenue resulting from the proposal to increase ambulance/transport rates to the median of comparable entities.



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

#### Other Revenue | Various Forecasting Methods Used

Revenues in the following table make up approximately three percent (3%) of total revenue. A description of the forecasting method used for each revenue can be found at the bottom of the table.

Description	2024 Budget/Forecast	2025 Forecast	Percent of Total Revenue	Forecasting Method
State Pool Interest	625,000	531,250	0.5%	ME
Verdant Grant - CRP	500,000	500,000	0.4%	A
Workers Comp Reimbursements	359,342	498,204	0.4%	3M
North Sound ACH Grant - CHW	455,000	455,000	0.4%	A
UW/CROA Grant	340,000	340,000	0.3%	A
County Pool Interest	200,000	300,000	0.3%	ME
Disability Insurance Reimbursements	172,838	171,579	0.2%	3M
Other County Interest	100,000	80,000	0.1%	ME
Miscellaneous	68,000	68,000	0.1%	A
Miscellaneous Revenue	74,724	50,000	0.0%	ME
SOW Non-Grant Reimbursements	35,000	35,000	0.0%	A
School Fire Protection Program	25,000	25,000	0.0%	A
Rents and Leases	23,620	24,267	0.0%	3M
L & I Stay at Work Program	10,127	10,183	0.0%	3M
Local Share LHT	7,995	8,817	0.0%	3M
Notes and Assumptions:				
Note 1 - Forecasting abbreviations are as follows: <b>A</b> -Actual, <b>EI</b> -Estimated Inflation, <b>ME</b> -Market Estimate, <b>S</b> -Straight Line, <b>3M</b> -3-year Moving Average, <b>3M+</b> 3-year Moving Average plus Other				
Note 2 - The forecast assumes estimated inflation of 3.6%.				

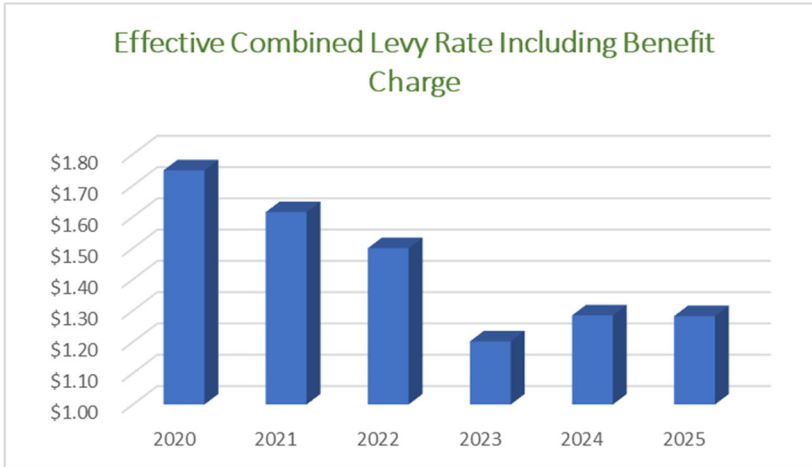
#### Total General Fund Revenues

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	2024 Budget/Forecast	2025 Forecast	Percent of Total Revenue	Change from Prior Year
Total	111,582,128	112,111,678	100%	0.5%



# 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 table below contains the numerical values supporting the above chart. The table also includes the effect of the benefit charge on the overall tax and fee burden to the community. Including the benefit charge component in the analysis aids comparison with other local fire agencies.

	Tax Collection Year		
	2020	2021	2022
Assessed Value	31,511,476,533	33,621,486,355	37,099,067,859
Fire Levy	40,370,080	33,621,486	34,547,936
EMS Levy	14,730,428	14,966,873	15,266,345
Total	55,100,508	48,588,359	49,814,281
Combined Levy Rate	1.75	1.45	1.34
Benefit Charge		5,707,431	5,821,580
Effective Combined Rate	\$ 1.75	\$ 1.61	\$ 1.50
	2023	2024	2025
Assessed Value	54,978,642,529	60,002,855,189	62,192,712,074
Fire Levy	41,480,119	48,573,662	50,667,998
EMS Levy	17,929,990	20,753,727	21,189,555
Total	59,410,109	69,327,389	71,857,553
Combined Levy Rate	1.08	1.16	1.16
Benefit Charge	6,664,070	7,765,000	7,920,300
Effective Combined Rate	\$ 1.20	\$ 1.28	\$ 1.28



# OPERATING EXPENDITURES

## Schedule of Operating Expenditures by Division and Functional Area

	2024 Budget, Excluding One- Time Items	2025 Budget	Change	Percent Change
<b>Board of Commissioners</b>	<b>315,164</b>	<b>376,756</b>	<b>61,592</b>	<b>19.5%</b>
<b>Administration and Support Services</b>				
Office of the Fire Chief	2,088,778	2,448,131	359,353	17.2%
Human Resources	1,167,846	1,355,378	187,532	16.1%
Non-Departmental (Excl. One-Time Transfers)	10,362,946	11,369,857	1,006,911	9.7%
Finance	959,896	1,124,944	165,048	17.2%
GIS Mapping and Data Analytics	250,978	270,295	19,317	7.7%
Communications and Technology (IT)	2,123,627	2,338,209	214,582	10.1%
Logistics	645,500	578,018	(67,482)	100.0%
Central Stores	-	1,038,500	1,038,500	100.0%
Fleet Maintenance	1,958,000	2,033,000	75,000	3.8%
Facility Maintenance	2,306,836	2,463,660	156,823	6.8%
<b>Total Administration and Support Services</b>	<b>21,864,408</b>	<b>25,019,993</b>	<b>3,155,585</b>	<b>14.4%</b>
<b>Station Operations</b>				
Suppression	70,346,453	73,143,940	2,797,486	4.0%
Wildland	98,723	131,273	32,550	33.0%
Technical Rescue	156,139	192,761	36,622	23.5%
Hazardous Materials	144,938	166,255	21,317	14.7%
<b>Operations Total</b>	<b>70,746,253</b>	<b>73,634,228</b>	<b>2,887,975</b>	<b>4.1%</b>
<b>Emergency Medical Services</b>				
EMS Administration	3,455,917	3,645,823	189,905	5.5%
Community Resource Paramedic	1,224,362	1,291,729	67,367	5.5%
Community Health Worker Program	455,390	554,109	98,719	100.0%
Paramedic School	721,126	750,983	29,857	4.1%
Bike Program	19,750	20,029	279	1.4%
<b>Total EMS</b>	<b>5,876,546</b>	<b>6,262,672</b>	<b>386,126</b>	<b>6.6%</b>
<b>Training</b>	<b>2,830,190</b>	<b>2,819,501</b>	<b>(10,689)</b>	<b>-0.4%</b>
<b>New Hire Training</b>	<b>2,307,745</b>	<b>2,348,797</b>	<b>41,052</b>	<b>1.8%</b>
<b>Safety</b>	<b>777,005</b>	<b>843,232</b>	<b>66,227</b>	<b>8.5%</b>
<b>Volunteers</b>	<b>216,874</b>	<b>219,524</b>	<b>2,650</b>	<b>1.2%</b>
<b>Physical Fitness</b>	<b>63,540</b>	<b>66,470</b>	<b>2,930</b>	<b>4.6%</b>
<b>Peer Support</b>	<b>63,000</b>	<b>66,150</b>	<b>3,150</b>	<b>5.0%</b>
<b>Community Protection</b>	<b>2,231,581</b>	<b>2,954,430</b>	<b>722,849</b>	<b>32.4%</b>
<b>Communications</b>				
Public Information Officer	585,556	695,501	109,945	18.8%
Community Outreach	663,693	623,865	(39,828)	-6.0%
ACT	153,797	206,555	52,758	34.3%
<b>Total Communications</b>	<b>1,403,047</b>	<b>1,525,921</b>	<b>122,875</b>	<b>8.8%</b>
<b>Grand Total</b>	<b>108,695,352</b>	<b>116,137,674</b>	<b>6,719,473</b>	<b>6.2%</b>





## 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 schedules detail routine transfers out of the General Fund and one-time transfers out of the General Fund.

### *Schedule of Routine Transfers out of the General Fund*

	2024 Budget	2025 Budget	Percent Change
Transfer to Apparatus Reserve	2,136,723	2,441,723	14%
Transfer to Major Facilities Maintenance	500,000	500,000	0%
Transfer to Equipment Reserve	1,198,125	1,241,258	4%
Transfer to Emergency Reserve	200,000	-	0%
Transfer to LEOFF 1 Medical Reserve	1,289,231	1,496,250	16%
Transfer to Compensated Absences Res.	717,111	822,791	15%
<b>TOTAL</b>	<b>6,041,190</b>	<b>6,502,021</b>	<b>8%</b>

### *Schedule of One-Time Transfers out of the General Fund*

	2024 Budget	2025 Budget	Percent Change
Transfer to Apparatus Reserve, One-Time	-	2,200,000	-
Transfer to Revenue Stabilization Fund	-	4,450,000	-
<b>TOTAL</b>	<b>-</b>	<b>6,650,000</b>	<b>-</b>

## OPERATING BUDGET SUMMARY

The operating budget summary provides a brief comparison of budgeted revenues, operating expenditures, routine annual transfers, and one-time transfers. The result is the operating surplus or deficit before and after one-time items.

### *Operating Budget Summary, Adopted Budget*

	2025 Budget
Total General Fund Revenue	112,111,678
General Fund Expenditures	109,635,653
Routine Transfers Out of the General Fund (Annual Ongoing)	6,502,021
<b>Total General Fund Expenditures</b>	<b>116,137,674</b>
Budgeted Current Year Operating Deficit	4,025,996
One-Time Transfers Out of the General Fund	6,650,000
<b>Total Budgeted Expenditures Including One-Time Transfers</b>	<b>122,787,674</b>
<b>Total General Fund Budgeted Deficit</b>	<b>10,675,996</b>



## 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. Additionally, the Self-Insurance Fund has an externally imposed reserve requirement. A description of the targets and requirement can be found below the table.

Fund	Forecasted Beginning Fund Balance	Forecasted Revenues	Budgeted Expenditures	Forecasted Ending Fund Balance	Change In Fund Balance	Fund Balance Target	Target Met
General Fund	41,400,000	112,111,678	122,787,674	30,724,004	(10,675,996)	30,205,768	Y
Emergency Reserve	5,631,221	105,975	-	5,737,196	105,975	5,605,584	Y
Revenue Stabilization Fund PROPOSED	-	-	-	4,450,000	4,450,000	-	na
LEOFF 1 Medical Reserve	4,010,135	1,575,608	1,419,215	4,166,528	156,393	-	na
Compensated Balances Reserve	2,036,137	868,040	1,000,000	1,904,176	(131,960)	-	na
Apparatus Reserve	1,640,895	4,682,745	4,782,000	1,541,640	(99,255)	-	na
Major Facilities Maint. Res.	23,534,354	1,008,144	2,015,000	22,527,498	(1,006,857)	-	na
Equipment Reserve	3,522,118	1,329,310	1,281,000	3,570,428	48,310	-	na
Healthcare Self Insurance	4,830,403	8,920,219	8,716,645	5,033,978	203,574	-	na
All Funds	86,605,263	130,601,720	142,001,534	79,655,449	(6,949,814)		

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.

Self-Insurance Fund | Reserve Requirement Met. State law requires that self-insurance plans maintain sufficient reserves to ensure the financial health of the plan. The reserve requirement applicable to the RFA's self-insurance medical plan is sixteen weeks of claims. The Self-Insurance Fund is forecasted to meet the reserve requirement in 2025.



# 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 and the benefit charge are 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 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 2025-2030

	2025		2026		2027		2028		2029		2030	
		Inflation Percent		Inflation Percent		Inflation Percent		Inflation Percent		Inflation Percent		Inflation Percent
Beginning Fund Balance	41,400,000		37,374,004		32,540,529		27,283,032		21,426,829		15,004,634	
Forecasted Revenues	112,111,678	0.5%	114,533,291	2.2%	116,918,446	2.1%	119,400,040	2.1%	121,922,366	2.1%	124,473,592	2.1%
Forecasted Expenditures	116,137,674	3.4%	119,366,766	2.8%	122,175,943	2.4%	125,256,243	2.5%	128,344,561	2.5%	131,466,414	2.4%
Ending Fund Balance	37,374,004		32,540,529		27,283,032		21,426,829		15,004,634		8,011,812	
Annual Surplus/(Deficit)	(4,025,996)		(4,833,475)		(5,257,497)		(5,856,203)		(6,422,195)		(6,992,823)	
Min. Fund Balance Target	27,873,042		28,648,024		29,322,226		30,061,498		30,802,695		31,551,939	
Excess/(Deficiency) to Target	9,500,963		3,892,505		(2,039,194)		(8,634,669)		(15,798,060)		(23,540,128)	
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)	2.89%		2.64%		2.33%		2.49%		2.45%		2.37%	
CPI-W Forecast (KC Office of Economic Analysis)	2.90%		2.82%		2.36%		2.53%		2.47%		2.45%	
Forecasted expenditures excludes one-time transfers.												



# 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 2025, 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 2025 budget.

## APPARATUS

The apparatus listed in the following table are scheduled and funded for replacement in 2025. 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	Budget
Tiller Drawn Aerial Ladder	2,280,000
Medic Unit	350,000
Medic Unit	350,000
Medic Unit	350,000
Fire Engine	900,000
Battalion Chief Vehicle	87,000
EMS/CRP Vehicle	87,000
Admin Battalion Chief Vehicle	75,000
Admin Battalion Chief Vehicle	75,000
Training Pick Up Truck	58,000
Community Outreach	45,000
Community Outreach	45,000
DFM Add Enhancement Capital	80,000
<b>Total 2025 Apparatus</b>	<b>4,782,000</b>
Total Reauthorized from Prior Period	-
<b>Total 2025 Apparatus Budget</b>	<b>4,782,000</b>



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

***Apparatus Reserve Fund Analysis***

<b>Apparatus Reserve Fund</b>		
	2024 Budget	2025 Budget
Projected Beginning Fund Balance	2,081,143	1,640,895
Revenue		
Apparatus Reserve Property Tax	-	-
App Res State Pool Interest	52,029	41,022
Miscellaneous Revenue	-	-
Sale of Assets	-	-
Transfer In From General Fund	2,136,723	4,641,723
Revenue Total	2,188,752	4,682,745
Expenses		
Repair/Maintenance	-	-
Machinery and Equipment	2,629,000	4,782,000
Expense Total	2,629,000	4,782,000
Projected Ending Fund Balance	1,640,895	1,541,640

**MAJOR FACILITIES MAINTENANCE**

Major facilities maintenance projects scheduled for 2025 can be found in the following table along with reauthorizations from prior periods. Additionally, in many cases major facilities maintenance needs are emergent. The 2025 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
Key Card System Replacement	500,000
Total 2025 Major Facilities Maintenance	600,000
Total Reauthorized from Prior Period	1,415,000
Total 2025 Major Facilities Maintenance Budget	2,015,000



**SOUTH COUNTY FIRE**  
2025 CHIEF'S PRELIMINARY BUDGET

***Facilities Major Maintenance Reserve Analysis***

	2024 Budget	2025 Budget
Projected Beginning Fund Balance	25,407,175	23,534,354
Revenue		
Building Reserve Property Tax	-	-
GEMT	-	-
Bldg Res State Pool Interest	635,179	508,144
Miscellaneous Revenue	-	-
Transfer In From General Fund	500,000	500,000
Revenue Total	1,135,179	1,008,144
Expenses		
Building Prof Svcs	-	-
Building Repair/Maint	808,000	2,015,000
Buildings and Structures	-	-
Other Improvements	-	-
Land Acquisition	2,200,000	-
Construction of Capital Assets	-	-
Expense Total	3,008,000	2,015,000
Projected Ending Fund Balance	23,534,354	22,527,498

Note 1: The 2024 Budget amount was increased by the value of the unbudgeted property acquisition (\$2.2M). The contract to purchase was approved by the Board, a budget amendment is forthcoming.

Note: \$1,415,000 of expenditures budgeted in 2024 are reauthorized in 2025 as a result of the likely timing. The 2024 budget was reduced by the reauthorized amount.



**SOUTH COUNTY FIRE**  
2025 CHIEF'S PRELIMINARY 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 2025.

***Operations, Technology, and EMS Equipment, Routine Replacement***

Description	Budget
<b>OPERATIONS</b>	
Electronic Knox Box	10,000
Hydraulic Rescue Tools	100,000
UAV Replacement	45,000
Hose-Annual Replacement	30,000
Body Armor Replacement	40,000
Outfit (2) Apparatus	300,000
<b>Apparatus Total</b>	<b>525,000</b>
<b>TECHNOLOGY</b>	
Desktops and Laptops	77,500
Data Center Firewall	16,000
Wireless Upgrades for 50 Devices	50,000
ESO Tablets	54,000
Peripherals and Equipment	12,500
<b>Technology Total</b>	<b>210,000</b>
<b>EMS</b>	
Lifepak 15 Replacement	306,000
Outfit New Medic Units	240,000
<b>EMS Total</b>	<b>546,000</b>
<b>Total 2025 Equipment</b>	<b>1,281,000</b>



**SOUTH COUNTY FIRE**  
2025 CHIEF'S PRELIMINARY BUDGET

***Equipment Reserve Analysis***

Equipment Reserve Fund	2024 Budget	2025 Budget
Projected Beginning Fund Balance	3,280,813	3,522,118
Revenue		
Equip\Mach Res Property Tax		
Equip\Mach Res St Pool Int	82,020	88,053
Miscellaneous Revenue		
Transfer In From General Fund	1,198,125	1,241,258
Revenue Total	1,280,145	1,329,310
Expenses		
Equip\Mach Budgeted EFB		
Operations	492,555	525,000
Technology	221,000	210,000
EMS	325,286	546,000
Expense Total	1,038,841	1,281,000
Projected Ending Fund Balance	3,522,118	3,570,428

**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***

	2025 Budget
Facilities/ Building	
Locution Station Alerting	1,175,000
Solo Washers for Gear Exposed to Fire	240,000
Facilities/Building Reauthorization Total	1,415,000





**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	2024	2025	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	

*Continued on next page...*



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

***Schedule of Budgeted Positions, continued.***

DIVISION	POSITION	2024	2025	Change
EMS Administration	Assistant Chief of EMS	1.0	1.0	
EMS Administration	Deputy Chief of EMS	1.0	1.0	
EMS Administration	Battalion Chief	1.0	1.0	
EMS Administration	Medical Service Officers-Days	2.0	2.0	
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	
Safety	Captain	0.0	1.0	1.0
Inspections	Deputy Chief	2.0	2.0	
Inspections	Deputy Fire Marshal	6.0	8.0	2.0
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	
<b>TOTAL FULL TIME POSITIONS</b>		<b>373.0</b>	<b>376.0</b>	<b>3.0</b>

**DIVISION DESCRIPTIONS AND BUDGETS**

The following section contains a brief description of each division, a table with the respective 2025 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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
COMMISSIONERS			
Salaries and Wages	240,191	293,675	22%
Overtime	-	-	-
Employee Benefits	38,272	50,481	32%
Supplies and Services	36,700	46,450	27%
<b>TOTAL</b>	<b>315,164</b>	<b>390,606</b>	<b>24%</b>



**SOUTH COUNTY FIRE**

**2025 CHIEF’S PRELIMINARY BUDGET**

Description of Changes

Increases are the result of an increase in the value of the meeting stipend and increased travel and miscellaneous line items.

**OFFICE OF THE FIRE CHIEF**

**PROGRAM DESCRIPTION**

The primary function of the Office of the Fire Chief is to oversee the 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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
ADMINISTRATION			
Salaries and Wages	1,313,252	1,441,173	10%
Overtime	2,000	2,000	0%
Employee Benefits	468,026	490,293	5%
Supplies and Services	305,500	514,665	68%
TOTAL	2,088,778	2,448,131	17%

Description of Changes

Increases are attributable to inflationary adjustments. Changes also include a carryforward of funding for a cost-of-service study (\$200,000).



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY 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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
HUMAN RESOURCES			
Salaries and Wages	655,396	651,147	-1%
Overtime	35,840	37,130	4%
Employee Benefits	266,610	281,626	6%
Supplies and Services	210,000	385,475	84%
TOTAL	1,167,846	1,355,378	16%

Description of Changes

Increases are attributable to inflationary adjustments and two one-time enhancements: process and technology optimization (\$75,000) and records management consulting (\$100,000).

**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, and are presented in detail in a previous section of this document.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
ORGANIZATIONAL EXPENSE			
Supplies and Services	10,362,946	18,006,007	74%
TOTAL	10,362,946	18,006,007	74%

Description of Changes

Changes are the net effect of inflationary increases, plus increases in routine and non-routine transfers. Detailed transfer data can be found in the section titled Transfers.



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

**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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>FINANCE</b>			
Salaries and Wages	697,928	770,253	10%
Overtime	3,000	3,000	0%
Employee Benefits	247,368	261,691	6%
Supplies and Services	11,600	90,000	676%
<b>TOTAL</b>	<b>959,896</b>	<b>1,124,944</b>	<b>17%</b>

Description of Changes

Increases are attributable to inflationary adjustments and a budget enhancement for process and technology optimization (\$75,000).

**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.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>GIS &amp; DATA ANALYTICS</b>			
Salaries and Wages	221,369	237,813	7%
Overtime	-	-	0%
Employee Benefits	19,609	22,482	15%
Supplies and Services	10,000	10,000	0%
<b>TOTAL</b>	<b>250,978</b>	<b>270,295</b>	<b>8%</b>

Description of Changes

Increases are attributable to inflationary adjustments.



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

**INFORMATION SYSTEMS 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 systems and hardware. It provides the RFA with data, voice communications and connectivity required for department operations.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
COMM/TECH IT			
Salaries and Wages	388,298	430,792	11%
Overtime	3,000	3,000	0%
Employee Benefits	137,980	171,842	25%
Supplies and Services	1,594,350	1,732,575	9%
TOTAL	2,123,627	2,338,209	10%

Description of Changes

Increases are attributable to inflationary adjustments and a budget enhancement for IT security professional services (\$60,000).

**LOGISTICS**

**PROGRAM DESCRIPTION**

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

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
LOGISTICS			
Salaries and Wages	235,000	243,460	4%
Overtime	-	-	0%
Employee Benefits	56,000	70,058	25%
Supplies and Services	354,500	264,500	-25%
TOTAL	645,500	578,018	-10%



**SOUTH COUNTY FIRE**

**2025 CHIEF’S PRELIMINARY BUDGET**

Description of Changes

Logistics is a new division created in 2024 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. A sub-division “central stores” is established beginning in 2025. Some line items were moved from Logistics to central stores.

**CENTRAL STORES  
PROGRAM DESCRIPTION**

Central Stores is a sub-division of Logistics to account for items that the RFA keeps an inventory of for distribution through the central warehouse to one or more of the RFA’s 16 locations.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
CENTRAL STORES			
Supplies and Services		1,038,500	0%
TOTAL		1,038,500	0%

Description of Changes

Budgeted line items were moved from divisions including Station Operations and Safety to Central Stores in the 2025 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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
APPARATUS M & O			
Supplies and Services	1,958,000	2,033,000	4%
TOTAL	1,958,000	2,033,000	4%

Description of Changes

Changes are attributable to inflationary increases.



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

**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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>BUILDING M &amp; O</b>			
Salaries and Wages	600,015	678,265	13%
Overtime	3,000	3,000	0%
Employee Benefits	254,500	336,295	32%
Supplies and Services	1,449,321	1,446,100	0%
<b>TOTAL</b>	<b>2,306,836</b>	<b>2,463,660</b>	<b>7%</b>

Description of Changes

Changes are attributable to inflationary increases.

**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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>STATION OPERATIONS</b>			
Salaries and Wages	46,384,091	48,035,515	4%
Overtime	5,768,548	5,597,399	-3%
Employee Benefits	17,877,214	19,226,026	8%
Supplies and Services	216,600	185,000	-15%
<b>TOTAL</b>	<b>70,346,453</b>	<b>73,043,940</b>	<b>4%</b>

Description of Changes

Increases are attributable to inflationary increases. The reduction in supplies and services is the result of budget being transferred to the new Central Stores subdivision.





**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

**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.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
WILDLAND			
Wildland Salaries and Wages	-	-	0%
Wildland Overtime	60,723	90,723	49%
Wildland Employee Benefits	-	-	0%
Supplies and Services	38,000	40,550	7%
TOTAL	98,723	131,273	33%

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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
TECHNICAL RESCUE			
Overtime	80,850	83,761	4%
Employee Benefits	-	-	0%
Supplies and Services	75,289	109,000	45%
TOTAL	156,139	192,761	23%



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

#### Description of Changes

Increases are attributable to inflationary adjustments, plus additional supplies and interagency charges.

## HAZARDOUS MATERIALS

### PROGRAM DESCRIPTION

The HazMat program includes the cost of training and developing 36 specialized personnel who are trained to confront and control field operations involving hazardous materials. The RFA is a part to the Special Operations Policy Board (SOPB) of Snohomish County. SOPB assessments are split between Hazardous Materials and Technical Rescue programs.

### FINANCIAL SUMMARY:

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
HAZMAT			
Overtime	92,138	95,455	4%
Employee Benefits	-	-	0%
Supplies and Services	52,800	70,800	34%
TOTAL	144,938	166,255	15%

#### 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.



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
EMS			
Salaries and Wages	1,052,694	1,141,335	8%
Overtime	417,475	432,505	4%
Employee Benefits	398,075	427,154	7%
Supplies and Services	1,587,673	1,644,829	4%
TOTAL	3,455,917	3,645,823	5%

Description of Changes

Increases are attributable to inflationary adjustments.

**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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
COMMUNITY RESOURCE PARAMEDIC			
CRP Salary and Wages	811,779	842,187	4%
CRP Overtime	74,000	76,664	4%
CRP Employee Benefits	283,583	315,898	11%
Supplies and Services	55,000	56,980	4%
TOTAL	1,224,362	1,291,729	6%

Description of Changes

Increases are attributable to inflationary adjustments.



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

**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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>COMMUNITY HEALTH WORKERS</b>			
CHW Salary and Wages	297,360	390,390	31%
CHW Overtime	-	-	0%
CHW Employee Benefits	128,030	132,639	4%
Supplies and Services	30,000	31,080	4%
<b>TOTAL</b>	<b>455,390</b>	<b>554,109</b>	<b>22%</b>

Description of Changes

This is a relatively new program, the increases in 2025 is attributable to a full year of funding being included in the budget.

**EMS – PARAMEDIC SCHOOL**

**PROGRAM DESCRIPTION**

The paramedic school program funds the costs associated with sending current SCF firefighters to school to become paramedics. South County fire utilizes the Central Washington University Program to train paramedics.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>PARAMEDIC SCHOOL</b>			
PM School Salary and Wages	393,357	407,518	4%
PM School Overtime	68,681	71,154	4%
PM School Employee Benefits	162,338	172,078	6%
Supplies and Services	96,750	100,233	4%
<b>TOTAL</b>	<b>721,126</b>	<b>750,983</b>	<b>4%</b>



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

Description of Changes

Changes are attributable to inflation.

**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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>BIKE TEAM</b>			
Bike Team Overtime	12,000	12,000	0%
Bike Team Employee Benefits	-	-	0%
Supplies and Services	7,750	8,029	4%
<b>TOTAL</b>	<b>19,750</b>	<b>20,029</b>	<b>1%</b>

**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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>TRAINING</b>			
Salaries and Wages	1,122,066	1,210,921	8%
Overtime	878,678	728,678	-17%
Employee Benefits	449,675	473,447	5%
Supplies and Services	379,771	406,455	7%
<b>TOTAL</b>	<b>2,830,190</b>	<b>2,819,501</b>	<b>0%</b>

Description of Changes

Increases are attributable to inflationary adjustments and a reduction in the budgeted overtime.



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

**TRAINING – NEW HIRES**

**PROGRAM DESCRIPTION**

The New Hires program funds the full costs of hiring and training new firefighter recruits, including outfitting. The Program funds recruit employee costs during the academy and for the roughly three week post academy training.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>NEW HIRES</b>			
Salaries and Wages	1,022,701	1,059,519	4%
Overtime	36,000	37,296	4%
Employee Benefits	526,166	552,474	5%
Supplies and Services	722,878	699,508	-3%
<b>TOTAL</b>	<b>2,307,745</b>	<b>2,348,797</b>	<b>2%</b>

Description of Changes

Increases are attributable to inflationary adjustments.

**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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>SAFETY</b>			
Salaries and Wages	235,000	407,460	73%
Overtime	38,360	37,027	-3%
Employee Benefits	74,195	144,383	95%
Supplies and Services	429,450	254,363	-41%
<b>TOTAL</b>	<b>777,005</b>	<b>843,232</b>	<b>9%</b>



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

Description of Changes

Increases are attributable to inflationary adjustments and a budget enhancement to add a captain to the program (\$224,000).

**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 support.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
PEER FITNESS			
Salaries and Wages	-	-	0%
Overtime	5,040	5,040	0%
Supplies and Services	58,500	61,430	5%
TOTAL	63,540	66,470	5%

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
PEER SUPPORT			
Supplies and Services	63,000	66,150	5%
TOTAL	63,000	66,150	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:**

VOLUNTEERS			
Salaries and Wages	272,524	272,524	0%
Overtime	2,000	2,000	0%
Employee Benefits	-	-	0%
Supplies and Services	42,350	45,000	6%
TOTAL	316,874	319,524	1%



**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

Description of Changes

Increases are attributable to inflationary adjustments.

**COMMUNITY RISK REDUCTION – INSPECTIONS**

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.

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
<b>COMMUNITY RISK REDUCTION</b>			
Salaries and Wages	1,611,275	2,112,620	31%
Overtime	20,000	20,720	4%
Employee Benefits	504,021	718,917	43%
Supplies and Services	96,285	102,174	6%
<b>TOTAL</b>	<b>2,231,581</b>	<b>2,954,430</b>	<b>32%</b>

Description of Changes

Increases are attributable to inflationary adjustments and budget enhancements to increase staff temporarily to address planned attrition and permanently to add capacity to the program (\$776,000).

**COMMUNICATIONS - 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.





**SOUTH COUNTY FIRE**

2025 CHIEF’S PRELIMINARY BUDGET

**FINANCIAL SUMMARY:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
PUBLIC INFO & ED			
Salaries and Wages	248,255	328,973	33%
Overtime	3,000	3,000	0%
Employee Benefits	94,651	115,378	22%
Supplies and Services	239,650	248,150	4%
TOTAL	585,556	695,501	19%

Description of Changes

Increases are attributable to inflationary adjustments and a reclassification of a staff position.

**COMMUNICATIONS – 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:**

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
COMMUNITY OUTREACH			
Comm Outreach Salaries & Wages	448,148	399,686	-11%
Community Outreach Overtime	20,000	20,000	0%
Community Outreach Empl Ben	149,546	158,179	6%
Supplies and Services	46,000	46,000	0%
TOTAL	663,693	623,865	-6%

Description of Changes

The reduction in salaries is the result of a reconciliation of budgeted positions to actual positions.

**COMMUNICATIONS – 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.



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

#### FINANCIAL SUMMARY:

	2024 Budget with One-Time Items Removed	2025 Budget	Percent Change
ACT			
ACT Salaries and Wages	72,492	122,554	69%
ACT Overtime	30,000	30,000	0%
ACT Employee Benefits	44,806	47,502	6%
Supplies and Services	6,500	6,500	0%
TOTAL	153,797	206,555	34%

#### Description of Changes

Increases are attributable to inflationary adjustments and a reclassification of a position.

## 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	2024 Budget	2025 Budget
Projected Beginning Fund Balance	5,298,752	5,631,221
Revenue		
Real & Personal Property Taxes	-	-
State Pool Interest	132,469	105,975
Transfer In from General Fund	200,000	-
Revenue Total	332,469	105,975
Expenses		
Professional Services	-	-
Expense Total	-	-
Projected Ending Fund Balance	5,631,221	5,737,196



## 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.

<b>LEOFF 1 Medical Reserve</b>	2024 Budget	2025 Budget
Projected Beginning Fund Balance	3,967,896	4,010,135
Revenue		
Real & Personal Property Taxes	-	-
State Pool Interest	99,197	79,358
Miscellaneous Revenue	-	-
Transfer In from General Fund	1,289,231	1,496,250
Revenue Total	1,388,429	1,575,608
Expenses		
Other Benefits	679,010	699,380
Professional Services	35,959	38,117
Insurance	631,220	681,718
Miscellaneous	-	-
Expense Total	1,346,189	1,419,215
Projected Ending Fund Balance	4,010,135	4,166,528



## 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	2024 Budget	2025 Budget
Projected Beginning Fund Balance	2,262,464	2,036,137
Revenue		
Real & Personal Property Taxes	-	-
State Pool Interest	56,562	45,249
Transfer In from General Fund	717,111	822,791
Revenue Total	773,673	868,040
Expenses		
Salaries and Wages	1,000,000	1,000,000
Employee Benefits	-	-
Expense Total	1,000,000	1,000,000
Projected Ending Fund Balance	2,036,137	1,904,176



**SOUTH COUNTY FIRE**  
2025 CHIEF'S PRELIMINARY BUDGET

**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.

<b>Healthcare Self Insurance Fund</b>	2024 Budget	2025 Budget
Projected Beginning Fund Balance	4,612,016	4,830,403
Revenues		
State Pool Interest	115,300	92,240
Employer Contribution	7,233,770	7,812,471
Retiree Insurance Premiums	940,285	1,015,507
Revenue Total	8,289,355	8,920,219
Expenses		
Other Benefits	7,427,489	8,021,689
Professional Services	278,667	300,960
Insurance	364,811	393,996
Miscellaneous	-	-
Expense Total	8,070,967	8,716,645
Projected Ending Fund Balance	4,830,403	5,033,978



# COMPREHENSIVE FINANCIAL MANAGEMENT POLICIES

## Comprehensive Financial Management Policies

### Policy Administration.

Purpose. Comprehensive financial management policies provide policy direction and a framework for staff to administer financial matters.

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.

Updates. Staff shall review the Policies annually to determine whether updates are required or desirable. The results of the review should be discussed with the Board of Commissioners preceding, or in conjunction with, budget development.

### Accounting and Reporting.

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.

Funds. The RFA utilizes fund accounting; the following funds have been established for this purpose.

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.

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).

Capital Funds. The Capital Funds are used to account for capital asset reserves and purchases. The RFA maintains three separate capital funds: the Apparatus Replacement Fund, the Major Facilities Maintenance and Building Fund, and the Equipment Replacement Fund.



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

Compensated Absences Fund. The Compensated Absences Fund is used to account for payouts of leave banks for separating employees and annual leave buyouts (RFA Policy 500.00.006.00).

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).

Self-Insurance Fund. The Self-Insurance Fund is used to account for the self-insured medical claims and other program expenses.

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.

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.

Periodic Reporting. Staff shall prepare quarterly budget-to-actual reports for the Board of Commissioners. The reports should also be made available for public inspection in Board meeting materials or by other means.

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.

#### **Budgeting.**

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.

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.

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



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

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.

**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.

**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.

#### Personnel Budgeting and Authorization

**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.

**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").

**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 benefits expenditure used in budget development should utilize conservative assumptions.

**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.





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.

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.

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.

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.

### **Disbursements.**

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.

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.

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 regular meetings, or for specifically identified expenditures that are subject to a timeline that does not allow for prior Board approval. Specifically identified expenditures are: payroll expenditures, employee healthcare expenditures, properly authorized credit card expenditures, and the payment of utilities. Staff shall bring prepaid disbursements to the Board for approval following disbursement.

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.



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

Emergent situation disbursements must be authorized by either the Fire Chief or by the Chief Financial Officer, if the expenditure is fully funded in the adopted budget or is required by a contract approved by the Board. Staff shall bring emergent situation disbursements to the Board for approval following disbursement.

Electronic Funds Transfer (EFT). The RFA may utilize EFT for financial transactions as authorized by RCW 39.58.750. EFT transactions shall be properly authorized in a manner consistent with transactions made by other means. Internal controls should be carefully considered for all EFT transactions and the control environment shall not be compromised for EFT transactions. Electronic controls, approvals and authorizations, and other safeguards shall be implemented to the maximum extent possible to ensure the safety of RFA resources and to minimize the risk of misappropriation. The Finance Division should implement EFT processes to ensure compliance with this policy. EFT's include Automated Clearing House (ACH) and wire transfers.

#### **Reserves and Other Financial Commitments.**

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.

General Fund – Target: 90 days of Budgeted Operating Expenditures. Budgeted operating expenditures, for the purposes of the target are all General Fund expenditures, less one-time expenditures, and transfers to other funds (D1 Policy 500.00.006.01).

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).

Other Financial Commitments.

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

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).

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)).

#### **Long Range Financial Planning.**



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

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 forecasting method should be sufficiently detailed to utilize economic data relevant to significant revenue and expenditure categories. The forecasted ending fund balance must be included in the forecast.

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.

#### **Capital.**

Capital Facilities Plan (CFP) 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 the project is fully funded 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.

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.

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.

Small and Attractive Assets. Small and attractive assets are assets that are below the capital asset value threshold but are determined to be susceptible to misappropriation, misuse or loss. The RFA should be able to identify small and attractive assets separate from capital assets.

Asset Tracking. The RFA shall maintain an asset inventory database that includes an asset identification number and other identifying information applicable to the asset.

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.

Surplus and Disposition. Surplus and disposition of property shall be handled in accordance with Fire District 1 Policy No. 500.00.009.02.

#### **Investments.**



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

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.

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.

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.

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.

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.

Long-Term Investments. The investment officer is authorized to invest long-term cash balances in the following: an investment portfolio described in the following section; 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.

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

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

Investment Portfolio Duration/Maturity. The investment portfolio should have an average duration or maturity of no longer than twenty-four (24) months. The maximum maturity of any single investment should not exceed forty-eight (48) months.

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.

#### **Debt.**



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

**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.

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

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

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

**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.

**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.

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

#### **Risk.**

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.

**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.

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



## SOUTH COUNTY FIRE

### 2025 CHIEF'S PRELIMINARY BUDGET

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

**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.

**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.

**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.



### Other Matters

Related Policies – Procurement, travel, credit/purchase card use, fuel card use, asset surplus and disposition, 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 the text is the South County Fire EMS logo. To the right of the logo is a list of five values, each preceded by a white bullet point.

**Enhance the Lives of Our Community**

- Integrity
- Humility
- Compassion
- Family
- Trust



[Southsnofire.org](http://Southsnofire.org)