

North County Fire & Medical District

Annual Budget & Operational Plan



Adopted FY 2015/2016

The NCFMD was formed in 1981 and has grown to protect roughly 45,000 residents within an approximate 45 square mile area including the communities of Sun City West, Coldwater Ranch, Corte Bella, Cross River, Dos Rios, Marisol Ranch, Pinnacle Peak County Island, Rancho Cabrillo, Rancho Silverado, Rio Sierra, Sundero and other unincorporated portions of Maricopa County.

ADOPTED – AS APPROVED DURING THE JUNE 18, 2015 BUDGET HEARING – ADOPTED

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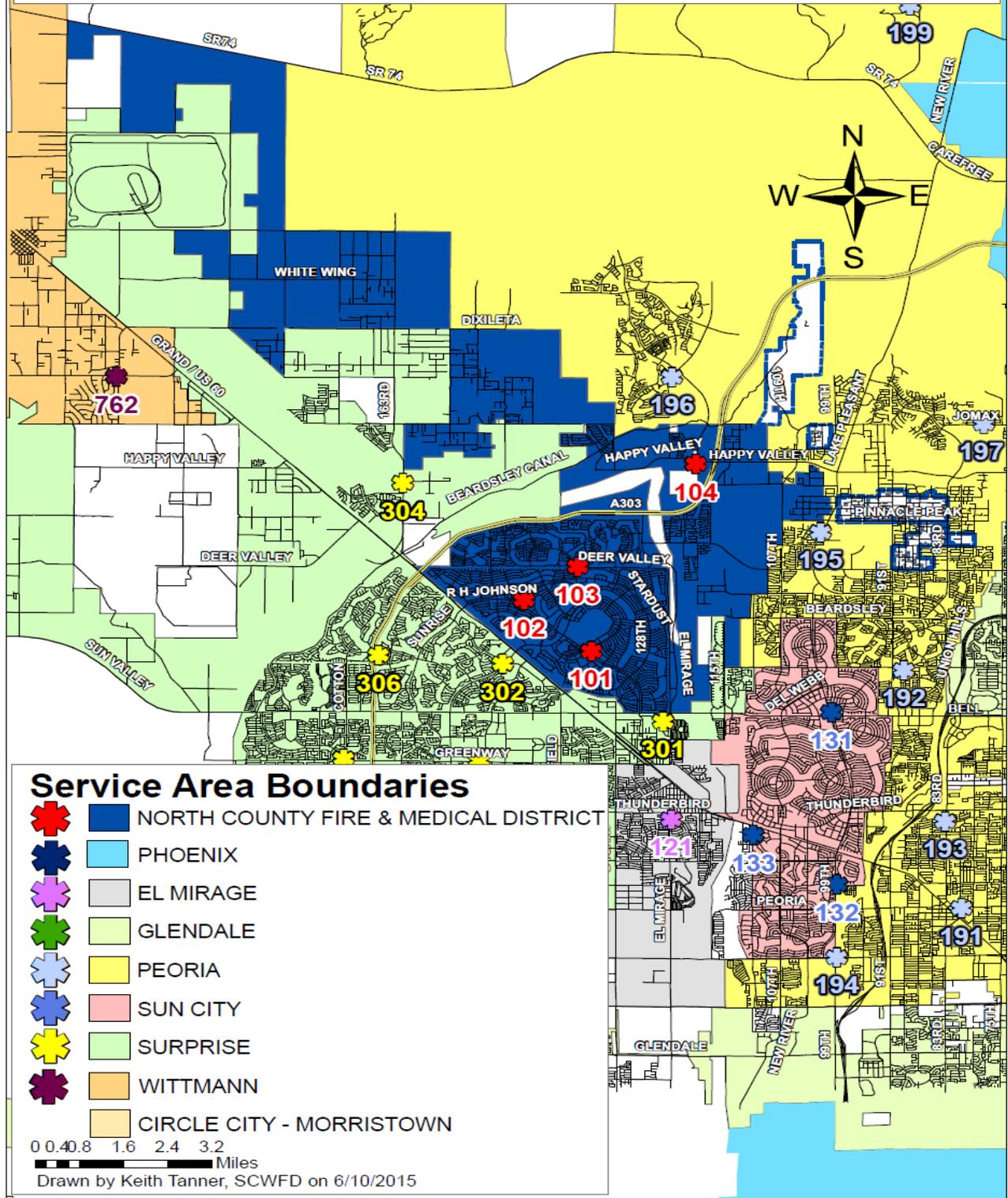
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District Service Area



North County Fire & Medical District 2015 Service Area Map



District Profile

North County Fire & Medical District (NCFMD) operates under Arizona Revised Statutes (ARS) § Title 48, Chapter 5. The District is an emergency services organization funded through secondary assessed value property taxes. It is governed by a five member Governing Board comprised of a Board Chairman, a Board Clerk and three Directors. The Board hires a Fire Chief/Administrator to manage the day-to-day operations of the District. The Fire Chief, in turn, hires other key managers and employees to support the District's operations and mission.

The community of Sun City West was established in 1978 as an unincorporated master planned area for active adults 55 years of age or older by the Del E. Webb Corporation. Sun City West was initially, and continues to be, comprised mainly of residents 55 and older. When established as an unincorporated community in Maricopa County, Sun City West property owners did not receive emergency services from either the county or a municipal based fire department. Prompted by a large house fire in 1981, a group of Sun City West residents formed a committee to address the specific needs of their community regarding emergency services. Subsequently, the Fire District of Sun City West was formed.



Governor Bruce Babbitt signing the North County Fire & Medical District (formally the Fire District of Sun City West) formation documents

On April 17, 1981, an election pursuant to ARS §48-261 was held for the purpose of creating North County Fire & Medical District (formerly Fire District of Sun City West). At a duly noticed meeting on May 12, 1981, the Maricopa County Board of Supervisors

resolved that North County Fire & Medical District be organized and established based on the results of the April election. Shortly thereafter, the newly appointed Governing Board voted to hire a private “for profit” fire protection services provider known as the Rural Metro Corporation to supply fire and emergency medical service for the District’s then estimated 9,000 residents. The original contract for service included five firefighters and a mini-pumper. These original firefighters worked out of a temporary structure located near the intersection of Meeker and RH Johnson Boulevards.



Station 101 Construction

The District built and opened its first station in 1982 (Station 101 – RH Johnson Boulevard and Camino Del Sol). An ambulance was then stationed in Sun City West and two fire pumpers were purchased.



Flag raising at Station 102

The District built and opened its second station in 1990 (Station 102 – RH Johnson Boulevard and Stardust Boulevard). A second ambulance was added to the contract with Rural Metro and the total number of firefighters working within the District increased to twenty. The estimated Sun City West population climbed to approximately 19,000 that year.

In 1992, the Del E. Webb Corporation expanded the community of Sun City West. This expansion added another two square miles and brought the total area protected by the District to roughly twelve square miles. In 1993, the contract with Rural Metro was scheduled for renewal. Rural Metro proposed a ten year contract with no additional personnel or services to be added to support the recently expanded District boundaries. As a result, the Governing Board voted to end the contract and hire its own employees.

In July of 1994, North County Fire & Medical District began operations with its own personnel (most of the Rural Metro employees who had been working in the community remained during this transition). Computer aided dispatching services and recruit fire training were contracted through the Phoenix Fire Department and the District established mutual-aid agreements with nearly all of the Phoenix Metropolitan area fire departments.

By 1999, Station 103 (135th Avenue and Deer Valley Drive) was in operation and the population of the District had grown to over 30,000 residents. The District boundaries continued to expand and approximately ten square miles of state trust land and private property were annexed in 2001.



Station 103

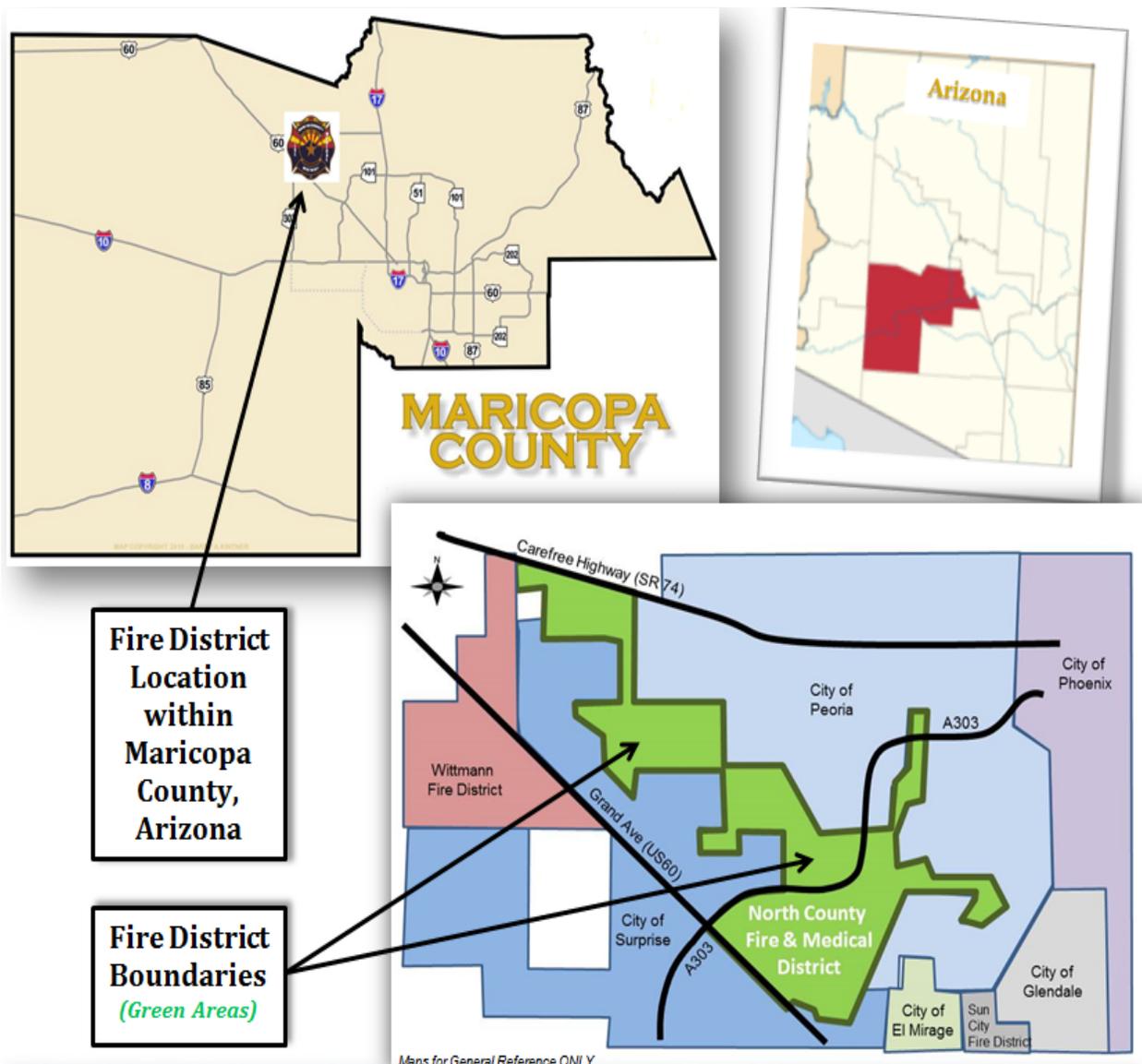
In 2010, the District completed the process to annex an additional ten square miles of property to the north and east of the current District boundaries. The completion of this annexation increased the size of the District to roughly thirty-five square miles with a population of approximately 45,000 residents.

In August of 2010, the District was awarded one of the most prestigious endorsements a fire protection agency can obtain. After several years of self-evaluation, adopting, following and refining policies and procedures which govern District operations, the District submitted to outside scrutiny and evaluation by a peer assessment team from the Commission on Fire Accreditation International of the Center for Public Safety Excellence. As a result of this peer assessment, the Commission validated that the District had adhered to the relevant standards to become an internationally accredited fire agency. This status verifies the District has met the standards for effectiveness and efficiency in responding to emergencies and includes the District among a select few entities nationally that have recognized the importance of aligning their programs with national industry best practices for providing fire and emergency medical services. There are fewer than 170 accredited agencies out of approximately 33,000 fire protection entities throughout the country and less than a dozen accredited agencies in Arizona.



During the process of becoming an internationally accredited agency, it was determined that the name **Fire District of Sun City West** did not sufficiently describe the geographical area served by, or the services provided by the District. As a result, the Governing Board asked the staff to create a plan to develop a name/brand that better reflects the District boundaries and its core services. Therefore, on June 2, 2015, the Governing Board selected the new name of **North County Fire & Medical District** for the District, which better meets these goals.

The new name is intended to more accurately reflect the current geographical area served by the District and also to better identify the District's substantial medical service role. The words "North County" adequately define the physical location of the District (see map below), a description that is inclusive of the entire District, and the terms "Fire & Medical" which effectively describe the core services provided by the Fire District.



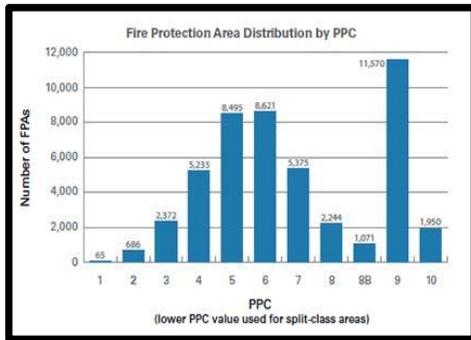
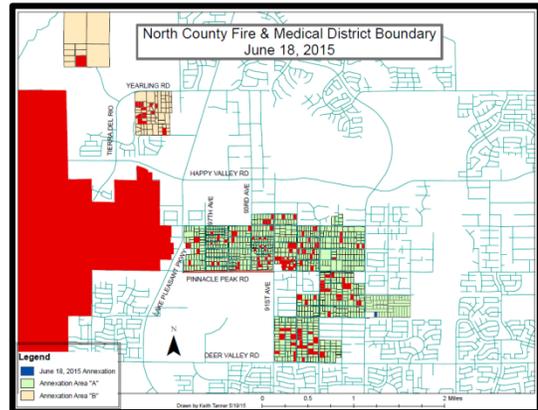


Chart 1-1

In 2015, the Insurance Services Office (ISO) completed a comprehensive re-evaluation of the District and, as a result, the District's rating was reduced from a Class 2 to a Class 1 Public Protection Classification Rating (on a scale of 1-10, with 1 being the best possible rating). The Class 1 rating places the District in an elite group consisting of less than 1% (0.122% - 1/12 of one percent) or one of 60 fire departments out of more than 49,000+ fire protection agencies nationally. The District was the first fire entity in the state of Arizona to be awarded a Class 1

rating. The ISO ratings are given to fire departments throughout the country for effectiveness of their fire protection services and equipment in protecting the community. ISO fire ratings are used by property insurance companies to set insurance premium rates, the lower the ISO fire rating, the lower the insurance premium.

In accordance with Arizona Revised Statute §48-262(N) any non-contiguous property owner within an unincorporated county island, and whose parcel is within one-half mile of a District boundary, may request to be annexed into a district in order to obtain fire protection and emergency medical services. Throughout the course of FY 2014/2015, the District annexed 120+ individual properties through the process of Single-Parcel Annexation requests made by property owners. These annexations generally occurred from within a 1.6 square mile county island, situated between the District's current north eastern boundary and the City of Peoria, in the vicinity of Pinnacle Peak Road. Although this law sunsets on July 1, 2015, the District may still continue to process single parcel annexation requests, but they must be contiguous to existing District boundaries.



During the same period, the District began efforts to complete a petition drive annexation process of an area located northwest of the District's boundaries. This area included 734 parcels, comprised of 235 homes and roughly 400 vacant land parcels, and is contained within an approximately 8.5 square mile area. The combination of these annexation efforts added \$6.6 million in net assessed value and brings the District's total coverage area to approximately 45 square miles.

Since the District's formation, one of the driving forces in determining the District's service requirements has been the increased calls for aid received from the public. Each time a citizen calls 9-1-1 in need of assistance, the District's personnel are called to action and one or more pieces of apparatus respond. Chart 1-2 outlines, in five year increments, with the addition of the most recent completed year, the calls for assistance generated between the District's formation in 1981 through June of 2014. Also included in the chart is a linear Trend Projection which was added to illustrate anticipated call volume increases over the next ten years. This was information calculated using the District's average escalation in call volume during the last ten years.

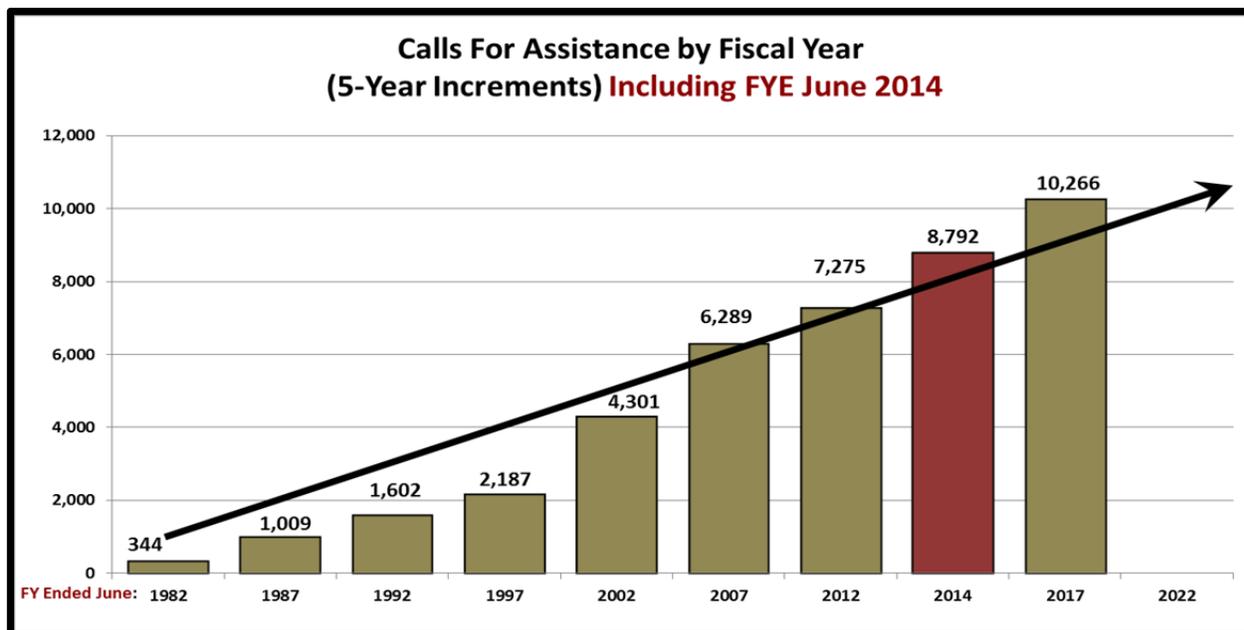


Chart 1-2



Arizona law primarily provides fire districts with a single source of revenue – property taxes. The District levies the amount of property tax revenue necessary to fund its maintenance and operations within statutorily imposed limitations. These taxes generate approximately 80% of the District's current annual revenue. The property tax system is a function of legislative mandate and the District is required to operate within a complex property tax arrangement. Arizona fire districts are prohibited from levying a tax that exceeds \$3.25 per \$100 of assessed property valuation. In addition, the 49th Arizona Legislature enacted a law to strictly limit the total amount of a fire district's year-over-year secondary property tax levy. This law establishes a secondary property tax levy limit cap of 8%, plus growth, over the previous year's total levy. In 2012, Arizona voters passed Proposition 117 which also limits property value growth to 5% a year. This change caused a reduction of 4.0% in the District's Net Assessed Valuation (NAV) for FY 2015/2016. Combined, these legislative limitations severely challenge Arizona fire districts' ability to maintain current services, fund improvements, and/or make additions to their emergency response systems.

Other North County Fire & Medical District funding sources currently include ambulance transportation fees; various state, federal, and private grants; and fees generated from state wildland firefighting, commercial fire inspections, plan reviews and construction permit fees and contracts for services. Arizona Revised Statutes §48-805 and §48-807 outline most of the Arizona fire district statutory funding processes and requirements.



District Fire Personnel on scene with Engine 101 and Ladder 102



Board Member Introduction

North County Fire & Medical District is administered by a five member elected Governing Board in accordance with Arizona Revised Statute §48-803. The District's Board members serve without compensation and are elected to four year terms of office. The terms of three of the District's current board members will expire in November of 2016, and the terms of the other three will expire in November of 2018.

Areas of responsibility for the Governing Board include:

- Electing a Board Chairman and Clerk.
- Holding public meetings at least once each calendar month.
- Hiring a Fire Chief to manage the District's operations.
- Adopting an Annual Budget, review and approval of monthly expenditures and financial reports

The following paragraphs provide a short biography of each of the District's board members:



David Wilson, Board Chairman:

Initially Elected: November 2004

Completed Terms: 2

Current Term Expires: November 2016

Board Chairman Wilson has lived in Sun City West since retiring in 1998. Previously, he was employed by the State of Colorado working as a Parole/Probation Officer for over twenty years. During the last several years of his career, he was the Administrative Officer in charge of federal funding for the Division of Youth Services, Department of Human Services. During Board Chairman Wilson's career, he has served on numerous community boards and commissions. He takes pleasure in working with his fellow citizens to ensure responsive and cost effective management of governmental programs and resources. As continuing evidence of his community commitment, Chairman Wilson was also elected to the Sun City West Recreation Centers Board of Directors in March 2012.



William Hamel, Board Member:

Initially Elected: November 2002

Completed Terms: 4

Current Term Expires: November 2018

Board Member Bill Hamel spent 1947-50 in the U.S. Navy as an electronics technician, then three years at Hill Air Force Base in Utah installing radar equipment in B-29 bombers. He then moved to California where he worked

for thirty-five years for General Dynamics. Board Member Hamel held several positions with this company including Senior Missile Flight Test Engineer, Project Engineer, and Project Manager of Naval Weapons Stations Missile Test Equipment. The Project Manager position included preparation, negotiation, and then managing many large contracts/budgets.

During Board Member Hamel's years at General Dynamics, he moved to a small desert community in California where he served as the Vice President of the Chamber of Commerce, was a volunteer firefighter, served three terms as honorary mayor, and was selected to serve on the San Bernardino Urban Development Advisory Board. In this position, Board Member Hamel was able to secure a federal grant for a community center and a "fast" response fire engine for the local fire department. Board Member Hamel also served on the California Volunteer Draft Board. He moved to Sun City West in June of 1990 and was initially elected to the Governing Board in 2002.



Dusty Rhodes, Board Clerk:

Initially Elected: November 2004

Completed Terms: 2

Current Term Expires: November 2016

Board Clerk Rhodes' Governing Board campaign theme was "Give Me Your Trust and I Won't Disappoint You." With this theme, he was first elected as a director to the Governing Board in 2004. Since arriving in Sun City West in 1994, Board Clerk Rhodes has served the community with honesty and integrity in many capacities. He was president of the Volunteer Bureau, served on the Interfaith Community Care Board, and was a Board Member and

Officer of PORA for eight years. As Membership Chairman for PORA, Board Clerk Rhodes personally increased PORA's membership by 2,000 members. Board Clerk Rhodes feels the Governing Board offers him the opportunity to continue to serve the taxpayers of the community with the same integrity.

Board Clerk Rhodes' background is working with the public in his positions in sales, management, and purchasing for thirty-eight years. He has served on condominium boards for twenty years and was head of the Illinois Condo Association for two years. In Buffalo Grove, Illinois, he was a member of the Planning Commission and when he moved from there, he received an award for outstanding service to the community.





Jack Meyer, Board Member:

Initially Elected: November 2006

Completed Terms: 2

Current Term Expires: November 2018

Board Member Jack Meyer was born and raised in Michigan. He attended Delta College and Saginaw Valley State University in Michigan and later the University of Maryland pursuing a business curriculum. He spent four years active duty in the United States Air Force serving in the elite Strategic Air Command under the famed General Curtis LaMay. He also served with Colonel Paul Tibbets, the famed pilot of the Enola Gay who is credited with ending World War II when he flew the B-29 which dropped the bomb on Hiroshima. Board Member Meyer was also an avid basketball player and played on the opposing team of the Harlem Globetrotters basketball show. He was a member of the Saginaw Fire Department in Saginaw, Michigan until he joined the General Motors Corporation Plant Protection Department where he worked until his retirement in 1998. Plant protection was the arm of the General Motors Corporation that supplied the in-house emergency response for fire and medical services as well as protection of the employees and the corporate owned property of General Motors.

Jack and his wife, Marcia, had been coming to Sun City West annually and were renting until his retirement. In 1999, they purchased their home in Sun City West, returned to Michigan, sold their home there, and have been year-round residents since.



Russell "Smitty" Smith, Board Member:

Initially Elected: November 2012

Completed Terms: 0

Current Term Expires: November 2016

Board Member Smith was born and raised in Midland Michigan where he graduated from high school. He attended Delta College and later Phoenix College. Previous to, and during his employment at Saginaw Fire Department (SFD), he was the co-owner and CEO of We-Haul Trucking, as well as the fleet mechanic for Brandimore Trucking in Saginaw. During his 15 year stint at SFD he advanced thru the ranks as an engineer, apparatus supervisor and fire inspector. Prior to his leaving, he attended the Michigan State Police Fire Academy, completing ATF Bomb school and the Fire Academy and became a Certified State Fire Marshall.

Director Smith moved to Arizona with his wife, Joy, in 1980 to join the Rural Metro Corporation, the original fire department of Sun City West. He served as a captain at

Station 39 in Tonopah, Arizona. He also filled in as acting Battalion Chief and was a certified EMCT. All fire personnel working at Station #39 were certified with the county to carry weapons while on duty and were known as the Tonopah Rangers. Director Smith has been familiar and worked with the North County Fire & Medical District since its first station was built in 1982.

After retiring from Rural Metro, Director Smith worked with his wife as co-owner and operator of Taz Demolition Company. They both retired in 2000 and later moved to Sun City West in 2003 where they care for handicapped adults. In his spare time Director Smith enjoys carpentry, hiking, swimming, biking and working out at a CrossFit facility.

Director Smith was elected to the Governing Board in 2012. He feels North County Fire & Medical District is one of the top fire departments in the country. He is committed to doing his best to assure the District maintains its level of excellence. He hopes to promote solar energy projects and other cost cutting "green" endeavors during his continued service.

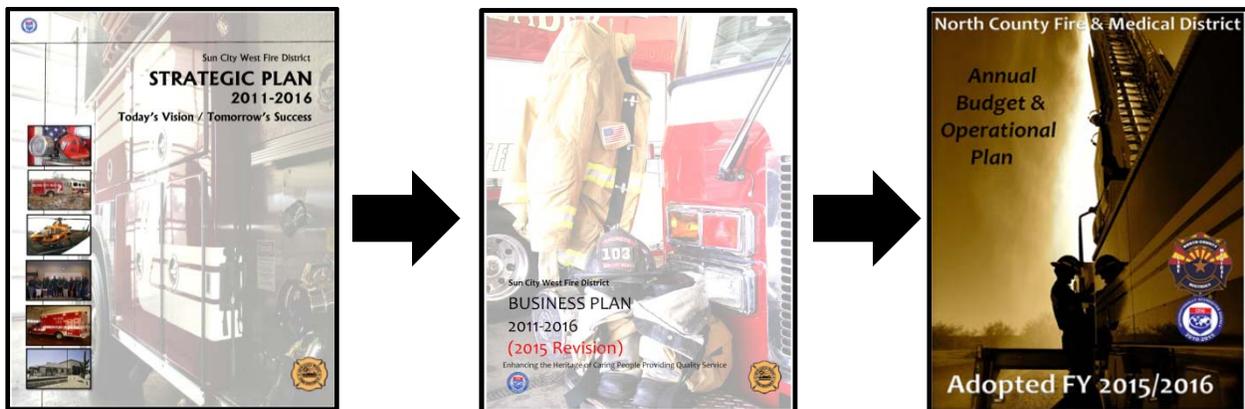


Governing Board Members from left to right: Board Member Jack Meyer, Board Member William Hamel, Board Chairman David Wilson, Board Member "Smitty" Smith, Board Clerk Dusty Rhodes.

Budget Process

North County Fire & Medical District's budget process is very detailed and relies on numerous contributors to generate this vital document. Participants include the Governing Board, Fire Chief, administrative staff, division and program managers, partner agencies such as the Phoenix Fire Regional Dispatch Center, state and local governmental agencies [i.e., the Arizona Property Tax Oversight Commission (PTOC) and the Maricopa County Assessor's Office] as well as District residents and property owners. The budget process encompasses the service goals outlined in the Strategic Plan. The budget may also be influenced by capital outlays approved in the Capital Improvement Plan (CIP) which is contained in the District's Business Plan. The Strategic Plan is revised and approved by the Board every five years. The Business Plan is revised and approved by the Board annually. Together with the Annual Budget and Operational Plan, these three plans comprise the District's Core Documents. The Strategic and Business Plan documents are approved prior to budget adoption. These documents are important components in the ongoing management of District resources to accomplish its defined service goals.

The District's Core Documents outline the goals and objectives of the District as a whole. The Business Plan presents a road map to accomplish the vision set forth in the Strategic Plan. The Annual Budget and Operational Plan represents a one year implementation of the multi-year Business Plan.



The Fiscal Year (FY) 2015/2016 budget development process includes approximately eight public meetings scheduled with the Governing Board, staff, and residents to conduct a detailed review of recommended line-item and proposed capital outlay expenditures. These meetings take place between January and June. After completing the public budget hearings, the Board publishes and adopts a final budget and tax levy consistent with Arizona state law.

This year's annual budget evolution began with a Budget Process Overview during the January Board Workshop. During that time, the Governing Board outlined its expectations and identified critical priorities for the coming fiscal year. The Board uses this opportunity to provide key policy directives and goals for consideration during

budget development. After the January workshop, the Board approves the Budget Development Schedule and the process officially begins.

An overview highlighting the major deadlines of the Budget Development Schedule is outlined as follows (Note: a detailed Budget Development Schedule is included at the end of this section):

- January 22, 2015 – Budget Process Overview and Board direction determined
- February 10, 2015 – Finalized Levy Limit Worksheet received
- March 9, 2015 – Budget request submission deadline
- April 28, 2015 – Proposed Budget presented to the Board and Public for review and discussion
- May 21, 2015 – Revised Proposed Budget approved for Public Posting
- May 23 through June 11, 2015– 20-Day Posting Period
- June 18, 2015 – Public Budget Hearing & Final Adoption
- July 1, 2015 – Begin operations under newly Adopted Budget

The Financial Services Division disseminates the Budget Development Schedule to all stakeholders in the budget process following direction from the Board and Fire Chief regarding previously identified expectations and critical priorities. Budget submission deadlines are set and guidelines provided for managers to use in the preparation of base and supplemental budget requests. Division and program managers develop their budgets at the line-item level with input from the Accounting Supervisor and from employees within their respective sections. Upon submission, the proposed line-item budgets are reviewed by the Fire Chief, the Assistant Chiefs, the Accounting Supervisor, and the responsible employee(s). If necessary, modifications are made, reviewed, and finalized in the line-item budgets before inclusion in the draft tentative budget. Throughout this process, the Board is updated monthly on the budget's progress and informed of any items that may have a significant variance over the previous year's budget. Additional direction may be issued by the Governing Board regarding these issues at any time.

Upon completion of the tentative budget, the Annual Budget and Operational Plan is presented in detail by District staff to the Board and the public over the course of one to three days of public workshops scheduled in late April. During these hearings, each responsible division and program manager presents their proposed line-item budgets in detail. The Board and public attendees are encouraged to ask questions and discuss the tentative budget and its contribution to supporting the District's defined service level goals. Upon completion of this thorough examination of the tentative budget, any modifications are assimilated into the document for finalization.

Once final changes are integrated into the tentative budget and prior to adoption, the proposed budget is also made available to the general public. Arizona Revised Statute § 48-805.02 requires, that a budget summary be posted on the District's website and in three public locations, at least twenty days prior to the public hearing held at a meeting called by the Governing Board for adoption. Once the final budget is adopted, complete

copies can be found on the District's website within seven days of adoption (www.scwfire.org). The District will make a printed version available at the Sun City West RH Johnson Library, and at the District administrative office. Printed copies are also made available to members of the public via a written Public Records Request submitted to the District. Following the public hearing, the Governing Board adopts the Annual Budget and Operational Plan for the ensuing fiscal year. The adoption of the budget sets the maximum appropriation for the fiscal year. The adopted budget is then submitted to the Maricopa County Board of Supervisors, the Maricopa County Assessor, and the Maricopa County Treasurer in accordance with state law. The Board of Supervisors' office works with the Assessor's office to create the tax levy and generate the millage rate to be used for the new fiscal year. Per Arizona Revised Statute 48-805.02, if the budget is amended after its initial adoption, the District board must hold at least two hearings on the revision of the budget and the revised budget must be considered and adopted in a special meeting that is called for the adoption of the revised budget. The special meeting must be held one week after the consideration of the revision of the budget at a regularly scheduled meeting of the District's Board. Revenues received over expenditures resulting in general fund savings from one budget year to the next, by Board policy, are transferred into the Capital Improvement Plan and kept in reserve for future capital project needs.



District Capital Assets (Large Apparatus): Engine 101, Medic 102 and Ladder 102.



Fiscal Year 2015/2016 Budget Development Schedule



Monday, November 3, 2014

- Deadline for submission of Tax Year 2015 Boundary Changes & Annexations to the Maricopa County Assessor's Office (Extension Deadline February 10, 2015).

Thursday, January 22, 2015 – Special Board Meeting (9 A.M. – Fire Administration)

- Fiscal Year 2015/2016 Annual Budget & Operational Plan Process Overview
- Board of Director's initial budget process requests

Tuesday, February 10, 2015

- Obtain Finalized Secondary Levy Limit Worksheet for Tax Year 2015 from Maricopa County Assessor's Office and the Arizona Property Tax Oversight Committee (PTOC)

Monday, February 23, 2015

- Deadline for Division Managers & Section Heads to submit Fiscal Year 2015/2016 Budget Request to the Assistant Chiefs

Monday, March 9, 2015

- Deadline for the Assistant Chiefs to submit Fiscal Year 2015/2016 Budget Request to the Accounting Supervisor

Tuesday, March 17, 2015 – Regular Board Workshop (9 A.M. – Fire Administration)

- Draft Fiscal Year 2015/2016 Annual Budget & Operational Plan Process Update

Tuesday, April 14, 2015 – Regular Board Workshop (9 A.M. – Fire Administration)

- Draft Fiscal Year 2015/2016 Annual Budget & Operational Plan Progress Update

Tuesday, April 28, 2015 – SPECIAL Board Meeting (9 A.M. – Fire Administration)

- Fiscal Year 2014/2015 Budget Review Year-End Projections - Accounting Supervisor Poland
- Draft Fiscal Year 2015/2016 Annual Budget & Operational Plan Presentations

Wednesday, April 29, 2015 – SPECIAL Board Meeting (9 A.M. – Fire Administration)

- Draft Fiscal Year 2015/2016 Budget & Operational Plan Presentations Continued *(If Needed)*

Thursday, May 21, 2015 – Regular Board Meeting (9:00 A.M. – Fire Administration)

- Fiscal Year 2015/2016 Tentative Budget & Operational Plan Presentation
- Proposed Tentative Fiscal Year 2015/2016 Annual Budget & Operational Plan Approval for Public Posting
(20-Day Posting Period: Saturday, May 23 through Thursday, June 11, 2015)

Tuesday, June 16, 2015 – Regular Board Workshop (9:00 A.M. – Fire Administration)

- Final Fiscal Year 2015/2016 Annual Budget & Operational Plan Review

Thursday, June 18, 2015 – Regular Board Meeting & Public Hearing (9:00 A.M. – Fire Administration)

- Fiscal Year 2015/2016 Annual Budget & Operational Plan - Public Hearing
- Fiscal Year 2015/2016 Annual Budget & Operational Plan Final Adoption

Tuesday, June 23, 2015

- Submit Certified Adopted Fiscal Year 2015/2016 Annual Budget & Operational Plan and Affidavit of Publication to Maricopa County's Board of Supervisor's and Department of Finance (Deadline August 1, 2015)

Wednesday, July 1, 2015

- Begin Operations under the Adopted Fiscal Year 2015/2016 Operational Budget Plan

Budget Introduction

North County Fire & Medical District is proud to present the Fiscal Year (FY) 2015/2016 Annual Budget and Operational Plan. This document is anticipated to provide the public with in-depth information regarding the District's annual revenues and expenditures over the course of the next fiscal year. The document is structured in accordance with recommendations of the Government Finance Officers Association (GFOA) Distinguished Budget Awards Program which is designed to provide the layperson with a broad view of the contents included in the budget, its processes, issues and anticipated results.



The Government Finance Officers Association of the United States and Canada (GFOA) established the Distinguished Budget Presentation Awards Program (Budget Awards Program) in 1984 to encourage and assist state and local governments in preparing documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

The District prepared the Annual Budget and Operational Plan in accordance with the GFOA's Budget Presentation Awards Program and will again submit the District's Plan for participation in FY 2015/2016. The District has successfully received the GFOA's Distinguished Budget Presentation Award in prior years.

The FY 2015/2016 Budget and Operational Plan represents the District's projections for expected expenditures and operations for the coming fiscal year. It also identifies the means by which those expenditures will be paid. The annual Budget and Operational Plan represents the most significant policy document that the District Governing Board creates each year. This document sets the work plan and the service levels for the operating divisions of the District. Many of the outlined goals and objectives are based on the District's 2015 Update of the 2011/2016 Business Plan (including the FY 2015/2016 Capital Improvement Plan) which was finalized and adopted by the Governing Board prior to the completion of the Budget and Operational Plan. The Budget and Operational Plan is balanced and typifies the District's ongoing commitment to contain expenditures to necessary and reasonable levels.

The annual budgeting and operational activities of the District are determined with the ultimate goal of accomplishing the District's mission which is:

“As a team of highly trained and dedicated professionals, it is our mission to provide the highest standard of service to all those who may seek our help. We are a service provider and we stand ready to provide fire suppression, fire prevention and education, rescue services and emergency medical care, and transport. We will faithfully provide these vital services, promptly and safely, to any person that resides in, works in,

or visits the District.

As a family of individuals committed to serving others, we will always provide for the welfare of our personnel through a healthy and rewarding work environment. We are dedicated to respect, integrity, compassion, and leadership amongst ourselves so that we may proudly serve others.”

The District currently uses the zero-based, line-item form of budgeting. In this type of budget, expenditure types are identified and grouped in general categories. Within the categories, specific line items are detailed. Each line item begins with a zero-based budget and expenditures are detailed to determine the required funding necessary to operate during the coming fiscal year. The District’s budgeting system is linked directly to the District’s computerized accounting system.

This document is developed to serve as the financial / operational plan required to accomplish the District’s goals and objectives for the ensuing year. Performance measurements have been integrated into the various sections. These performance measurements have been created to highlight certain annual priorities and goals for each program and the organization as a whole.

Financial Assessment:

The District has an important responsibility to its citizens to carefully account for public funds, to manage its finances wisely, and to plan for the adequate funding of services desired by the public. In these continued times of economic uncertainty, legislative constraints, and limited future or possible negative growth in the District’s existing tax base, the District needs to ensure that it is capable of adequately funding and providing those core services desired by the community. Ultimately, the District’s success will depend on the public’s awareness and acceptance of the management and delivery of these services.

Financial Goals

The development of guidelines for the District’s overall fiscal planning and management should foster and support the continued financial strength and stability of North County Fire & Medical District and its financial goals. Through the establishment of sound financial policies, the District seeks to:

- Deliver quality services on an affordable, efficient and cost-effective basis providing full value for each tax dollar.
- Maintain an adequate financial base to sustain the current level of fire and emergency medical response.
- Have the ability to withstand local and regional economic fluctuations and respond to changes in funding affecting District operations.

Financial Policies

Establishing and following sound fiscal policies enhances the District's financial health as well as its image and credibility with its residents and the public in general. The Governing Board is charged with establishing financial policies and the staff is responsible for implementing those policies in the day-to-day management of District finances. The financial vision of the District is also an integral component of the District's Strategic and Business Plans.

The District's budget is closely aligned with the financial policies established by the Governing Board. These policies serve to strengthen the current and long-term financial health of the organization and are visited, at a minimum, on an annual basis to ensure they represent the most current and realistic framework for decision-making. A balanced budget is the foundation of the District's financial policies. The Board and District staff members define a balanced budget as one that matches required expenditures necessary to provide the District's established service goals with available, sustainable resources. The Board and the staff spend an extensive period of time detailing expenditures and identifying and verifying the revenue sources that are available to support those expenditures. As revenues fluctuate, so must expenditures. However, the Board and staff strive to ensure that these fluctuations do not negatively impact emergency service levels.

Fund Balance: During the beginning months of each fiscal year, generally between July and October, the District receives little or no property tax revenues. This is a direct result of the State of Arizona's property tax billing and collection cycle. Property taxes are levied and billed to taxpayers annually and payments are due in two installments. The first installment is due during October and the balance is due in April of each fiscal year. This can create periods of revenues shortfalls for the District. During these phases, the Board and administrative staff are charged with determining if the District should borrow from the Capital Projects Fund or make use of Registered Warrants obtained through the Maricopa County Treasurer's Office. A combination of both options has been used in recent years. During times of low interest rates, it is generally more beneficial for the District to utilize its Capital Projects Fund balance rather than pay the interest costs associated with Registering Warrants through the District's line of credit. During times when the District can invest funds to earn higher interest rates, short-term borrowing (Registered Warrants) usually results in lower costs when compared against the higher interest revenues.

Capital Improvement Plan: The purposes of the Capital Improvement Plan (CIP) are to systematically identify, plan, schedule, finance, and track capital assets, as well as monitoring capital projects to ensure cost effectiveness and conformance with established policies and priorities. The CIP is a component of the District's Business Plan and is reviewed and updated annually, at a minimum. The CIP outlines direct costs associated with recommended capital projects and asset purchases. Required ongoing operational costs are identified and presented as a part of each proposed CIP outlay allowing the Board the opportunity to determine its feasibility. Funding sources for each

project or purchase are acknowledged within the plan.

Long Range Forecasting: Legislative requirements under ARS § 48-805.02(D,2), which became effective in September of 2013, mandate that the District project an estimate of the revenue and expenditures for the next two fiscal years based on previous year's variances and/or known information that will impact future years, including applicable levy or rate limitations. If these budgetary projections reflect expenditures exceeding revenues in any given fiscal year, the District must undertake a study of merger, consolidation or joint operating alternatives. The District projects revenues and expenditures for a minimum of ten years from the current budget year to ensure established service levels and proposed program changes can be maintained without jeopardizing future services.

The District has utilized consultants, data from the Maricopa County Assessors' Office, and internal studies to assist in the development of long range financial forecasting systems. District staff reviews and updates these forecasts based on identified legislative and economic factors and their potential impact on the District's financial and strategic goals for the future. The District's Business Plan is a five-year, long range forecast of planned service levels for the District. The Business Plan is reviewed and revised annually and is based on the broad based vision of the District's Strategic Plan. During the annual Business Plan revision, input from financial forecasting systems is a vital tool used to help shape and define the District's vision for the future, to identify critical issues, and to seek out revenue sources to support services and outline future service priorities.

The Long Term General Operations Fund Forecast presented in Chart 2-1 is a powerful planning tool used to estimate revenue and expenditures over a forward looking period. This forecast helps the District address the challenges of balancing revenue and expenditures for services provided by the District beyond the one year perspective offered by its Annual Budget and Operational Plan and the Capital Improvement Plan (CIP). The forecast also assists the Governing Board in allocating financial resources in order to achieve the long term goals outlined in the District's Strategic Plan. This long term forecast covers the five-year period from July 1, 2015 through June 30, 2020.

The five-year financial projection uses calculations based on a combination of historical expenditure levels, known operational requirements, and analytical data to produce annual revenue and expenditure estimations. The forecast provides an overall framework for managing financial resources. It does not, however, obligate the District to specific funding decisions such as the allocation of funds to particular programs or projects. Approval of specific initiatives can only occur through formal action of the Governing Board - primarily through the adoption of the Annual Budget and Operational Plan and the approval of the Capital Improvement. The forecast makes several assumptions regarding the annual budget and operational plan as outlined below.

- Wages and Benefits are estimated to increase an average of 5.2% each fiscal year with minimal increases in staffing levels and limited wage scale

adjustments. A significant portion of these annual increases are attributed to expenditures outside of the District's control such as payroll taxes, health insurance costs, Public Safety Personnel Retirement System (PSPRS) and Arizona State Retirement System (ASRS) actuarially determined funding requirements.

- Operations expenditures are estimated to increase an average of 4.8% each fiscal year. Operational expenditures include equipment and supplies, property and liability insurances, computer software systems licensing, fuel, utilities, and dispatching fees.
- District training expenditures are estimated to increase an average of 1.0% each fiscal year. Training expenditures are a vital component of maintaining quality District service and safety levels.
- Debt Service and CIP funding is projected to realize an average 4.9% increase during the next five fiscal years. The expected increase is solely attributed to capital asset depreciation costs as the current debt payment obligations which will remain stable for the duration of the debt servicing period, terminating in FY 2027/2028. The District may only adjust the debt payments with a significant cash outlay to retire the current debt, or the refinancing of debt through alternative funding options such as General Obligation (GO) Bonds or Certificate of Participation (COP) sales.

Over the course of the last six years, beginning with the 2009 tax year, the District's Net Assessed Valuation (NAV) decreased by an average of 7.6% per year, generating an overall 32.8% decline in the District's NAV amounting to a loss of over \$165 million in value. However, for the first time since 2008, the District's NAV increased by 3.0% during Fiscal Year 2014/2015. The District's NAV is also calculated to increase by another 5.8% for FY 2015/2016, a 4.0% reduction from the initially projected increase. This reduction resulted from the 2012 voter approved Proposition 117 legislation which altered the method used to calculate fire district tax levies. Previously, tax revenues were based on the Secondary Assessed Value (full cash value) of a property. Tax revenues are now based on the Primary Assessed Value (limited property value) which is a lower valuation. Moving forward, the District's NAV will now be limited to a maximum annual increase of no more than 5% plus growth and/or property annexations.

Prior to FY 2009/2010, during which the District realized a 9.7% reduction in NAV, the District had historically experienced 11.6% average annual increases. The highest reduction of 10.4% occurred during FY 2011/2012. The largest increase in the District's NAV was 56.3% in FY 2007/2008 as a result of property valuation appreciation combined with various property annexations.

Based on historical averages and in order to maintain current service levels, the

District's annual budget is anticipated to increase by approximately 5.3% each fiscal year for the next five years. Schedule 2-1 summarizes the actual adopted budget from FY 2014/2015, the adopted FY 2015/2016 budget, as well as the long term forecast for the next five years. This information is amended annually and as new data becomes available which more accurately reflects current and future revenues and/or expenditure trends.

Long Term Forecast Fiscal Years 2014/2015 Through 2020/2021 2015 Revised General Operations Fund Forecasts							
	FY 2014/2015 ADOPTED	FY 2015/2016 ADOPTED	FY 2016/2017 ESTIMATED	FY 2017/2018 ESTIMATED	FY 2018/2019 ESTIMATED	FY 2019/2020 ESTIMATED	FY 2020/2021 ESTIMATED
Revenue Forecasts:							
Property Taxes	\$ 10,193,883	\$ 10,566,435	\$ 11,244,093	\$ 11,827,440	\$ 12,449,561	\$ 13,113,414	\$ 13,822,197
Fire District Assistance Tax	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Health & Medical Revenues	2,029,892	2,499,594	2,606,593	2,718,173	2,834,529	2,955,866	3,082,397
General Fund Revenues - Other	623,851	609,736	609,736	609,736	609,736	609,736	609,736
Total General Fund Revenues	\$ 13,247,626	\$ 14,075,765	\$ 14,860,423	\$ 15,555,350	\$ 16,293,826	\$ 17,079,016	\$ 17,914,330
Expenditures							
Wages & Benefits	\$ 10,583,312	\$ 11,487,979	\$ 12,066,677	\$ 12,681,961	\$ 13,336,532	\$ 14,033,303	\$ 14,775,424
Operating Expenditures	1,670,148	1,569,852	1,644,109	1,722,382	1,804,906	1,891,927	1,983,709
District Training & Development	111,776	135,544	136,899	138,268	139,651	141,048	142,458
Debt Service	532,390	532,390	662,738	662,738	662,738	662,738	662,738
Contingency	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Total Expenditures	\$ 13,247,626	\$ 14,075,765	\$ 14,860,423	\$ 15,555,350	\$ 16,293,826	\$ 17,079,016	\$ 17,914,330
Net Assessed Value (NAV) & MIL Rate Projections							
Total Estimated Budget:	\$ 13,247,626	\$ 14,075,765	\$ 14,860,423	\$ 15,555,350	\$ 16,293,826	\$ 17,079,016	\$ 17,914,330
Total Estimated Levy:	\$ 10,193,883	\$ 10,566,435	\$ 11,244,093	\$ 11,827,440	\$ 12,449,561	\$ 13,113,414	\$ 13,822,197
Estimated Levy Increase:	3.0%	3.7%	6.4%	5.2%	5.3%	5.3%	5.4%
Estimated MIL Rate:	\$ 2.9177	\$ 2.8577	\$ 2.8961	\$ 2.9013	\$ 2.9085	\$ 2.9177	\$ 2.9290
Estimated Net Assessed Valuation:	\$ 349,386,465	\$ 369,755,455	\$ 388,243,228	\$ 407,655,389	\$ 428,038,159	\$ 449,440,067	\$ 471,912,070
% of NAV Increase	3.0%	5.8%	5.0%	5.0%	5.0%	5.0%	5.0%
SB 1421 8% Levy Amount:	\$ 11,355,060	\$ 12,017,052	\$ 12,617,905	\$ 13,248,800	\$ 13,911,240	\$ 14,606,802	\$ 15,337,142
SB 1421 MIL for 8% Levy Amount:	\$ 3,2500	\$ 3,2500	\$ 3,2500	\$ 3,2500	\$ 3,2500	\$ 3,2500	\$ 3,2500
SB 1421 Excess Levy Capacity:	10.2%	12.1%	10.9%	10.7%	10.5%	10.2%	9.9%
Median Valued Home:	\$ 124,800	\$ 130,305	\$ 136,900	\$ 143,800	\$ 151,000	\$ 158,600	\$ 166,600
Estimated Annual Taxes:	\$ 364.13	\$ 372.37	\$ 396.48	\$ 417.21	\$ 439.18	\$ 462.75	\$ 487.97
Capital Improvement Plan (CIP) Forecasts							
	FY 2014/2015 ADOPTED	FY 2015/2016 ADOPTED	FY 2016/2017 ESTIMATED	FY 2017/2018 ESTIMATED	FY 2018/2019 ESTIMATED	FY 2019/2020 ESTIMATED	FY 2020/2021 ESTIMATED
CIP Fund Revenue Forecasts:							
CIP Fund - Cash	\$ 6,115,556	\$ 3,239,584	\$ 3,375,593	\$ 3,303,632	\$ 3,558,991	\$ 3,261,989	\$ 2,597,243
Transfers In From General Fund	1,774,844	369,650	500,000	500,000	500,000	500,000	500,000
CIP Fund Miscellaneous Revenues	60,150	8,099	8,439	8,259	8,897	8,155	6,493
Loan/Bond Proceeds Revenue	-	-	-	-	-	-	-
Grant Revenues	-	191,760	-	-	-	-	-
Total CIP Fund Revenues:	\$ 7,950,550	\$ 3,809,093	\$ 3,884,032	\$ 3,811,891	\$ 4,067,889	\$ 3,770,143	\$ 3,103,737
CIP Fund Expenditures:							
General Asset Expenditures	-	-	-	-	-	-	-
Land Purchases	-	-	-	-	-	-	-
Building Construction & Improvements	\$ 3,039,744	\$ 92,000	\$ 55,000	\$ 40,000	\$ 60,000	\$ 25,000	\$ 5,000
Apparatus	1,377,000	-	325,000	75,000	480,000	1,020,000	70,000
Communications Equipment	-	-	43,400	43,400	43,400	43,400	43,400
Fire Equipment	-	19,500	14,500	34,500	114,500	19,500	264,500
Medical Equipment	150,000	35,000	112,500	60,000	108,000	60,000	113,000
Fitness & Wellness Equipment	-	-	-	-	-	5,000	-
Office Equipment	144,222	40,000	30,000	-	-	-	21,000
Grant Match Expenditures	-	55,240	-	-	-	-	-
General Grant Expenditures	-	191,760	-	-	-	-	-
Total CIP Fund Expenditures:	\$ 4,710,966	\$ 433,500	\$ 580,400	\$ 252,900	\$ 805,900	\$ 1,172,900	\$ 516,900
CIP Fund Balance:	\$ 3,239,584	\$ 3,375,593	\$ 3,303,632	\$ 3,558,991	\$ 3,261,989	\$ 2,597,243	\$ 2,586,837

Schedule 2-1

Fiscal Planning and Budgeting: The District's policy concerning fiscal planning and budgeting is to govern the preparation, monitor the expenditures, and analyze the effectiveness of the Annual Budget and Operational Plan. Part of this process includes incorporating a long-term perspective and a system of identifying available and sustainable resources and then allocating those resources among competing purposes. The District presents an annual operating budget that is balanced; meaning that planned expenditures are equal to or less than current revenues and ongoing expenditures will only be paid for with ongoing revenues. The District will not postpone expenditures, use one-time (non-recurring) revenue sources to fund ongoing (recurring) uses, or use external borrowing for operational requirements. The District identifies and allocates funding resources among various service needs. It is increasingly important to incorporate a long-term perspective and to monitor the performance of programs competing to receive funding.

The District's audited financial statements are presented using the modified accrual basis of reporting; therefore, District budgeting is also done on a modified accrual basis. Under the modified accrual basis, expenditures are recorded when goods or services are actually received rather than when the invoices are paid. The exception to this general rule is interest on general long-term debt which is recognized when due. Revenues are recorded in the accounting period in which they become measurable and available.

Expenditure Control: The District has established policies which govern the compliance of the legally adopted budget by instituting processes for setting and modifying appropriation and expenditure limits and safeguarding the organization from possible "overspending". The operating budget is controlled at the organizational level and the Capital Improvement Plan is controlled at the project level. To further ensure expenditures are kept in check and to comply with Arizona Revised Statute § 48-807(O), the District provides the following reports and statements to the Governing Board and public on a monthly basis:

- A statement of financial activities presented in the form of a Budget-to-Actual Report detailing the adopted budget for the fiscal year, revenues and expenditures for the prior month, and a fiscal year-to-date summary.
- A Register of Checks, Warrants and Deposits listing all transactions occurring in all cash accounts held by the District.
- A Statement of Net Assets and Liabilities as of the last day of the reporting period.
- A Cash Flow Projection report through the end of the fiscal year encompassing all cash funds, updated monthly with actual revenues and expenditure from the preceding month.
- Proof of reconciliation of each of the District's cash accounts and statements provided by each financial institution in which the District maintains an account.

The statute mandates that the district board review these reports. Any financial report or cash flow projection report that would indicate that the district is likely to violate section

48-805.02,(D),1 or that would indicate an adverse impact on the ongoing operations or liquidity of the district shall be reported to the County Treasurer and Board of Supervisors. This report must be submitted by the District board chairman in writing and delivered by certified mail within ten days after the discovery.

Revenues: District policy encourages diversification of the District’s revenue base and regular monitoring of all revenues. The District continues to develop opportunities to generate non-levy revenues. The District’s reliance on tax revenue continues to trend downward year after year as presented in chart 2-2, with the current percentage of non-levy revenues equaling 24.9%. The ultimate goal of the District is to minimize tax fluctuations for District taxpayers while maintaining established services. The District estimates its annual revenues utilizing an objective, analytical process whenever possible and makes every effort to forecast revenues by individual category for subsequent years. This process is completed annually.

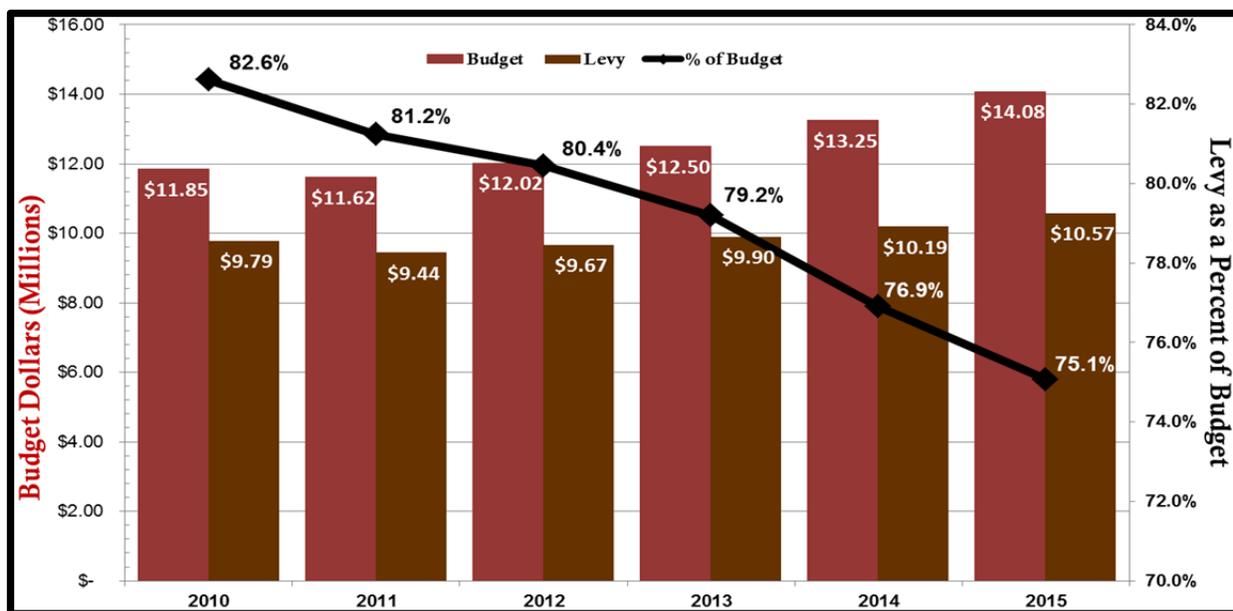


Chart 2-2

Grants: District policies establish under what conditions grants will be pursued and with what administrative guidelines or approvals. The District applies for those grants that are consistent with its objectives and needs. The potential for incurring ongoing costs, including the support for grant-funded positions from local revenues, are considered prior to applying for a grant. The District attempts to recover all allowable costs, direct and indirect, associated with the administration and implementation of programs funded through grants. All grant submittals are reviewed for their cash requirements, their potential impact on the operating budget, and the extent to which they meet the District’s objectives.

User Fee Cost Recovery and Indirect Cost Allocations: District policy encourages full cost recovery of most publically provided services that benefit specific individuals or organizations and the utilization of user fees to augment general tax revenues. The

District has established user fees and charges for certain services provided to users receiving a specific benefit. Examples of these services fees include Cardio Pulmonary Resuscitation (CPR) Training, Heart Saver Adult/First Aid Training, and Heart Saver Automated External Defibrillator (AED) Training Certification classes as well as Building Plan Review and Permits issued by the District. Fees and charges are initially established by specific action of the Governing Board in an attempt to recover the cost of providing these services. User fees are periodically reviewed to calculate their cost recovery levels, to compare them to the current fee structure, and to recommend adjustments where necessary. The District's current fee schedule was adopted under Board Resolution #12-0621- on June 11, 2012. During FY 2015/2016, the District will again review and revise the fee schedule where appropriate.

Debt Management: The District strives to adhere to a “pay as you go” system for financing its future capital needs. However, the issuance of debt can be a valuable tool in achieving some of the District's strategic goals in regards to capital expansion or planning ahead for capital programs. Additionally, attractive interest rates for borrowing may make this option more viable.

The District typically restricts long term borrowing to capital improvements or projects that cannot be financed from current revenues and to those capital projects with anticipated longevity. The District does not use long-term debt to fund current operations and will first attempt “pay as you go” financing and/or the use of operating funds when applicable. If the District funds capital projects using debt proceeds, it attempts to establish a maturity date that does not exceed the useful life of the project or asset funded by those proceeds.

The District's Debt Management policy sets parameters for when the District will take on debt and the associated limitations. Arizona State Statutes (Arizona Revised Statute



Ladder-102

§48-806) establish limits on the total amount of General Obligation (GO) Bond and Certificate of Participation (COP) indebtedness for fire districts. This limit is set at the lesser of six percent of secondary assessed taxable property value of the District in the year of issuance or the maximum voter approved bond offering amount. The District has not yet pursued GO bonds or COP financing although it may at some point in the future. Schedule 2-3 outlines the District's statutory debt limits for the past five fiscal years.

Outstanding Debt and Debt Limitations						
Fiscal Year Ended June 30,	Secondary Net Assessed Valuation	General Obligation Bonds			Lease/Purchase Debt	
		Legal Limit for Bonds	Outstanding Bond Debt	Percent of Legal Limit Available	Outstanding Lease/Purchase Debt	Percent of Bond Legal Limit
2015	\$ 349,386,465	\$ 20,963,188	\$ -	100.0%	\$ 5,489,367	26.2%
2014*	339,271,938	20,356,316	-	100.0%	5,830,308	28.6%
2013	355,766,535	21,345,992	-	100.0%	4,969,100	23.3%
2012	388,861,955	23,331,717	-	100.0%	5,317,188	22.8%
2011	433,885,773	26,033,146	-	100.0%	5,650,778	21.7%

*Note: In August of 2013, the District refinanced its outstanding debt, plus acquired an additional million dollars in loan proceeds to fund capital projects. This transaction reduced the debt interest rate from 4.30% to 2.99% and cut the debt service payments by over \$100,00 annually.

Schedule 2-3

Because the District has not previously pursued bond financing, it has not been evaluated by independent bond rating agencies. The District has established financial policies that will help position the organization to achieve a favorable rating if, or when, the time comes to pursue this option, and evaluation is required.

The District does have another form of debt financing available for use in securing larger capital purchases. Lease/Purchase Agreements are an asset secured loan held by a single investor; usually a bank. This form of debt is backed by the full faith and credit of the District and leasehold interests are granted to the bank. The bank, in turn, leases the property back to the District under long-term agreements. Under these agreements, the District is obligated to make lease payments to the bank on a pre-determined schedule until the debt is satisfied. Once the obligations are satisfied, all rights, title and interest in the assets are transferred back to the District. Should the District default on the Lease/Purchase Agreement, the bank may terminate the leases, take possession of, and liquidate, the assets pledged under the agreements and the District is then relieved of any subsequent obligation to the bank.

Lease/Purchase Agreements are not subject to any statutory legal debt limitations. However, debt service payments are required to be paid from the primary tax levy. Since this form of capital funding is paid from the primary tax levy, it is restricted by the District's taxable levy limit. This may prevent the District from entering into agreements for future capital projects that are not currently part of the Capital Projects Replacement Schedule.

The District's outstanding long term debt obligations at June 30, 2015 will total \$5,489,367 with a maturity date of June 2028. The operating budget identifies \$512,738 in principal and interest payments for this debt obligation. Schedule 2-4 outlines the required debt service payments, based on the District's current debt obligation, for FY 2015/2016 and the next five fiscal years.

Outstanding Debt Amortization Schedule by Fiscal Year For the Fiscal Years of 2015/2016 through 2019/2020						
Fiscal Year Ended June 30,	Lease/Purchase Debt		Total FY Debt Service Requirements	Outstanding Debt at Fiscal Year End		
	Principal	Interest				
2016	\$ 351,211	\$ 161,526	\$ 512,738	\$ 5,138,156		
2017	361,791	150,947	512,738	4,776,364		
2018	372,690	140,048	512,738	4,403,675		
2019	383,916	128,821	512,738	4,019,758		
2020	395,481	117,256	512,738	3,624,277		

Schedule 2-4

Accounting, Auditing, and Financial Reporting: District policy dictates the system of internal accounting and internal and external financial reporting that will be adhered to for District financial transactions. The District complies with accounting principles generally accepted in the United States in its accounting and financial reporting, as outlined in the following publications:

- Governmental Accounting, Auditing, and Financial Reporting (GAAFR), issued by the Government Finance Officers Association (GFOA) of the United States and Canada.
- Codification of Governmental Accounting and Financial Reporting Standards, issued by the Governmental Accounting Standards Board (GASB).
- Pronouncements of the Financial Accounting Standards Board,(FASB).



Monthly financial reports are provided for the Governing Board, Fire Chief and all District division and program managers and are reviewed during the District's monthly public meetings. The reports summarize the District's financial activity comparing actual revenues and expenditures with budgeted amounts. Based on changes to the Arizona Revised Statutes which became effective September 1, 2013, all fire districts shall produce monthly financial reports to include the following:

- Register of Checks, Warrants and Deposits
- Statement of Financial Activities (Budget-To-Actual Report)
- Statement of Net Assets
- Cash Flow Projection for the Fiscal Year – Actuals revised monthly
- Bank Statements provided by the financial institution maintaining each account including proof of reconciliation.

The Board must certify in writing, that it has been provided with, and has reviewed each of these reports. During the review of these reports, should any report indicate an adverse impact or deficit in the ongoing operations or liquidity of the District, the Chairman of the Board is mandated to report this deficit in writing and deliver it to the County Treasurer and Board of Supervisors within ten (10) days of the discovery.

A system of internal accounting controls and procedures is maintained to provide reasonable assurance of the safeguarding of assets and proper recording of financial transactions. A comprehensive financial audit is performed annually by an independent public accounting firm with the objective of expressing an opinion on the District's financial statements and their validity. Changes under HB-2572 also mandate that the District must contract with an auditing firm that is in good standing with the Arizona State Board of Accountancy to perform the annual audit. It further stipulates that the auditor must appear in person to present the Governing Board with the audit findings. The District annually reviews federal grant proceeds to determine if an additional comprehensive financial audit of federal grant programs according to the Single Audit and the Federal Office of Management and Budget (OMB) Circular A-133 is required.

Cash Management and Investing: The Maricopa County Treasurer serves as the District's fiduciary agent and is responsible for the management of tax revenues held in an account titled the Fire District General Fund. Maricopa County collects real property taxes and Fire District Assistance Taxes (FDAT) on behalf of the District and the District recognizes tax receipts after notification by the Maricopa County Treasurer. Tax revenues are deposited by the Maricopa County Treasurer into the General Fund account which are invested in a pooled account named the Maricopa County Local Government Investment Pool (MC-LGIP).



The District maintains several cash accounts associated with each of its three main funds. Below is an outline of the associated cash accounts, where they are maintained, and their purpose:

- **General Fund Operations:**
 - **Maintained by Maricopa County Treasurer:**
 - General Fund Account – Property tax revenues and general expenditures
 - Employee Benefit Liability Account – Benefit Liabilities
 - **Maintained at an FDIC insured financial institution:**
 - Secondary General Fund Account – Fees for services
 - Ambulance/Insurance Fund Account – Ambulance transport fees

- Payroll Fund Account - Payroll processing
- **Special Revenue Fund Operations:**
 - **Maintained at an FDIC insured financial institution:**
 - Special Revenue Fund Account – Donations and special programs
- **The Capital Projects Fund**
 - **Maintained at an FDIC insured financial institution:**
 - Capital Projects Fund Account - High Yield Savings
 - SCWFD Project/Operating Accounts - Loan Proceeds Escrow
 - **Maintained by the Arizona State Treasurer:**
 - SCWFD Savings Account - Arizona State Local Government Investment Pool (AZ-LGIP)

All accounts not maintained by the State of Arizona or Maricopa County are managed by the District under the authority of state statute. The District participates in Automated Clearing House (ACH) and check fraud protection, as well as collateralization of its accounts and Federal Deposit Insurance Corporation (FDIC) insurance protection through its financial institutions.

Capital Expenditures (Fixed Assets): The Governing Board has adopted a District Property Stewardship and Capitalization Policy in accordance with parameters outlined in the Governmental Accounting, Auditing and Financial Reporting Manual (GAAFR). This policy establishes a capitalization threshold of \$4,500 and a minimum useful life of more than one year for fixed assets. Fixed assets are purchased through Capital Improvement Plan (CIP) funding. Typically, fixed assets are replacement items as well as new capital items necessary to provide personnel with the tools essential to support the District’s mission, vision, and values in the most efficient and productive manner. All assets are depreciated utilizing the straight-line method and based on continued usefulness as outlined in the capitalization policy. Fixed asset purchases are reviewed annually based on need and in correlation with the District’s Business Plan and the Aging/Replacement Schedule contained in the CIP.



Fund Overviews

North County Fire & Medical District currently uses three major fund groups: the General Fund, the Special Revenue Fund, and the Capital Projects Fund. The General Fund contains required annual revenues and expenditures. The Special Revenue Fund comprises annual revenues and expenditures associated with special programs, and also includes donations and bequests. The Capital Projects Fund is a “savings” account for the Capital Improvement Plan (CIP) which allows for the funding of future capital improvements.

Each fund is considered to be a separate accounting entity which may or may not carry a fund balance. Fund balance is generally defined as the difference between a fund’s assets and liabilities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures as appropriate. The District reports each of these funds as major governmental funds in its financial statements. All District audited financial statements are presented using the modified accrual basis of reporting.

It is important to maintain the relationship between each functional unit of the District and the major funds of the District. This relationship outlines the fund structure and is used for budgeting, accounting and financial reporting purposes. Matrix 3-1 shows the correlation between the District’s functional units or divisions and the major funds that support them.

<u>Use of Funds By Functional Unit</u>	General Fund	Special Revenue Fund	Capital Projects Fund
Fire District Board of Directors	Oversees Fund Management		
Fire Chief	Manages All Operations & Expenditures		
Assistant Chief of Emergency Services/Health & Medical/Support Services	Oversees Assigned Division Expenditures		
Emergency Services Division (Firefighting / Health & Medical Personnel)	Division Expenditures	Paramedic Training	Division Capital Assets
Support Services Division (Apparatus & Facility Maintenance Personnel)	Division Expenditures	N/A	Division Capital Assets
Assistant Chief of Administration/Risk Management	Oversees Assigned Division Expenditures		
Financial Services Division (General Accounting, Payroll Processing & Financial Reporting Personnel)	Oversees Fund Accountability		
Administrative Services Division (District Administration, Human Resources & Customer Service Personnel)	Division Expenditures	N/A	Division Capital Assets
Community Risk Management Division (Fire Marshal, Community Outreach Personnel, Public Education, Fire Prevention & Fire Corps)	Division Expenditures	Special Programs Expenditures (Fire Corps, Child Safety Seats, Public Education)	Division Capital Assets

Matrix 3-1

Chart 3-2 shows the estimated balances of each of the District’s major funds as of June 30, 2015, and the projected revenues, expenditures and fund balance over the course of the coming fiscal year. More detailed descriptions of each of the District’s funds are outlined in the following paragraphs.

Fiscal Year 2015/2016 Estimated Fund Balance Summary*				
Fund	June 30, 2015 Estimated Fund Balance	FY 2015/2016 Estimated Revenues	FY 2015/2016 Estimated Expenditures	June 30, 2016 Estimated Fund Balance
General Fund	\$ -	\$ 14,075,765	\$ (14,075,765)	\$ -
GF Sub-Account: Emp Benefit Liability Fund	\$ 205,354	\$ 63,724	\$ (138,686)	\$ 130,392
Special Revenues Fund	\$ 56,984	\$ 5,000	\$ (2,500)	\$ 59,484
Capital Projects Fund	\$ 3,239,584	\$ 569,509	\$ (433,500)	\$ 3,375,593
Total All Funds:	\$ 3,501,922	\$ 14,713,998	\$ (14,650,451)	\$ 3,565,469

*Estimated as of April 2015

Chart 3-2

General Fund:

The General Fund, or working fund, outlines, in detail, anticipated maintenance and operational revenues and expenditures for FY 2015/2016. The Employee Benefit Liability Account (EBLA) is a sub-account of the General Fund and is managed under its purview. The EBLA account was established to fund District liabilities created by compensated absence balances and other associated employee benefit liabilities. The General Fund’s activities represent the true financial plan for North County Fire & Medical District during the fiscal year. The EBLA maintains a balance at fiscal year-end; however, the General Fund commonly does not in accordance with Arizona Revised Statutes §48-807(L). At the close of the fiscal year, in accordance with District policy, the Governing Board identifies revenues over expenditures to be transferred into the District’s Capital Projects Fund to support future capital needs. However, prior to this fund balance being transferred, it is reduced by unexpended wages and benefits, which are allocated and maintained in the EBLA. The General Fund uses a modified accrual basis for financial reporting and a zero-based budget basis of budgeting which works effectively with the reporting basis.

Special Revenue Fund:

The Special Revenue Fund manages designated, reserved funding for ongoing, usually self-sustaining specialized programs and includes the District’s Fire Corps Program, Child Safety Car Seat Loaner Program, paramedic training grant program, and any other special purpose grants. This account may carry a fund balance, as any revenues received for a specific purpose must only be expended for that purpose and these programs may be extended from year-to-year. The Special Revenue Fund revenues and expenditures depicted in the previous chart are estimated for FY 2015/2016 since revenues received are generally donated and expenditures only occur as necessary to support the

*During last fiscal year,
Risk Management
Division employees & Fire
Corps Volunteers
installed more than 400
Child Safety Seats
through the District’s
Child Safety Seat Loaner
Program.*

associated ongoing programs. The accountability of these funds follows the same documentation and approval requirements as used to administer the District’s General Fund transactions. The Special Revenue Fund also uses the modified accrual basis of financial reporting. However, due to the nature of this fund, budgeting is not necessary.

Capital Projects Fund:

The Capital Projects Fund is, in effect, the District’s “savings” account and was established through Board action to support the Capital Improvement Plan (CIP). It is designed to fund future capital purchases. Revenue sources for this fund include transfers from the General Fund as allocated through the Capital Projects Funding Account, Loan Proceeds, and interest earnings. All un-allocated fiscal year end General Fund revenues over expenditures, including non-utilized contingency funds, are transferred directly into the Capital Improvement Plan in accordance with District policies. This account may carry a fund balance from year-to-year as capital projects may encompass many years. Financial Reporting for this fund is done using the modified accrual basis and budgeting is generated using the zero-based budgeting system.

The District annually revises and publishes a Capital Improvement Plan as a section within the five-year Business Plan document that outlines specific projected capital expenditures. Capital expenditures, although recommended, are approved on an individual basis by the Governing Board. The District’s Business Plan is presented to the Board for adoption in April of each year. The CIP section of this document is recognized as a guide for recommended capital asset purchases and replacements only. At the appropriate time, each of the suggested capital asset purchases and/or replacements is presented to the Board for review, discussion and possible action. The Board then provides guidance regarding each asset purchase and authorizes each transaction individually.

However, due to the nature of capital expenditures and their potential impact on future general fund expenditures, the FY 2015/2016 recommended capital projects are summarized in schedule 3-3 and discussed in more detail in the paragraphs that follow.

FY 2015/2016 CIP Projects Expenditure Details		
CIP Project Description	Project Expenditures	Funding Source
<u>Scheduled Replacement Items</u>		
Traffic Pre-Emption Device (1)	\$ 4,500	Capital Projects Fund Balance
SCBA Breathing Air Compressor Replacement (Grant)	\$ 75,000	Grant Funds / Capital Projects
Pneumatic Extrication System (Grant)	\$ 15,000	Capital Projects Fund Balance
Training Room AV Equipment Replacement (Grant)	\$ 70,000	Grant Funds / Capital Projects
Thermal Imaging Camera	\$ 15,000	Capital Projects Fund Balance
ePCR System Hardware (3) (Grant)	\$ 12,000	Grant Funds / Capital Projects
Nurse Practitioner Equipment	\$ 35,000	Capital Projects Fund Balance
Computer / Network / Software Requirements	\$ 40,000	Capital Projects Fund Balance
Automatic Compression Device (5) (Grant)	\$ 75,000	Grant Funds / Capital Projects
<u>Additional Capital Project Items</u>		
Dual Compartment Fuel Tank [104]	\$ 19,000	Capital Projects Fund Balance
Relocate & Install Fuel Tank from [101] to [104]	\$ 8,000	Capital Projects Fund Balance
Renovations for Ambulance Billing/Nurse Practitioner	\$ 25,000	Capital Projects Fund Balance
Facility Painting (Interior/Exterior) [A/FS]	\$ 35,000	Capital Projects Fund Balance
Large Appliance & Equipment Replacements	\$ 5,000	Capital Projects Fund Balance
Total Capital Projects Expenditures:	\$ 433,500	

Schedule 3-3

Scheduled Replacement Items:

Traffic Pre-Emption Devices (\$4,500 / Completion: June 2016): Traffic Pre-Emption Devices are used by the District for communication between apparatus and traffic signals to increase the safety of District personnel and the public as well as to reduce emergency response times. This device, when in use, controls traffic signals for the passage of apparatus when responding to an emergency call. This capital projects item has been added to the CIP for the replacement of current systems and the purchase of additional systems to outfit added intersections within District boundaries. The District works closely with the Arizona Department of Transportation and Maricopa County to project potential new intersections and major repairs or replacements of currently existing traffic signal systems within the District's boundaries.

Self-Contained Breathing Apparatus (SCBA) Breathing Air Compressor Replacement – Grant Funds (\$75,000 / Completion: June 2016): The District purchased the current Self-Contained Breathing Apparatus (SCBA) Air Compressor in 2006 (9 years ago). Over the past six years, the compressor has had increased maintenance issues which have averaged \$2,000 per year. Continued issues with this compressor have created extensive down times and reliability problems that have limited the ability to properly refill the SCBA bottles on site which has necessitated the District relying on the Surprise and Sun City fire departments to refill its SCBA bottles. This is a mission critical piece of equipment for fire operations. The District has submitted a grant application for the replacement of this system. Should the grant request be successful, a 10% matching stipulation would require Capital Projects funding of approximately \$7,500.

Pneumatic (Air Bag) Extrication System Replacement– Grant Funds (\$15,000 / Completion: June 2016): The District currently has two Pneumatic (Air) Bag Extrication Systems in operation. The oldest of these systems was purchased in 2001 with the assistance of a Governor's Office of Highway Safety grant and is in need of replacement. This equipment is primarily used in the stabilization of damaged automobiles and extrication of accident victims during rescue operations. These air bags are deployed individually or in tandem. Inflation of this high pressure pneumatic system is both powerful and quick and can displace several tons of weight safely and efficiently. The District plans to submit a grant application for the replacement of the oldest system. Should the District be awarded this grant, a 10% matching stipulation would require Capital Projects funding of approximately \$1,500.

Training Room Audio Visual Equipment Replacement – Grant Funds (\$70,000 / Completion: June 2016): The District utilizes electronic audio visual equipment for various functions including Board meetings, staff meetings, video conferencing, public information events, and training – both for employees and residents. These systems allow interaction between District personnel, between the stations and the administrative offices, as well as regional training opportunities, multi-district collaboration and enhancement to the safety of firefighters and the community. This system utilizes communication between computer and server data systems, the

internet, and other forms of media. Some components associated with the current equipment are five or more years of age and in need of replacement. Bullhead City Fire District has submitted a Regional FEMA Grant Application on behalf of nine fire districts in Arizona, including NCFMD. Should the District be awarded this grant, a 10% matching stipulation would require Capital Projects funding of approximately \$7,000.

Thermal Imaging Camera (TIC) (\$15,000 / Completion: June 2016): The District utilizes Thermal Imaging Cameras (TIC's) to facilitate and expedite many of the tasks performed on the fire ground or during rescue operations. TIC's have proven fast and efficient in locating trapped victims within a smoke-filled structure. In addition, they are also used to locate the source of fire within the walls, ceiling and attic of a building. By locating 'hot spots' quickly, fire operations can be performed rapidly and in a localized manner; especially during the overhaul stage of operations. This can limit the number of inspection holes necessary to locate active fire and the overall damage that results from battling a structure fire.

The District currently has 5 TIC's in operation: one on each Engine, the Ladder, the Ladder Tender and the Battalion Chief's unit. The manufacturer recommends replacing these cameras every ten years and will no longer sell or support the charging stations or other components past that time period. Due to the increasing cost of repairing older cameras with older technology, the decrease in performance in the aging TIC's, and the significant purchase price; the District added these equipment items to the CIP replacement schedule. The replacement of these cameras is now programmed on a rotation for one camera replacement every other year. This will ensure that the District will have no camera older than 10 years while minimizing the impact on the District's annual budget.

The TIC scheduled to be replaced in FY 15/16 is more than ten years old, very cumbersome (weighing approximately 10 lbs.), and the technology is extremely outdated including a black and white monitor. The proposed replacement camera weighs approximately 4 lbs., has a full color monitor, color-associated temperature scales and telemetry sharing capabilities. The new features increase the camera's effectiveness and ease of use on the fire ground. The telemetry capabilities allow the operator to share live images with a remote viewer such as the fire ground commanders and scene safety officers.

Electronic Patient Care Reporting (ePCR) Hardware – Grant Funds (\$12,000 / Completion: June 2016): The District utilizes ruggedized computer tablets for maintaining access to the electronic patient care reporting program (ePCR). The tablets have proven to be very durable in the field environment. The District will need to outfit a paramedic engine and two ambulances with ePCR hardware for properly documenting injured and critically ill patient information and the treatment provided. Three new ePCR tablets, with heavy-duty protective cases and extended warranties are planned for purchase. The District has submitted a grant application for the replacement of this equipment. Should the District be awarded this grant, an in-kind matching stipulation would require Capital Projects funding of approximately \$1,740.

Nurse Practitioner Equipment (\$35,000 / Completion: June 2016): The District's new Community Integrated Healthcare Program places an emphasis on primary and preventative care, linked with community provider services. A Nurse Practitioner (NP) will be available to provide the District's citizens and employees with an advanced level of medical care. The District will make an initial investment in equipment and supplies to be utilized by the NP. This equipment would supply a Community Health Clinic and include equipment such as an otoscope, scales, exam table, initial medical supplies, pharmaceutical provisions, and treatment supplies. This would also enable the Nurse Practitioner to perform annual employee physicals and fit-for-duty exams on site and, to some extent, treat minor on-the-job injuries and illnesses.

Computer/ Network / Software Requirements: Microsoft Office Software Upgrades (\$15,000 / Completion: June 2016): The District utilizes a variety of computer software programs to complete day-to-day operations. One of the most widely used software programs is Microsoft Office which includes Word, Excel, PowerPoint and Publisher. This software program, like any other, utilizes a system of version releases. The District must plan for the purchase of new versions of software periodically in order to maintain effective usability. Some examples of this vital software include upgrading Microsoft Office 2010, Windows 7, and Outlook version 2010; most of which would likely be migrated to the 2014 version.

Computer/ Network / Software Requirements: Billing Software System (\$25,000 / Completion: June 2016): Effective in FY 2015/2016, the District is planning to bring billing services in-house, resulting in increased efficiency, significant savings, and expanded services to the District's internal and external customers. This will necessitate the purchase of specialized software that will interact with the District's current electronic patient care reporting (ePCR) software, Medicare, Medicaid, the Arizona Health Care Cost Containment System (AHCCCS), the HealthCare Marketplace, and various other health insurance providers. This software system will be required to maintain critical updates to the national medical billing coding systems and legislative changes throughout the year.

Automatic Compression Devices – Grant Funds (\$75,000 / Completion: June 2016): The automated compression device is a safe and efficient tool that standardizes chest compressions in accordance with the latest scientific guidelines. It provides chest compressions that are consistently sustained for all patients regardless of the duration of compressions, transport conditions, and any other variables. It also eliminates degradation of compression effectiveness due to rescuer fatigue. Additionally, through the use of this device, rescuers are able to focus on other life-saving techniques, creating additional treatment opportunities.

Automated chest compression devices also facilitate a greater level of safety for emergency responders during patient transport. Personnel may remain seat belted at all times during the transport allowing better protection in the event of a collision or evasive maneuvers performed by the ambulance driver in route to the hospital.

Through a community partnership, the District plans to purchase five (5) Automatic Compression Devices through a 50/50 cost split which would require Capital Projects funding of approximately \$37,500.

Large Appliance and Equipment Replacements (\$5,000 / Completion: June 2016): The District operates a total of six facilities. Each facility contains multiple appliances (refrigerators, dishwashers, extractors, etc.) and various large item equipment such as back-up generators and evaporative coolers. As these appliances and large equipment items age, replacement is necessary to maintain operations.

Additional Capital Projects Items:

Dual Compartment Fuel Tank [101] / Relocate & Install Fuel Tank [104] (\$27,000 / Completion: June 2016): The District currently maintains a 1,000 gallon diesel fuel dispensing tank at Station 101. There are no commercial fueling facilities within the immediate vicinity of Station 104. By relocating the current fuel tank from Station 101 to Station 104 and purchasing a dual compartment fuel tank to be installed at Station 101, 104 apparatus will not be required to travel outside of their first due response area for refueling purposes. The new dual compartment fuel tank is estimated to provide 1,000 gallons of diesel fuel for larger apparatus and 500 gallons of unleaded fuel for smaller vehicles and ambulances. The new tank will also require a new electronic tracking and pumping system.

Administrative Office Renovations (\$25,000 / Completion: June 2016): The administration facility was constructed in 2006. With the expansion of District services to include the Community Integrated Healthcare Program and in-house billing, the District's Administrative facility will require minor renovations to the reception area and blood pressure room to accommodate the new services.

Interior and Exterior Facility Painting – Administrative Offices (\$35,000 / Completion: June 2016): Since becoming fully operational in November of 2006, the administrative/maintenance facility has not been painted. With the ten year anniversary of this building approaching, both the interior and exterior surfaces of the building are showing wear and tear. Repainting both inside and outside will not only improve the aesthetics of the facility, but will also reinforce the District's professional image. The new paint also reduces the potential for interior wall problems and exterior degradation of the structure, supports the general maintenance of the building, and positively impacts the working environment of the District's employees and volunteers.



Budget Summary Section

Economic challenges continue for Arizona fire districts. Although property values are beginning to rebound, legislative and voter initiated changes which establish strict limitations on property tax levies and property valuation increases will create ongoing financial constraints for the District.

Just as with FY 2014/2015, the Board has provided key policy directives and goals for consideration during the FY 2015/2016 budget process. Given the forecast for only minimal assessed valuation increases, the Board has directed staff to present a budget that maintains core services but that continues to exclude any “non-essentials.” It was emphasized to section managers that the expectation was that staff and employees would continue to be expected to hold the line on expenses and do more with less where possible.

Many financial factors were considered when preparing the FY 2015/2016 Budget and Operational Plan. Various factors include:

Challenges	Response Strategy
Arizona Revised Statutes limitations for Fire District Funding, specifically Property Tax Levy Limits, restricting the annual levy increase to 8%.	Vigilant expenditure planning for both current and future fiscal years and the development of sustainable alternative revenues to decrease dependency on property taxes.
A.R.S. fire district tax rate cap of \$3.25. Increasing millage (MIL) or tax rates due to changes in the economic environment and continued constraints on property valuation which directly impact the District’s Net Assessed Value (NAV).	Continue long-term revenue projections to monitor the forecasted NAV (provided by Maricopa County) for its impact on the MIL (Tax) rate to ensure the District will not exceed the legal limit. Look at feasibility of shared services with neighboring agencies.
Voter approved Proposition 117 moves District Taxation from the Secondary Assessed (full cash) Valuation to the Primary Assessed (limited) Valuation and limits assessed valuation increases by 5% annually beginning in the 2015 tax year which resets the District’s NAV.	Adjust for the change in the District’s NAV in tax year 2015 during the FY 2015/2016 budget process and through long-term financial planning and exploring various cost saving methodologies.
Changes in population demographics (i.e., age and family structure), population density, or other service-level indicators such as increased call demand, type of emergency, elevated demand for inter-facility non-emergency transports, and the addition of the Community Integrated Healthcare Program.	Continue data driven statistical analysis of variations in population, emergency responses, response times, and other service indicators impacting service demands. Adjusting the long-term forecast to include the impacts of expanded services, including inter-facility non-emergency transports and the Community Integrated Healthcare Program.

Changes in legislation and public opinion.	Continually monitoring pertinent legislative alterations (state, county, etc.) and their possible impacts on the District. Monitor public expectations and opinions through customer feedback and active community involvement.
Changes in medical reimbursement laws resulting from the passage of the Health Care Reform Bill and state legislation which may affect ambulance service revenues.	Ongoing monitoring of legislation related to medical reimbursements. Applying for annual increases in ambulance transport fees and continuing to review opportunities for expanding reimbursable activities.
Annexations contributing to the expansion of the District's boundaries, revenue opportunities, and service demand.	Proceed with exploration of District boundary expansion to assist in tax burden stabilization for District residents. Ensure the District maintains appropriate service levels for all District residents.

The revenue and expense charts in the pages that follow outline the overall financial plan for FY 2015/2016. The total budgetary expenditures are projected to be \$14.08 million, which includes a contingency/reserve of \$350,000. The budget, as presented, results in an increase of approximately 6.3% over the prior budget year. Although the District's Net Assessed Value (NAV) increased 5.8% for the 2015 tax year, the millage rate (MIL) is projected to decrease by approximately six cents. These factors combined with the increase of unrestrained expenditures such as insurance, dispatching fees, and statutorily mandated retirement contributions, impact the District's budget. Additionally, the median valued home increased in value; therefore, the District's residential property owners may realize a slight increase of 2.3% in their District tax.

The FY 2015/2016 Budget and Operational Plan presents a responsible financial plan that enables the District to continue to deliver its vital services at present service levels but eliminates "nice to haves" in exchange for "have to haves." Examining any possible expenditure reductions is an integral part of this year's budget balancing strategy. Reductions were not applied on an across-the-board basis. Instead, District management requested reductions focused on preserving the District's core services while reducing or eliminating non-essential funding wherever possible. Summary tables and detailed listings of the various budget category reductions are listed throughout this budget document.

Over the course of the last six years, beginning with the 2009 tax year, the District's Net Assessed Valuation (NAV) decreased an average of 7.6% per year, generating an overall 32.8% decrease in the NAV and a loss of over \$165 million in value. However, for the first time since 2008, the District's NAV increased by 3.0% during Fiscal Year 2014/2015. The District's NAV is calculated to increase by another 5.8% for FY 2015/2016, a 4.0% reduction from the initially projected increase. This decline resulted from the 2012 voter approved Proposition 117 legislation which altered the method used to calculate fire district tax levies. Previously, tax revenues were based on the Secondary Assessed Value (full cash value) of a property. Property tax revenues are now based on the Primary Assessed Value (limited property value) which is a lower valuation. Moving forward, property values are now restricted to a maximum annual

increase of no more than 5% plus growth and/or property annexations by the District.

Chart 4-1 demonstrates the NAV history since the District's inception. Prior to Fiscal Year 2009/2010, in which the District realized a 9.7% reduction in NAV, the District had historically experienced 11.6% average annual increases. The highest reduction of 10.4% occurred during FY 2011/2012. The largest increase in the District's NAV was 56.3% in FY 2007/2008. It is important to note that the net effect of the previous year's valuation declines were greatly offset by the annexations completed by the District beginning in 2010 and the years since. These annexations have resulted in \$48.7 million in additional value to the District over the last several years.

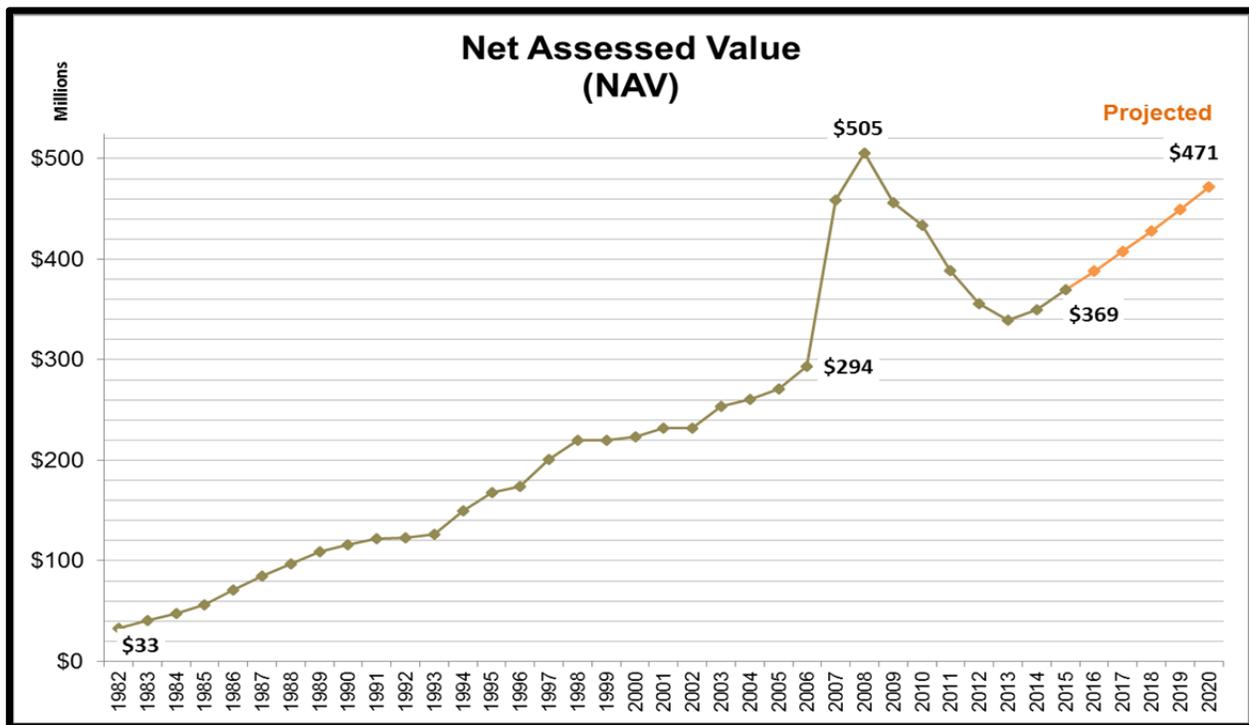


Chart 4-1

The District has developed a balanced budget for FY 2015/2016 totaling \$14,058,842 which seeks to sustain core services while reducing expenditures that may be considered discretionary. The FY 2015/2016 budget has an increased focus on generating augmented alternative revenues through additional service programs and decreasing expenditures through the transition of processes such as external ambulance billing and mandated employee occupational physicals to internal processes. These programs, combined with the current alternative revenue producing programs such as both emergency and non-emergency ambulance transport revenues, contractual and miscellaneous program revenues, are predicted to provide total funding for FY 2015/2016 in the amount of \$3,110,052, an increase of over \$456,000 which is approximately 17.2%, over FY 2014/2015. This increase in alternate revenues assists in reducing the District's dependence on property taxes and helped in minimizing the increase of the tax levy to 3.7% over the previous year, requiring a total property tax levy of \$10,566,435.

The District's budgeting is utilizes a modified accrual basis of accounting, described as the act of recording expenditures at the time liabilities are incurred and recording revenues when measurable and available. This coincides with the District's audited financial statements which are also presented using the modified accrual basis of reporting.

Non-Financial Goals and Objectives

Financial policies are essential to the effective fiscal management of the District. However, they must be coupled with strategic, long-term non-financial planning processes in order to support an effective organization. The District uses three core documents to facilitate a long-range planning process and to update its goals and objectives annually. These Core Documents are identified as the Strategic Plan, the Business Plan, and this Annual Budget and Operational Plan. The Strategic Plan is a foundation document that serves as a blueprint to build and improve the organization. The Strategic Plan provides a vision based framework for the District that will be evaluated and updated every five years. The Business Plan covers the five year projection period of the Strategic Plan and is reviewed and revised annually in conjunction with the annual budget process. The Action Item Objectives, outlined in detail within the Strategic Priorities in the Business Plan assist in determining the prioritization of budget requests and the overall allocation of resources. The Strategic Plan and the Business Plan are developed collaboratively through participation and input from the Board, administrative and management staff, employee representatives, and District residents. Progress towards planned goals is evaluated on a regular basis and during the update process.



External factors such as the national or regional economy, demographic and statutory changes, legislation, are all considered when updating or setting new goals and objectives. The District also uses a SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats) to guide the development of the strategic priorities, and the Action Items and Objectives detailed in the Strategic Plan and the Business Plan. During the previous fiscal year and in preparation for the 2011–2016 Strategic Plan update and the generation of the new Business Plan, the District incorporated

recommendations resulting from the Center for Public Safety Excellence (CPSE) Commission on Fire Accreditation International (CFAI) Fire District Accreditation Evaluation Process. The following are the 2011-2016 Strategic Priorities as outlined in the Strategic Plan:

1. Community Outreach & Partnerships
2. Financial Sustainability
3. Resource Development & Deployment
4. Personnel Development
5. Infrastructure

The District's Strategic Priorities are further distilled in the five-year Business Plan through a series of detailed Action Items and Action Item Objectives used as benchmarks to measure progress towards goal completion each year. Each Strategic Priority includes Strategic Components with associated Action Items which are listed below:

Strategic Priority #1: Community Outreach & Partnerships

- Strategic Component – Customer Service
 - Action Item 1.1 – Community Education & Relations
- Strategic Component – Citizen Health & Safety
 - Action Item 1.2 – Community Assistance Program
 - Action Item 1.3 – Fire Prevention / Investigations
- Strategic Component – Collaborative Community Partnerships
 - Action Item 1.4 – Fire Corps Volunteer Program

Strategic Priority #2: Financial Sustainability

- Strategic Component – Alternative Revenue Sources
 - Action Item 2.1 – Merger / Functional Consolidation / Partnerships
 - Action Item 2.2 – Operational Funding / Cost Savings & Recovery
- Strategic Component – Resource Maximization
 - Action Item 2.3 – Planning / Forecasting / Service Area Expansion
- Strategic Component – Cost Effectiveness
 - Action Item 2.4 – Alternative Work Schedules or Locations
 - Action Item 2.5 – Recycling / Conservation Program

Strategic Priority #3: Resource Development & Deployment

- Strategic Component – Response Capacity / Capability
 - Action Item 3.1 – Mapping / GIS
 - Action Item 3.2 – Disaster Preparedness
- Strategic Component – Service Delivery & Resource Allocation
 - Action Item 3.3 – Fire District Accreditation
 - Action Item 3.4 – Ambulance Operations Accreditation
 - Action Item 3.5 – Incident Response Quality Assurance
 - Action Item 3.6 – Emergency Response / Effective Deployment of Resources

- Action Item 3.7 – 800 MHz Communication System
- Action Item 3.8 – EMS Standards & Legislation
- Strategic Component – Operational Partnerships
 - Action Item 3.9 – Fire Service Leadership / Regional Consistency & Coordination

Strategic Priority #4: Personnel Development

- Strategic Component – Knowledge & Skills
 - Action Item 4.1 – Personnel Training
- Strategic Component – Recruitment & Retention
 - Action Item 4.2 – Human Resources / Personnel Retention
 - Action Item 4.3 – Recruitment
 - Action Item 4.4 – Management & Leadership / Succession Plan
- Strategic Component – Well Being
 - Action Item 4.5 – Employee Fitness and Wellness
 - Action Item 4.6 – Risk Management / Health & Safety

Strategic Priority #5: Infrastructure

- Strategic Component – Facilities, Apparatus & Equipment
 - Action Item 5.1 – Facilities Renovation / Expansion Program
 - Action Item 5.2 – Facilities Preventative Maintenance Program
 - Action Item 5.3 – Apparatus Preventative Maintenance Program
 - Action Item 5.4 – Fire Equipment
 - Action Item 5.5 – EMS Equipment
 - Action Item 5.6 – Training Site
- Strategic Component – Information Technology Utilization
 - Action Item 5.7 – Review & Enhance Internal Communication Mechanisms
 - Action Item 5.8 – Administration Paperless System
- Strategic Component – Repeatable & Accountable Organizational Processes
 - Action Item 5.9 – District Policies & Standard Operating Procedures
 - Action Item 5.10 – Data & Records Management

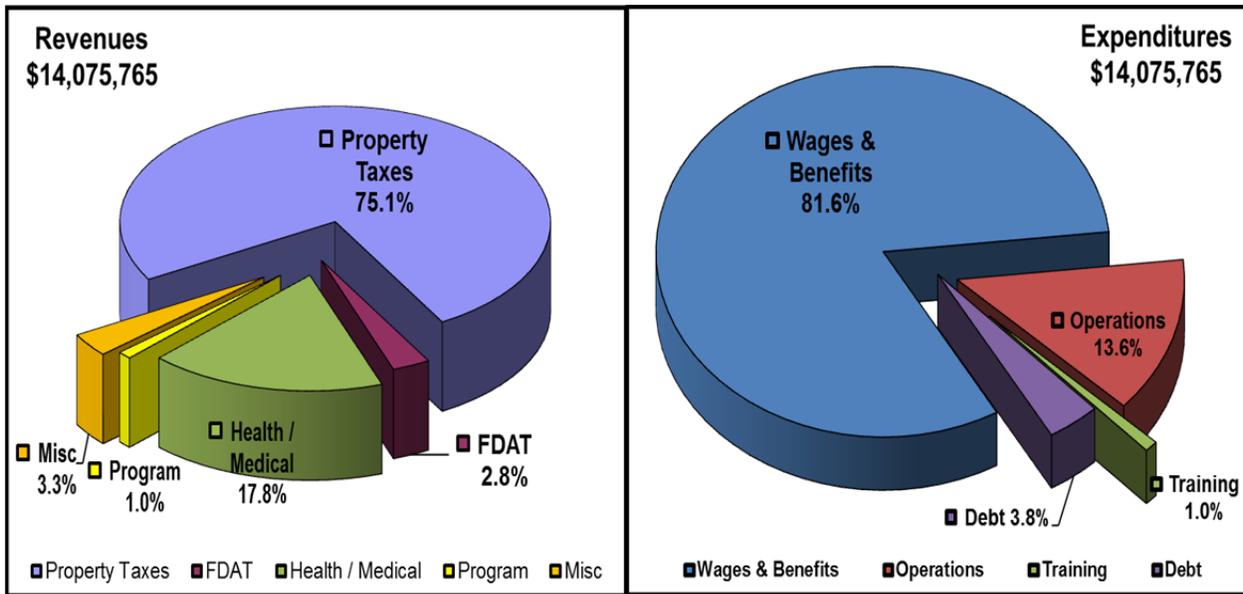


Budget Overview– Revenue & Expenditure Summary

The FY 2015/2016 Annual Budget and Operational Plan specifically impacts the General Fund only and is outlined in detail throughout the following pages of this document. The table below, and the charts that follow, provide an overview of the projected revenues and expenditures. Included for comparison are Fiscal Year 2013/2014 actual revenues and expenditures, the FY 2014/2015 adopted budget, the estimated revenues and expenditures for the FY 2014/2015 budget, and the variance between the current fiscal year budget and the adopted FY 2015/2016 budget.

This table also presents an overview of the General Fund Balance and the anticipated impact that operations will have on the balance of FY 2014/2015 and adopted FY 2015/2016. The Beginning Fund Balances, Adjustments for Modified Accrual Basis Reporting & Transfers, followed by the Ending Fund Balances are listed for each fiscal year. It is the policy of the District that all unallocated revenues over expenditures remaining at fiscal year-end, less those allocated to the Employee Benefit Liability Account (EBLA), are committed to support the Capital Improvement Plan (CIP) and are consequently transferred into the Capital Projects Fund each year. These transfers generally occur upon completion of the auditing process in late November and any remaining fund balance in the General fund is generally attributed to outstanding accounts payable and receivables and miscellaneous prepaid expenditures. Note that the all italicized numbers are estimated.

General Fund						
July 1, Beginning Fund Balance: \$ 1,350,675 - \$ 2,470,223 \$ 2,100,573 - -						
Revenue Projections						
Description	FY 2013/2014 <i>ACTUALS</i>	FY 2014/2015 ADOPTED	FY 2014/2015 <i>ESTIMATED</i>	FY 2015/2016 ADOPTED	Budget Variance	% of Change
Property Taxes	\$ 9,959,620	\$ 10,193,883	<i>\$ 10,142,914</i>	\$ 10,566,435	\$ 372,552	3.7%
Fire District Assistance Tax (FDAT)	\$ 396,645	\$ 400,000	<i>\$ 398,000</i>	\$ 400,000	\$ -	0.0%
Health & Medical Revenues	\$ 2,059,604	\$ 2,029,892	<i>\$ 2,349,605</i>	\$ 2,499,594	\$ 469,702	23.1%
Program Revenues	\$ 219,911	\$ 152,175	<i>\$ 208,047</i>	\$ 146,599	\$ (5,576)	-3.7%
Miscellaneous Revenues	\$ 397,750	\$ 471,676	<i>\$ 607,367</i>	\$ 463,137	\$ (8,539)	-1.8%
Total Revenues:	<i>\$ 13,033,530</i>	\$ 13,247,626	<i>\$ 13,705,933</i>	\$ 14,075,765	\$ 828,139	6.3%
Expenditure Projections						
Description	FY 2013/2014 <i>ACTUALS</i>	FY 2014/2015 ADOPTED	FY 2014/2015 <i>ESTIMATED</i>	FY 2015/2016 ADOPTED	Budget Variance	% of Change
Wages & Benefits	\$ 9,755,035	\$ 10,583,312	<i>\$ 10,519,588</i>	\$ 11,487,979	\$ 904,667	8.5%
Operating Expenditures	\$ 1,509,968	\$ 2,020,148	<i>\$ 2,101,911</i>	\$ 1,919,852	\$ (100,296)	-5.0%
District Training & Development	\$ 64,306	\$ 111,776	<i>\$ 94,228</i>	\$ 135,544	\$ 23,768	21.3%
Debt Service	\$ 645,612	\$ 532,390	<i>\$ 532,390</i>	\$ 532,390	\$ -	0.0%
Total Expenditures:	<i>\$ 11,974,921</i>	\$ 13,247,626	<i>\$ 13,248,117</i>	\$ 14,075,765	\$ 828,139	6.3%
Adjustments for Modified Accrual Basis Reporting & Transfers:	\$ 60,939	-	<i>\$ (827,466)</i>	<i>\$ (2,100,573)</i>	-	-
June 30, Ending Fund Balance:	\$ 2,470,223	-	<i>\$ 2,100,573</i>	\$ -	-	-
<i>(Estimated)</i>						



These revenue and expenditure summaries represent the District’s costs for providing efficient and effective services. While the overall budget has been increased, a significant portion of these increases are out the control of the District. A brief overview of each revenue and expenditure category will be discussed below. Detailed information regarding each section is also provided within the document.

Revenue Overview:

- Property Taxes:** Property Taxes constitute the majority of the District’s revenues, totaling just over 75.1% for FY 2015/2016; a reduction from the previous year’s 76.9%. As demonstrated in Chart 5-1, the District has increased efforts to lessen dependency on tax revenues by researching and implementing alternative revenue generating programs.

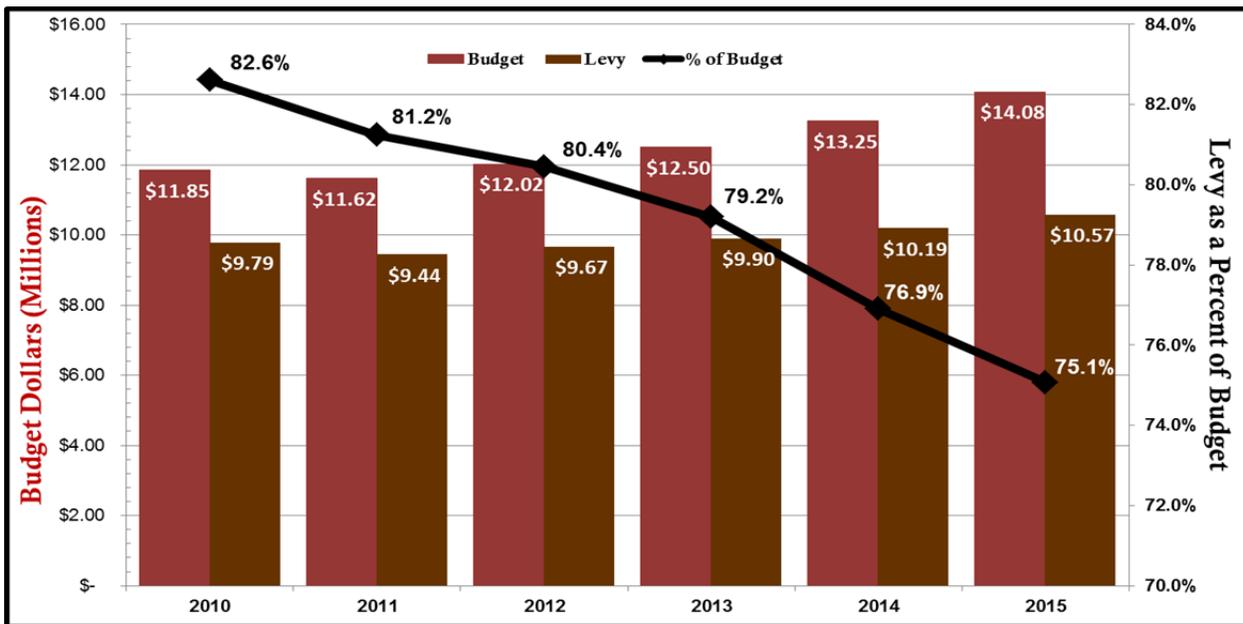


Chart 5-1

- **Fire District Assistance Tax (FDAT):** FDAT has been statutorily established with a maximum allowable limit per fiscal year of \$400,000 or 20% of a District's property tax levy, whichever is the lesser amount. FDAT makes up approximately 2.8% of the District's overall revenue budget.
- **Health & Medical Revenues:** Health & Medical Revenues provide a significant amount, approximately 17.8%, of the District's revenues. This budget presents increased ambulance/insurance revenue projections for the coming fiscal year, as a result of emergency transports and the development of the District's inter-facility non-emergency transport services. This expansion in services has proven to have an increasingly positive impact on these revenues. Additionally, these revenues will be enlarged through alternative health and wellness revenues generated from the introduction of the Community Integrated Healthcare Program and the Nurse Practitioner.
- **Program Revenues:** These revenues encompass the majority of the District's Fees for Services and include construction fees for building plan reviews and construction permits, operational fees for annual fire inspections, fees for fire prevention services, state wildland revenues, and special program revenues associated with the District's lockbox and smoke alarm programs. The District is projecting a 3.7% decrease in this revenue category for next fiscal year.
- **Miscellaneous Revenues:** Miscellaneous revenues include revenues generated from contracts for service, the Glendale Fire Department Helicopter Air-Medical & Logistics Operations (HALO) Program Agreement, cell tower leases, bank account interest, sale of surplus assets, and revenues associated with the Fire Insurance Premium Revenues distributed by Public Safety Personnel Retirement System (PSPRS) from the Fire Fighter Relief and Pension Funds. This revenue account also tracks transfers from the Employee Benefit Liability Account (EBLA). This account is expected to experience a 1.7% decrease for FY 15/16 and amounts to approximately 3.3% of the District's revenues.



HALO-151

Expenditure Overview:

- **Wages & Benefits:** Wages and Benefits are projected to increase by 8.6% for FY 15/16. A significant portion of this increase is attributed to the addition of three full-time employees associated with the new In-House Billing and Community Integrated Healthcare Programs. A large portion of these expenses are expected to be offset by expense by other expense reductions and additional revenues. Benefit contribution requirements governed by state statute and other items such as increases in health insurance premiums also contributed to this variance. This budget also includes a 1.7% Cost of Living Allowance (COLA) for District employees.
- **Operating Expenditures:** While numerous budgetary accounts were either maintained or decreased in an effort to control expenditures, the introduction of the new In-House Billing and Community Integrated Healthcare Programs created significant reductions in previously outsourced expenditures areas and contributed to an overall decrease of 6.0% in the operational expenditure section. Some of the most significant changes are associated with asset and liability insurances, repairs and maintenance of District facilities and apparatus, supplies, and utilities. Additionally, operating expenses for Station 104 are included for the full term of the budget. There were also significant increases in computer software licensing requirements for the coming year associated with the new Community Integrated Healthcare and In-House Billing programs. However, these expenditures are projected to be offset by a combination of increased revenues and decreased expenditures from these new programs.
- **District Training & Development:** Training and development of the District employees is an investment in the District's most valuable asset. Training requirements associated with the Nurse Practitioner and the two new billing personnel along with ongoing training requirements such as re-certifications and personnel development resulted in a 21.3% increase.
- **Debt Services:** Debt Service expenditures were maintained for the coming fiscal year. The debt service payments are fixed for the duration of the lien, terminating in June of 2028. The Capital Projects Funding has also been maintained for the coming fiscal year resulting in no variances to this area of the budget.

Each budget year brings unique challenges as the District strives to provide the most effective emergency response and risk management services to its residents while maintaining excellent fiscal stewardship. The local economy is beginning to recover from the negative impact of recent years. Therefore, the District realized an increase in NAV of 5.8% for fiscal year 2015/2016 and new development within the boundaries has commenced. Although the Maricopa County Assessor's office had projected a 9.8% increase in the NAV for 2015/2016, the passing of Prop 117 during 2012 reduced this projection by 4.0%. This is a result of the transitioning of the tax base from the Secondary Assessed Value (full cash value) to the Primary Assessed Value (limited value) for property tax calculations. Prop 117 further limits the growth of the Primary

Assessed Value to a maximum of 5% per year going forward.

Because of the District’s significant dependence upon property tax revenues levied on assessed valuations, revenue growth remains a challenge. In addition to the revenue growth restrictions, the District is experiencing escalating expenses due to an increase in demand for service. Overall, the District has produced a budget that allows the District to continue delivering outstanding emergency fire, medical and rescue services to District citizens in a fiscally conservative and prudent manner. Chart 5-2 provides a comparison of the District’s adopted MIL (tax) rates and estimated annual tax bills paid by the median valued homeowner for each of the last eleven years. It is important to note that variances in the tax rate is a factor generated by the combination of fluctuations in the Net Assessed Value (NAV) and changes in required levy. The District’s annexation efforts over the last ten years has assisted in reducing these variances in tax rates and kept them from directly translating into negative impacts in the estimated annual tax bill for median valued homeowners. In fact, these efforts have decreased the tax bill by \$100 between FY 2005/2006 and FY 2015/2016.

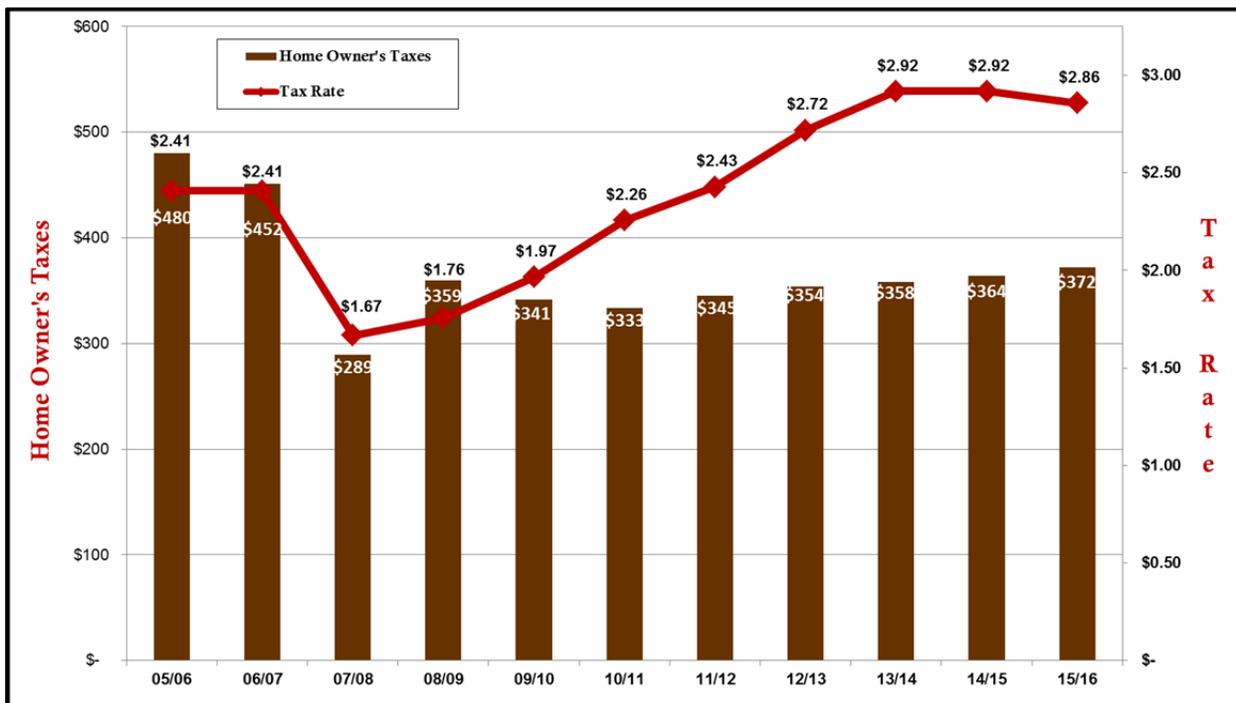
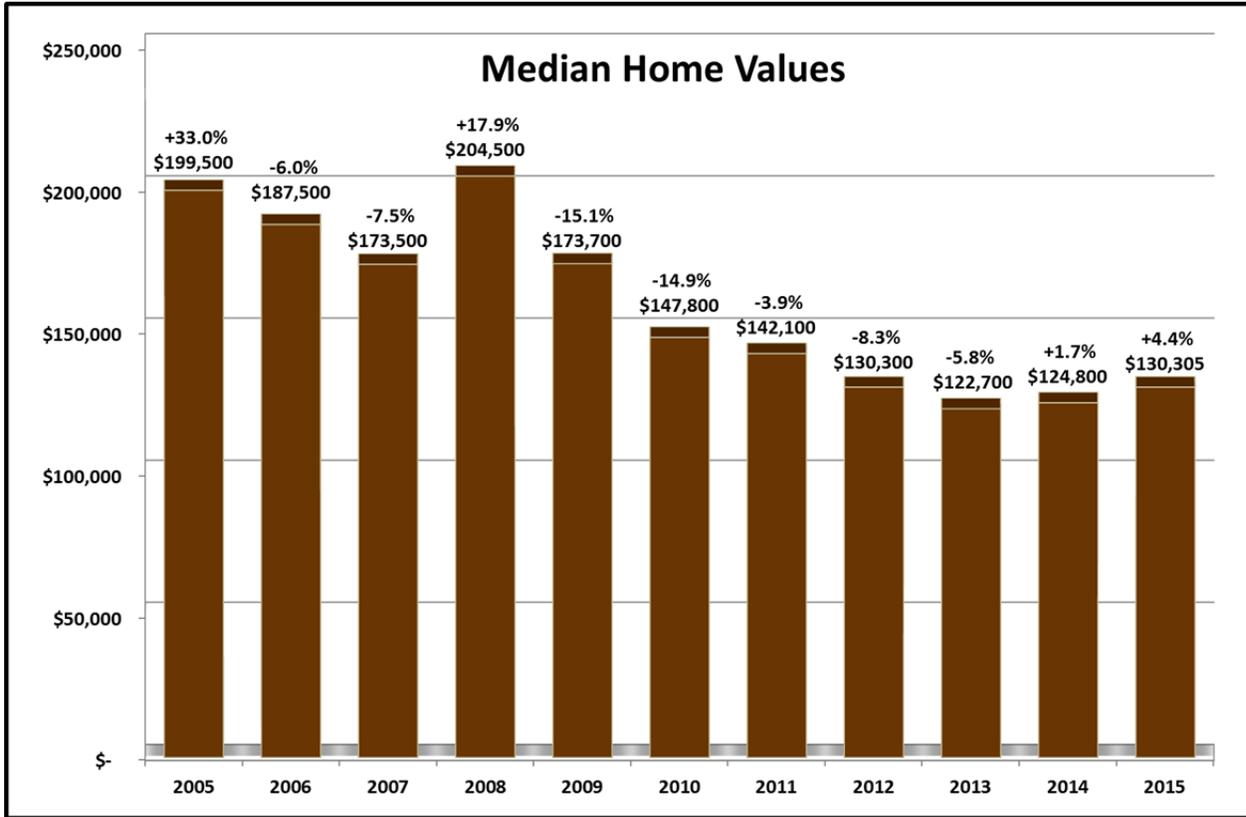


Chart 5-2

Chart 5-2 displays the variances in the Median Full Cash Home Values for FY 2005/2006 through FY 2013/2014. In FY 14/15, the District’s tax valuation was moved to the Limited Property Valuation (LPV) as a result of Proposition 117. Therefore, FY 2014/2015 and FY 2015/2016 reflect the Median Home Limited Property Value. The District’s highest median home value was recorded in tax year 2008, peaking at \$204,500. Although the 2015 tax year median home valuation of \$130,305 represents an increase of 4.4% over the previous year, this value reflects a 36.3% decrease from the median home value reported at the height of home values in 2008. Although the

reported median home values may increase from year to year, these increases will not be translated into the Net Assessed Value (NAV). As a result of the passing of Prop 117 in 2012, the NAV value was adjusted beginning FY 14/15 and will now be limited to no more than a 5.0% increase each year. Due to this new limitation, it will take the District ten years or more for the NAV to return to the equivalent value as reported in 2008.



Note: Median values stated for 2014 and 2015 reflect the Limited Property Value as determined by Prop 117.

Chart 5-3



Revenues

General Fund Revenues are anticipated using available information and historical projections. The FY 2015/2016 Budget includes funding from several different sources. Each revenue classification will be discussed in detail. The largest portion of the District's revenues is provided through property taxes. These taxes as well as the Fire District Assistance Tax are collected and remitted by Maricopa County on behalf of the District.

Property & Fire District Assistance Taxes

410000 Tax Revenue Projections						
Description	FY 2013/2014 <i>ACTUALS</i>	FY 2014/2015 ADOPTED	FY 2014/2015 <i>ESTIMATED</i>	FY 2015/2016 ADOPTED	Budget Variance	% of Change
411000 · Property Taxes	\$ 9,959,620	\$ 10,193,883	\$ 10,142,914	\$ 10,566,435	\$ 372,552	3.7%
412000 · Fire District Assistance Tax (FDAT)	\$ 396,645	\$ 400,000	\$ 398,000	\$ 400,000	-	0.0%
Total 410000 Tax Revenues:	\$ 10,356,265	\$ 10,593,883	\$ 10,540,914	\$ 10,966,435	\$ 372,552	3.5%

411000 Property Taxes: Property taxes are levied by Maricopa County based on a calendar year although the Fire District operates on a fiscal year. Property values are established as of January 1 of each year and the tax rates on those values are set by the Maricopa County Assessor on the third Monday in August.

The Maricopa County Treasurer's Office generates and issues the property tax bills usually by September of each year. The first tax payment from District property owners is due on October 1 and is considered delinquent after November 1. The second tax installment is due April 1 and is considered delinquent after May 1.

The District's Median Home Value was at its highest in 2008, with an average value of \$204,500.

The 2015 Median Value is \$130,300, a reduction of over 36% in the last seven years.

As previously stated, the Fiscal Year 2015/2016 Budget is structured to minimize the taxation impact to property owners within the Fire District. However, due to varying changes in property values and legislative decreases in assessment ratios for commercial and vacant land, the District would be unable to set a tax rate that would maintain the identical property taxes each year. The District is anticipating a 2.1% decrease from last year's tax rate for FY 2015/2016 of approximately \$2.8577 per \$100 of secondary assessed valuation. A.R.S. 48-807F states that the tax rate, generally identified as the Millage Rate (MIL), typically cannot exceed \$3.25 per \$100 of assessed value. The average assessed value of a home within the District was increased by the Maricopa County Assessor from \$124,800 in 2014 to a value of \$130,305 for 2015, an increase of approximately 4.4% of assessed value in one year. The median value of a commercial

property was increased from approximately \$352,200 to \$372,300 for 2015, an increase of 5.7% of assessed value during the same period. Given the projected tax rate for FY 2015/2016, a District resident who owns a median valued home is anticipated to realize a slight increase of 2.3%, while commercial property owners will realize a smaller increase (approximately 0.8%) in their District Tax. The final tax rate will be determined by the Maricopa County Assessor’s Office in August 2015.

Historically, the District has established a tax rate that is among the lowest in the Phoenix Metropolitan area for fire districts of equivalent size while providing services that are among the highest. Of the five other fire districts that are similar in size to the North County Fire & Medical District, only three provide both fire suppression and ambulance transport services.

Tax rates are just one factor used to allocate a government’s tax levy to the taxpayer relative to property value and should not be used as a key performance indicator. Other factors such as relative median home value should be used to analyze the average cost per home owner. The legal tax rates for comparable fire districts, including the North County Fire & Medical District, for the fiscal year ending June 30, 2015 (tax year 2014), are illustrated in charts 6-1 and 6-2:

District	Tax Rate (FY 2014/2015)	Estimated annual tax based on home value of:		
		\$100,000	\$150,000	\$200,000
Sun City Fire & Medical District (SCFMD)	\$ 3.2500	\$ 325.00	\$ 487.50	\$ 650.00
Daisy Mountain Fire District (DMFD)*	\$ 3.2500	\$ 325.00	\$ 487.50	\$ 650.00
Sun Lakes Fire District (SLFD)*	\$ 3.2500	\$ 325.00	\$ 487.50	\$ 650.00
Buckeye Valley Fire District (BVFD)*	\$ 3.2500	\$ 325.00	\$ 487.50	\$ 650.00
Superstition Fire & Medical (SFMFD)	\$ 3.1900	\$ 319.00	\$ 478.50	\$ 638.00
North County Fire & Medical District (NCFMD)*	\$ 2.9177	\$ 291.77	\$ 437.66	\$ 583.54

* Districts who provide ambulance transport services.

Chart 6-1

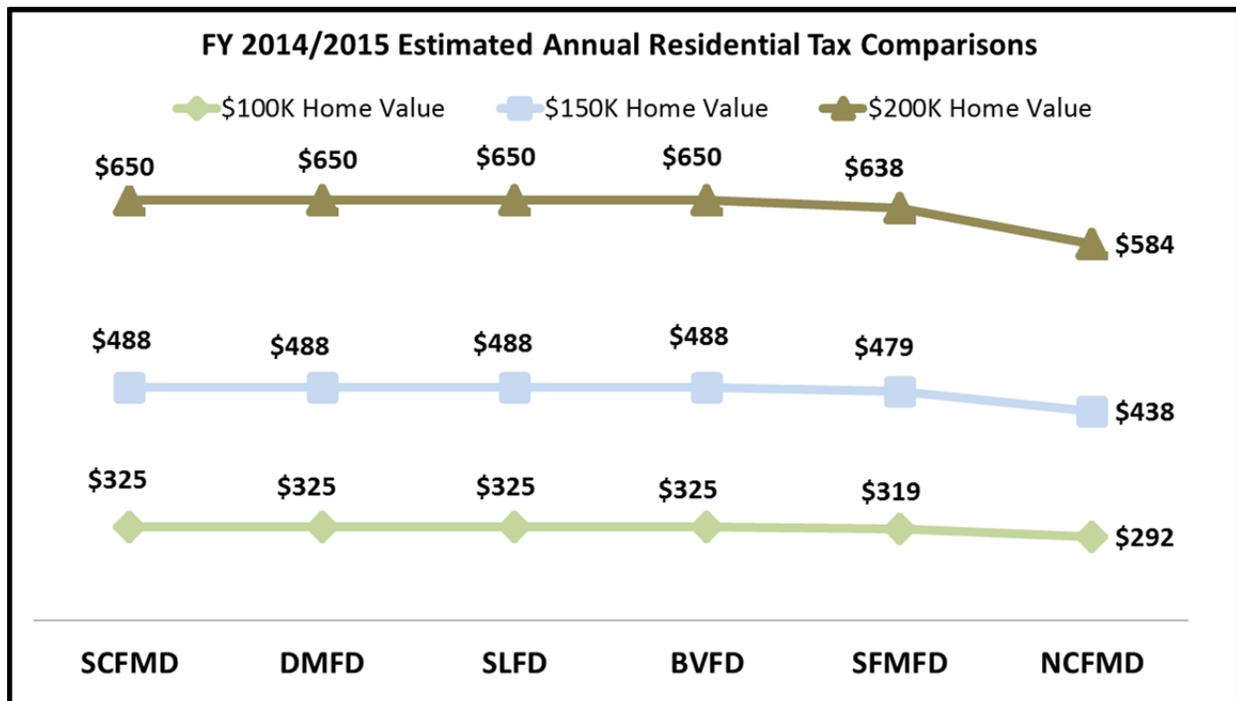


Chart 6-2

412000 Fire District Assistance Tax: Fire District Assistance Tax (FDAT) is allocated to each fire district within a county based on the formula outlined in Arizona Revised Statute §48-807. The funding is derived from a tax that is assessed to all properties within Maricopa County. The annual maximum allowable FDAT revenue is \$400,000 annually or 20% of the District's property tax levy, whichever is the lesser amount. The District is currently eligible to receive the maximum allowable FDAT Revenues.

Health & Medical Revenues

The District has historically found methods of generating alternative revenues to supplement property taxes. Ambulance Transport Revenues have been generated by the District since 1994, when it was awarded a Certificate of Necessity (CON) by the Arizona Department of Health Services – Bureau of Emergency Services. Originally, the District only provided emergency ambulance transport services under the CON. However, in May of 2013, the District expanded its revenue generating umbrella and began providing inter-facility, non-emergency transports. Beginning in FY 2015/2016, the newly created Health & Medical Division will be responsible for the District's Inter-facility Transport and Community Integrated Healthcare Programs. This Division will continue to be overseen, managed, and coordinated by the Emergency Services/Health & Medical/Support Services Divisions Assistant Chief and the Emergency Medical Service Coordinator who will be re-designated as the Health/Medical Coordinator. As a result of instituting this change, the District will further expand alternative revenues by initiating the Community Integrated Healthcare Program.

420000 Health & Medical Revenue Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
421000 · Emergency Transport Revenues	\$ 1,641,238	\$ 1,534,248	\$ 1,750,932	\$ 1,886,165	\$ 351,917	22.9%
424000 · Non-Emergency Transport Revenues	\$ 421,159	\$ 495,644	\$ 598,912	\$ 563,429	\$ 67,785	13.7%
426000 · Health & Wellness Revenues	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	100.0%
Total 420000 Health & Medical Revenues:	\$ 2,059,604	\$ 2,029,892	\$ 2,349,606	\$ 2,499,594	\$ 469,702	23.1%

The District does not charge its residents any out-of-pocket cost for ambulance transport nor does it profit from this service as stipulated by the District's Certificate of Necessity (CON) as approved by the Arizona Department of Health Services. Projected revenues are designed to cover as much of the expenditures associated with providing this service as possible.

421000 Emergency Transport Revenues: Emergency ambulance transport revenues provide approximately 13.4% of the District's operating revenues. This is one of the service areas for which fees can be charged by the District in order to recoup associated expenditures. The projected increase of 22.9% in this revenue stream is estimated based on continued increases in emergency response and transport statistics combined.



424000 Non-Emergency Transport Revenues: As a result of the District's highly successful Inter-facility Non-Emergency Transport Services Program, the District is projecting an increase in these revenues for the coming year based on the continued growth. These revenues now provide 4.0% of the District's budgeted revenues as a whole.

426000 Health & Wellness Revenues: In Fiscal Year 2012/2013, the District began the discussion, research, and planning necessary to initiate a Community Integrated Healthcare Program. This program places an emphasis on primary and preventative care, linked with community prevention services. The program will consist of multiple components. One component of the program will be the establishment of an in-house clinic at the administrative/maintenance facility (utilizing the District's current blood pressure room) as well as traveling clinics. The in-house clinic will potentially be utilized for District personnel for both physicals as well as other diagnostic services. The traveling clinics would serve various entities in the community such as assisted and independent living facilities. Another component of the program would potentially be home visits to residents in the community. The program may also evolve to assist in reducing repeat patient visits to hospital emergency facilities for chronic medical conditions thus reducing costs while promoting high-value, effective community care. The comprehensive planning necessary to initiate this program continued in Fiscal Year 2014/2015. Revenues will be generated through the billing of patient insurance plans and partnership revenues.



The District's Ambulance Fleet and Emergency Response Personnel

Program Revenue

The District's Program Revenues are designed to offset the cost of providing specialized services such as construction plan reviews and permits, and out-of-district wildland deployments. This revenue section is anticipated to decrease by 3.7% during FY 2015/2016. The revenues associated with this section of the budget are difficult to predict and plan for; therefore, the District takes a conservative stance on calculating these revenues unless specific information is available to support projections.

430000 Program Revenue Projections						
Description	FY 2013/2014 <i>ACTUALS</i>	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
431000 · Construction Fee Revenues	\$ 107,619	\$ 43,400	\$ 63,902	\$ 35,150	\$ (8,250)	-19.0%
432000 · Operational Fee Revenues	\$ 33,605	\$ 28,765	\$ 25,255	\$ 31,489	\$ 2,724	9.5%
435000 · Prevention Service/Fee Revenues	\$ 4,804	\$ 5,300	\$ 2,250	\$ 5,300	\$ -	0.0%
436000 · State Land/Wildland Revenues	\$ 10,981	\$ 7,314	\$ 51,772	\$ 7,264	\$ (50)	-0.7%
439000 · Special Program Revenues	\$ 62,902	\$ 67,396	\$ 64,867	\$ 67,396	\$ -	0.0%
Total 430000 Program Revenues:	\$ 219,911	\$ 152,175	\$ 208,046	\$ 146,599	\$ (5,576)	-3.7%

431000 Construction Fee Revenues: These revenues are derived from fees associated with construction that occurs within the District's boundaries. Fees for both commercial and residential construction, new construction, and renovations of existing structures are assessed under this program. Building plans are submitted to the District for review to ensure compliance with the International Fire Code, 2012 Edition Standards of Construction adopted by the District in June of 2012. Once reviewed, permits are issued and may be re-issued or extended if necessary until the project is complete. These codes protect the public by addressing conditions hazardous to life and property resulting from fire, explosion, handling or use of hazardous materials, and the use and occupancy of buildings and premises. The International Fire Codes are designed to meet these needs through model code regulations that safeguard the public health and safety. These revenues are decreasing based on the estimated construction activities within the District. Although the District has seen growth in these revenues during recent years, it budgets these revenues conservatively. As the economy continues to improve, these revenues will be positively impacted as the need for these services increases.

432000 Operational Fee Revenues: These revenues are generated through the District's annual fire inspection fee program. Fees of this type are common practice in the fire service and are designed to offset the costs associated with this service. Operational inspections include annual Medium and High Risk Occupancy inspections and Low Risk Occupancy inspections that are only required once every three years. This account also includes Annual Licensing Fees or Bed Charges for facilities such as hospitals, assisted living, long-term care and hospice facilities. Fees for after-hours inspections and special inspections or operational permits such as those required for the operation of carnivals, fairs or expos requiring temporary tents or canopies, and open burning or fireworks displays are also included in this account.

435000 Prevention Service/Fee Revenues:

This account manages Fire Prevention Services such as fees for False Alarm Responses, Fire Extinguisher and CPR Training. The District provides Cardio Pulmonary Resuscitation and Chest Compression Only (CCO) training for the public and healthcare providers for a nominal fee. In addition to these types of training, the District has been certified as a designated American Heart Association (AHA) Training Site. As a result of this designation, the District is certified to provide training to local Fire and EMS agencies and receives additional revenues associated with this program. These fees are designed to offset the cost to provide this training. False Alarm Response fees are generated whenever the District responds to an address more than three (3) times during a twelve (12) month period for a false alarm. False alarms may result due to the malfunction of an alarm system or the intentional activation of an alarm. These fees are issued as a deterrent to minimize these types of responses within the District and have prompted several occupancies to upgrade their fire alarm systems to more modern and reliable systems; consequently false alarm fees are declining and this account was reduced.



436000 State Land/Wildland Revenues:

The District currently supports one Wildland Brush Unit and approximately ten Red Card Certified Firefighters available for deployment by the Arizona State Land Department and/or the Federal Bureau of Land Management (BLM). Several



pieces of District apparatus are contracted with State Land and, when activated, District apparatus and personnel are dispatched to provide wildland firefighting assistance generally within the State of Arizona. These personnel and equipment may also be deployed outside of the state. Deployments are only accepted when they will not disrupt the District's ability to provide service to its residents. Deployments can last from a few hours to a few weeks at a time. These deployments, especially when District apparatus are involved, have the potential to generate significant revenues. The District receives reimbursement for all wages and benefit costs associated with the activated wildland firefighters and the vacancies created in their absence, as well as a pre-approved hourly contract rate for the use of the apparatus. All meals and lodgings are provided for deployed personnel while on assignment and any travel and per diem costs incurred while in transit to and from a wildland campaign are reimbursable. Damage to apparatus and equipment sustained within the boundaries of a wildland operation are repaired at the cost of the parent agency contracting for the piece of equipment.



Wildland training is an important component of this program as the District’s goal is to provide the most up-to-date training to ensure the safety of its personnel. Wildland team members receive a minimum of forty (40) hours of initial wildland specific training and are required to attend refresher training annually. This annual training includes operational tactics, safety and fire shelter deployment. In addition, team members are given the opportunity to attend the Arizona Wildfire Academy which is an additional week of more advanced training such as Fire Weather, Fire Behavior, and Leadership and Safety. Wildland training is required to keep current with position qualifications and to be eligible to be deployed on out-of-District responses.

The wildland season is very unpredictable. The District’s Wildland Team may be in service for several weeks at a time, traveling from one deployment to another, or may not be utilized for a year or more. This makes projecting Wildland Revenues extremely difficult. It is the practice of the District to budget annual revenues equivalent to the Wildland Program expenditures for the annual training and equipment expenditures necessary to support the program. Revenues received generally support the personnel costs and the maintenance and upkeep of the apparatus and equipment. Training and maintenance are ongoing costs in the budget that must be maintained. The revenues and expenditure details associated with the Wildland Program since its inception in FY 2005/2006 are presented in chart 6-3:

Wildland Program History			
Fiscal Year	Expenditures	Revenues	Revenues Over/(Under) Expenditures
2005/2006	\$ 1,482	\$ 42,028	\$ 40,546
2006/2007	\$ 6,906	\$ 132,142	\$ 125,236
2007/2008	\$ 7,094	\$ 103,521	\$ 96,427
2008/2009	\$ 11,615	\$ 170,968	\$ 159,353
2009/2010	\$ 8,052	\$ 20,869	\$ 12,817
2010/2011	\$ 49,705	\$ 178,226	\$ 128,521
2011/2012	\$ 4,278	\$ 177,332	\$ 173,054
2012/2013	\$ 7,900	\$ 18,048	\$ 10,148
2013/2014	\$ 1,601	\$ 10,981	\$ 9,380
2014/2015	\$ 7,264	\$ 51,772	\$ 44,508
2015/2016*	\$ 7,264	\$ 7,264	\$ -
Totals:	\$ 113,161	\$ 913,150	\$ 799,990

* Estimated



Chart 6-3

Firefighter Coy Boggler

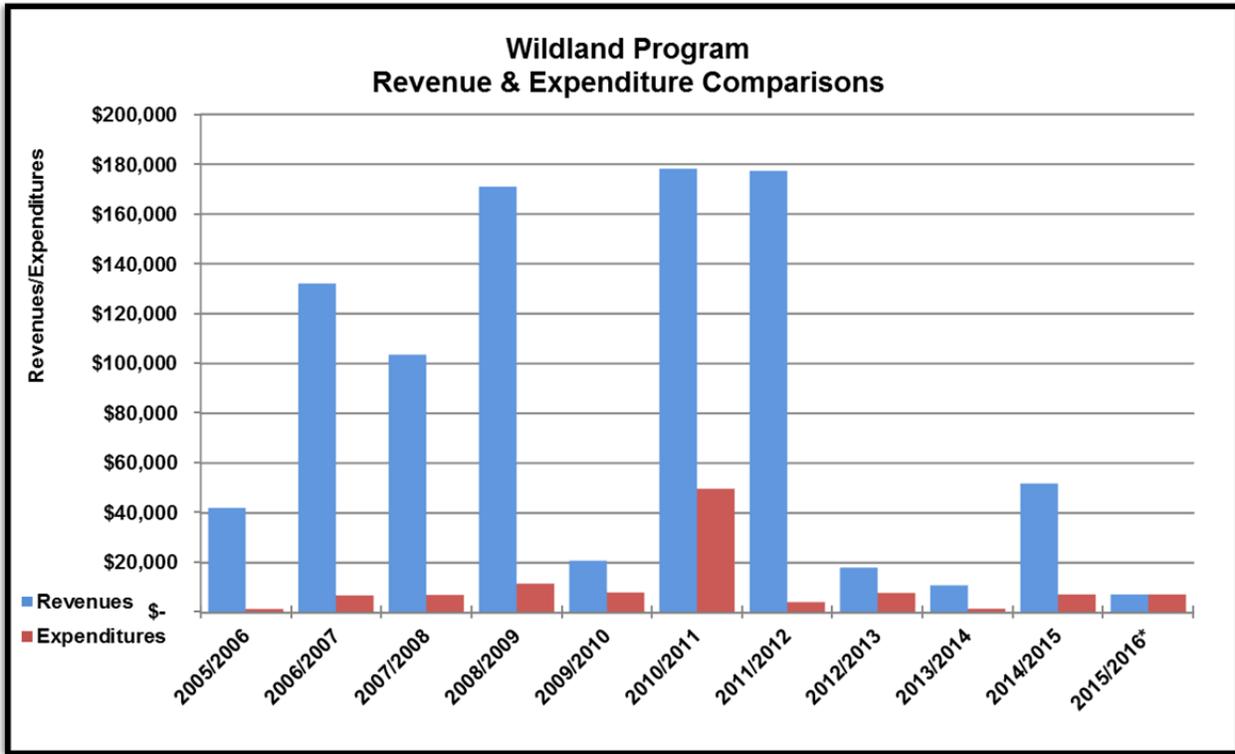


Chart 6-4



Brush 103 on deployment at the Yarnell Hill Wildland Fire (2013)

4390 Special Program Revenues: Special program revenues include emergency lockbox, smoke alarm, and t-shirt sale revenues. Emergency lockboxes and smoke alarms are offered to the public in support of the District's Residential Emergency Lockbox Program and Smoke Alarm Inspection Program. The Lockbox Program provides residents of the District with a safe and rapid entry system to assist a patient in the event they are unable to answer their door. The Smoke Alarm Program is a service in which District personnel and/or volunteers provide inspection services associated with residential smoke alarms. During the course of these inspections, smoke alarms may be identified as unreliable and in need of replacement. In these situations, personnel can provide replacement smoke alarms at that time. The popular Emergency Lockbox program, combined with the addition of smoke alarm sales, has resulted in a projected increase in this revenue area. The final component of this revenue is the T-shirt Program. Each year, the District sells logoed t-shirts to the public. The District is maintaining these revenues for this account in FY 2015/2016.

Last fiscal year over 600 Residential Lockboxes and over 2,000 Smoke Alarms were installed by the District. Many of these activities could not have been accomplished without the assistance of the District's Fire Corps Volunteers.

Miscellaneous Revenue

Miscellaneous Revenues are comprised of a collection of various contributions and fees. These fees are outlined below.

440000 Miscellaneous Revenue Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
443000 · Contractual & Misc Revenue	\$ 211,932	\$ 185,869	\$ 151,544	\$ 200,451	\$ 14,582	7.8%
443500 · Fire Ins Premium Rev (PSPRS)	\$ 107,829	\$ 100,000	\$ 122,800	\$ 120,000	\$ 20,000	20.0%
444000 · Interest - General Fund	\$ 6,099	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	0.0%
445000 · Sale of Surplus Equip & Assets	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
445500 · CC Convenience Fees	\$ 157	\$ -	\$ 250	\$ -	\$ -	0.0%
449000 · Transfer In - Emp Benefit Acct	\$ 71,733	\$ 181,807	\$ 328,773	\$ 138,686	\$ (43,121)	-23.7%
Total 440000 Miscellaneous Revenues:	\$ 397,750	\$ 471,676	\$ 607,367	\$ 463,137	\$ (8,539)	-1.8%

443000 Contractual & Miscellaneous Revenues:

Contractual and miscellaneous revenues include a myriad of projectable and non-projectable revenues including contracts for emergency service responses, cell tower lease revenues, public records requests and incident report copies. The most significant revenue in this section is associated with the agreement between the District and the Glendale Fire Department Helicopter Air-Medical & Logistics Operations (HALO) Program. The HALO agreement generates revenue through assignment of a



Contractual and miscellaneous revenues include a myriad of projectable and non-projectable revenues including contracts for emergency service responses, cell tower lease revenues, public records requests and incident report copies. The most significant revenue in this section is associated with the agreement between the District and the Glendale Fire Department Helicopter Air-Medical & Logistics Operations (HALO) Program. The HALO agreement generates revenue through assignment of a

Sun City West firefighter paramedic to assist with staffing of the emergency medical helicopter. The District is reimbursed for the expenditures associated with this staffing which is anticipated to be nearly \$137,000 during FY 2015/2016.

Another significant contributing factor to the Contractual & Miscellaneous revenue account is the cell tower leases held for several years by the District with AT&T and Sprint/Nextel. These leases currently generate more than \$28,000 in annual revenues. The cell towers are contained within the structure of the flagpole and monopalm at station 103.

443500 Fire Insurance Premium Revenues: Fire Insurance Premium Revenues are generated from the Firefighter Relief and Pension Funds allocated to each fire department within the state as determined by statute. An insurance premium tax fund has been developed by the state and each fire district and fire department is eligible for a portion of these monies to offset the costs associated with their firefighter pension program. Several factors determine what each participating entity will receive, including the number of fire agencies that submit qualified reports to the state by the established deadline; the number of Public Safety Personnel Retirement System (PSPRS) participants and payroll contributions required by each agency; and the amount of funding available to disperse. The funds are automatically sent to the PSPRS on behalf of the District each year. These revenues are difficult to predict from year-to-year and the District has experienced significant fluctuations. Using historical analysis, staff has planned for an increase of 20% for these revenues for the coming year.

444000 Interest – General Fund: This account records the interest earnings of the District's General Fund which are earned through the pooled investment account titled the Maricopa County Local Government Investment Pool (MC-LGIP). This pool is managed by the Maricopa County Treasurer. The account has been maintained at the previous level as a result of the continued low interest earnings rates.

445000 Sale of Surplus Equipment & Assets: Periodically, older apparatus and equipment, having reached the end of its useful service to the District, is designated as surplus property. Every effort is made to obtain the greatest return on the original investment in the asset. Generally an asset that cannot be traded in towards its replacement is then disposed of in compliance with the District's surplus property policies. There are currently no surplus property disposals planned for FY 2015/2016.

445500 Credit Card Convenience Fees: This account is used to track revenues from convenience fees charged to customers who pay the District for miscellaneous purchases using credit or debit cards. These transactions generate fees from the credit card processing firms which the District off-sets through this revenue account.

449000 Transfer In – Employee Benefit Liability Account: To reduce liabilities and tax levy dependency, the District continues to strategically analyze employee benefit liabilities. The annual Employee Benefit Liability associated with compensated absences, including accrued Sick / Vacation leave, Paid Time Off (PTO), and Longevity

Enhancement Programs present an ongoing significant financial outlay for the District. The stabilization of the District's employment benefit liabilities has been addressed in a two-fold manner. The District adopted a new Leave Management Policy effective July 1, 2012 which implements PTO leave and phases out Sick and Vacation Leave. This policy further reduces the maximum number of compensated absence hours that an employee can accrue and maintain thereby reducing the overall liability of the District for the future. Secondly, to ensure future funding for Employee Benefit liabilities, the District implemented a policy whereby necessary funds are designated on an annual basis. These funds are classified as Committed Funds within the General Fund Balance and identified as the Employee Benefit Liability Account (EBLA). Once the EBLA is fully funded, it is anticipated to achieve long-term self-sustainability. The PTO policy and employee attrition will further assist with employee benefit sustainability. The new policies are anticipated to decrease the long-term liabilities associated with the District's Compensated Absences and ultimately eliminate the Longevity Enhancement Program. These revenues have been reduced for FY 2015/2016 due to decreased expenditures which are off-set by this transfer of funds.

Grant / Alternative Funding

District staff continues working to secure various grants as an alternative revenue source to maintain or enhance District services or to offset existing costs. However, grants are not a guaranteed source of revenue. Many times, the District may not be awarded grant funds until well into the fiscal year or not at all. This can greatly impact the overall revenues and expenditures made throughout the fiscal year. Therefore, it was previously determined by the Governing Board that it would not be prudent to include potential grant awards in the annual budget revenue and expenditure accounts but to include potential grant revenues in the Capital Improvement Plan. This change allows for a more realistic revenue and expenditure picture and does not limit the District's ability to use any alternative funding should a grant be successfully obtained. Further details regarding grants and any potential required matching funds may be found in the Capital Improvement Plan section of the District's 2015 Revision of the District's Business Plan.



Expenditures

The District's Expenditures are classified into four general categories: Wages and Benefits, Operating Expenditures, District Training and Development, and Debt Service. The following pages present details regarding each of these expenditure categories. Each expenditure category will be discussed in detail in various segments of this document under the appropriate managing sections. Each managing section will outline areas of responsibility and the contributing expenditure accounts.



Station 101 Apparatus

Financial Services, Administrative Services & Community Risk Management Divisions

District Administration is responsible for providing efficient financial and administrative services combined with effective community risk management services. The Administration/Community Risk Management Divisions are overseen by the Fire Chief and managed by the Administration/Community Risk Management Divisions Assistant Chief. The Administration Division contains the Administrative Services Division and the Financial Services Division. The Administrative Services Division is supported by an Administrative Coordinator, a Human Resources position, and an Administrative Assistant. The Financial Services Division is supported by an Accounting Supervisor, a Payroll/Benefits Specialist, a Billing Supervisor and a Billing Clerk. The Community Risk Management Division is supported by a Fire Marshal/IT Coordinator, and a Community Outreach Specialist along with the District's Fire Corps volunteers. The Administration/Community Risk Management Divisions are responsible for all District administration, fire and life safety education, and fire prevention duties.

The administrative functions for this Division include: management of daily administrative operations; human resources; monitoring the quality of risk management services; volunteer coordination; research and implementation of new programs; compliance with applicable legislative requirements and financial standards; and general systems development.

The Financial Services Division, the Administrative Services Division, and the Community Risk Management Divisions will be discussed in detail in the pages that follow.



Financial Services Division

The Financial Services Division is overseen by the Administration/Community Risk Management Divisions Assistant Chief and the Accounting Supervisor who is responsible for the day-to-day financial and billing operations of the Financial Services Division. This division is supported by a Payroll/Benefits Specialist, a Billing Supervisor and a Billing Clerk. They constitute the District's Financial Services Division and are responsible for ensuring all financial requirements are accomplished.

The Financial Services Division administers and maintains all financial systems utilized by the District. These systems include developing and maintaining the Capital Improvement Plan (CIP); focusing on operational funding; cost savings and recovery; revenue generation strategies; health, medical and customer billing; accounting; payroll; budget preparation; and purchasing services. This division also has the responsibility of ensuring compliance with all applicable state and federal financial reporting statutes. The division compiles and submits reports to state and local governments regarding the annual budget and the preparation and undergoing of annual audits as required by state statute. The reports are prepared in accordance with Generally Accepted Accounting Principles (GAAP), and the Governmental Accounting Standards Board (GASB) including the incorporation of GASB 34 requirements into audit and financial presentations.

The Financial Services Division also ensures that the District's financial systems are structured to satisfy the recommendations of the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. COSO is dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control, and fraud deterrence. The District continually performs assessments to improve internal control using guidance from the COSO framework. As a result of these recommendations, the District modified the presentation of the General Fund and maintains a separate Capital Projects Fund and a separate Special Revenue Fund within the accounting system. The Financial Services Division separated these funds to ensure autonomy between the funds. This separation was encouraged by the District's external auditor and allows the District to more clearly allocate funds for restricted uses associated with the Special Revenue Fund and specific capital projects that may carry over from one fiscal year to another within the Capital Projects Fund. It allows for an accurate presentation of the District's cash resources and how they are applied in support of the long-term funding goals.

It is the goal of the Financial Services Division to ensure that the District is fiscally responsible in all areas of operations. This includes budgeting and expending budgeted funds. The Financial Services Division is extensively involved in the preparation of this annual budget document.

The Financial Services Division provides support for the following District Business Plan Strategic Components under Strategic Priority #2: Financial Sustainability:

Strategic Priority #2: Financial Sustainability

- Strategic Component – Alternative Revenue Sources
 - Action Item 2.1 – Merger / Functional Consolidation / Partnerships
 - Action Item 2.2 – Operational Funding / Cost Savings & Recovery
- Strategic Component – Resource Maximization
 - Action Item 2.3 – Planning / Forecasting / Service Area Expansion

Financial Services Division Personnel Summary

Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Assistant Chief	1.0	1.0	1.0
Accounting Supervisor	1.0	1.0	1.0
Payroll/Benefits Specialist	1.0	1.0	1.0
Billing Supervisor	0.0	0.0	1.0
Billing Specialist	0.0	0.0	1.0
Total Personnel Assigned	3.0	3.0	5.0

Financial Services Division Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Mandated Annual Reports Processed & Filed			
Maricopa County Board of Supervisors	2	2	2
Maricopa County Treasurer	2	2	2
Arizona Department of Health Services	1	1	1
Lending Agencies	1	1	1
Arizona State Fire Marshal's Office	1	1	1
United States Department of Commerce	1	1	1
Arizona Department of Revenue	2	2	2
Arizona Property Tax Oversight Commission	2	2	2
Monthly Governing Board Financial Reports	12	12	12
General Accounting Requirements			
Bank Accounts Managed	12	12	11
Credit Card Accounts Managed	27	28	28
Purchase Orders Processed	1,548	1,600	1,600
Vendor Bills Processed	1,278	1,300	1,300
Ambulance Transport Bills Processed	0	0	5,000
Nurse Practitioner Bills Processed	0	0	500
Credit Card Charges Processed	623	650	650
Warrants/Checks Processed	1,390	1,400	1,400
Deposits Processed	537	728	750
Account Transfers Processed	43	50	50
General Receivables Invoices Processed	389	450	450
1096/1099 Miscellaneous Reports Processed	1-1096 17-1099's	1-1096 14-1099's	1-1096 20-1099's
Payroll Requirements			
Employee Payroll Files Managed	80	82	115
Payroll Checks/EFT's Processed	2,283	2,500	2,750
Payroll Liability Checks/EFT's Processed	435	550	550
Quarterly Payroll Reports Filed	16	16	16
Federal W3/W2's Wage & Earnings Statements	1-W3 83-W2's	1-W3 87-W2's	1-W3 115-W2's
Arizona A1-R Wage & Earnings Statements	1-A1-R	1-A1-R	1-A1-R

Status of FY 2014/2015 Performance Goals & Objectives

- Continue the skillful and responsible management of the District's monetary resources to optimize the public's investment in their organization - **Accomplished / Ongoing**
- Continue the pursuit of strategies that minimize tax levy dependence through alternative revenue sources - **Accomplished / Ongoing**
- Continue to refine the accounting system and revise policies and procedures where necessary - **Accomplished / Ongoing**
- Complete purchase and implementation of fund accounting software if approved by Governing Board - **Accomplished / Ongoing**
- Refine the computerized purchase order system to eliminate duplication and encumber funds to increase accuracy of reflected budget activity - **Accomplished / Ongoing**
- Continue to work with the Community Risk Management Division to review proposed District growth/development and determine timelines and future financial impact - **Accomplished / Ongoing**
- Refine payroll process to increase efficiency and decrease required schedule verification - **Accomplished / Ongoing**
- Maintain apparatus, equipment, & facility depreciation schedule - **Accomplished / Ongoing**
- Maintain replacement schedule for vehicles, large equipment, and smaller capital items - **Accomplished / Ongoing**
- Generate a Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended (FYE) June 30, 2014 audit presentation - **Accomplished**
- Submit the FYE June 30, 2014 CAFR to the Government Finance Officers Association (GFOA) for a Certificate of Achievement for Excellence in Financial Reporting - **Accomplished / Awaiting Results**



FY 2015/2016 Performance Goals & Objectives

- Continue the skillful and responsible management of the District's monetary resources to optimize the public's investment in their organization.
- Continue the pursuit of strategies that minimize tax levy dependence through alternative revenue sources.
- Continue to refine the accounting system and revise policies and procedures where necessary.
- Complete implementation of fund accounting software.
- Continue to work with the Community Risk Management Division to review proposed District growth/development and determine timelines and future financial impact.
- Maintain the apparatus, equipment & facility depreciation schedule.
- Maintain the Capital Improvement Plan (CIP) replacement schedule.
- Generate a Comprehensive Annual Financial Report (CAFR) for the FYE June 30, 2015 audit presentation.

- Submit the FYE June 30, 2015 CAFR to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting award consideration.
- Identify and explore Cost Savings & Cost Recovery strategies.
- Pursue strategies that maximize tax levy variations.
 - Review proposed land development & determine financial impact that projects would have on District.
 - Assist the Community Risk Management Division in evaluating additional ways in which Fire Corps volunteers can assist with District programs.
 - Evaluate Fee Schedule updates & possible expansion.
- Initiate In-House Ambulance Billing process and transition from external billing services.

Personnel Compensation, Benefits and Staffing Overview

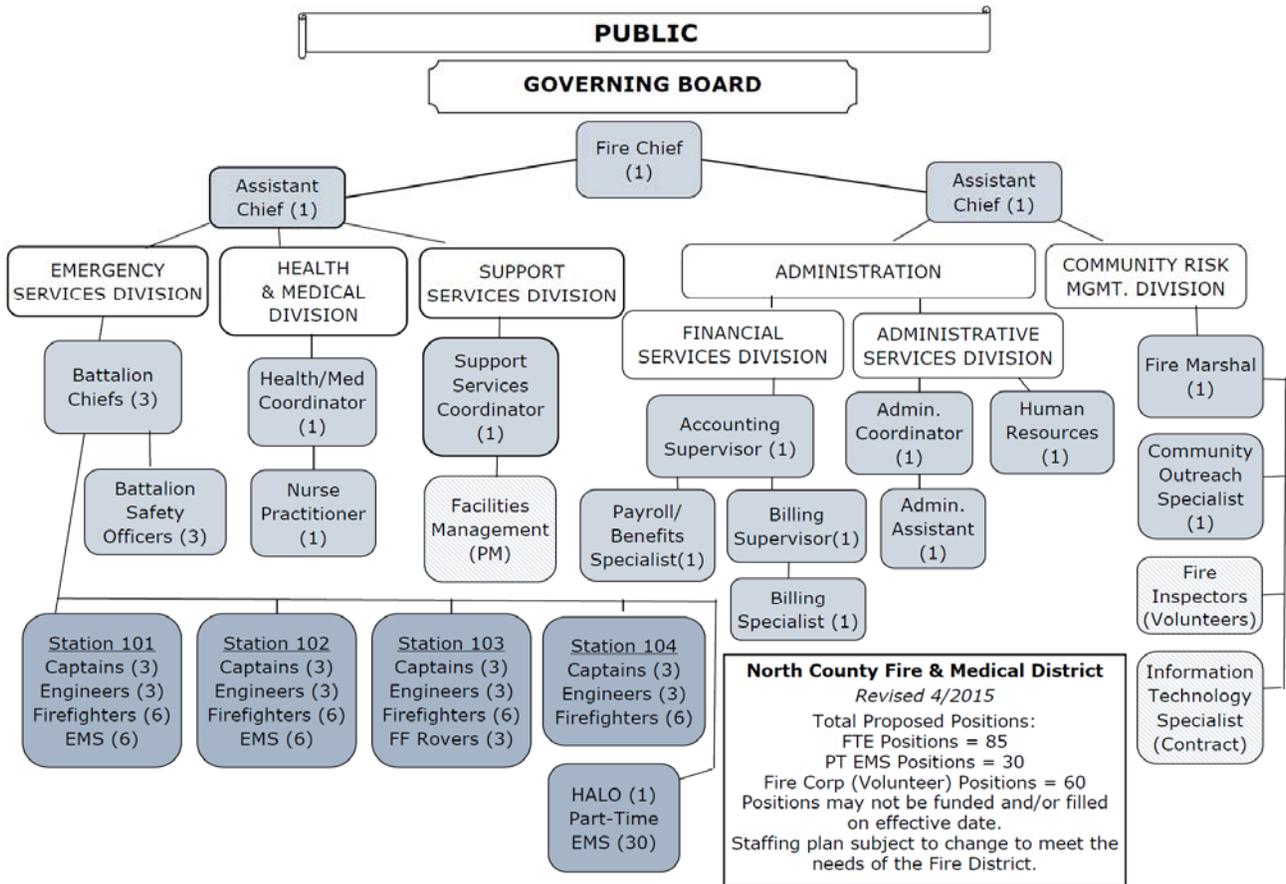
The Financial Services Division, along with Human Resources, is charged with researching, budgeting, and tracking all direct personnel expenditures. This includes the Governing Board's goal of ensuring competitive compensation and benefits.

Experienced emergency service providers are a valuable commodity. Attracting and retaining these highly skilled individuals in order to provide the highest standard of service, while considering the current economic conditions, continues to be an important goal set by the Governing Board. This budget represents the Governing Board's intent to attract and retain these professionals by providing competitive salary and benefit incentives to encourage long term, committed service to the District and to reward excellent performance through merit-based compensation increases.

Personnel Staffing Overview

When evaluating and determining adequate District staffing levels; current and future employee workload, current response models, regulatory requirements, and industry standards are explored. The District staffing levels are detailed in the Organizational Chart/Staffing Plan presented in Exhibit 7-1:





District Personnel Authorized Staffing Levels - Summary			
Full Time Employees - Position/Rank	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Fire Chief	1.0	1.0	1.0
Assistant Chief	2.0	2.0	2.0
Accounting Supervisor	1.0	1.0	1.0
Payroll/Benefits Specialist	1.0	1.0	1.0
Billing Supervisor	0.0	0.0	1.0
Billing Clerk	0.0	0.0	1.0
Fire Marshal	1.0	1.0	1.0
Community Outreach Specialist	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0
Human Resources	1.0	1.0	1.0
Information Technology Specialist	0.0	0.0	0.0
Support Services Coordinator	1.0	1.0	1.0
Health/Medical Coordinator	1.0	1.0	1.0
Nurse Practitioner	0.0	0.0	1.0
Battalion Chief (Shift Sworn)	3.0	3.0	3.0
Captain (Shift Sworn)	12.0	12.0	15.0
Engineer (Shift Sworn)	12.0	12.0	12.0
Firefighter (Shift Sworn)	21.0	21.0	25.0
Firefighter Rover (Shift Sworn)	9.0	9.0	3.0
Firefighter HALO Medic (Shift Sworn)	1.0	1.0	1.0
EMS Personnel (Shift Non-Sworn)	12.0	12.0	12.0
Total District Full-Time Personnel	82.0	82.0	85.0
District Part-Time Personnel	0.00	11.0	30.0

Exhibit 7-1

The Fire Chief, Assistant Chiefs, Fire Marshal, Accounting Supervisor, Billing Supervisor, Administrative Coordinator, Human Resources, Health/Medical Coordinator, Support Services Coordinator, and Battalion Chiefs are each classified as salary/exempt employees. Hourly day shift employees generally work an average of 40 hours per week. Shift sworn and non-sworn personnel are divided into three (3) platoons and currently work an average of 56 hours per week. Each member of the District's platoons currently work a 48-hour tour of duty consisting of two 24-hour back-to-back shifts beginning every fourth day which is classified as a 48/96 shift schedule.

During FY 2015/2016, the District Organizational Chart/Staffing Plan was expanded to add personnel staffing for in-house ambulance/insurance billing (Billing Supervisor and Billing Specialist) and the Community Integrated Healthcare Program (Nurse Practitioner). Four Fire Corps Volunteers were selected and trained to serve as Volunteer Fire Inspectors. The Facilities Management Program Manager position staffing is currently under review. The Volunteer Fire Inspectors' positions are being filled by Fire Corps Members and will be covered under Worker's Compensation Insurance coverage only. Information Technology is currently being handled by an outside firm with the in-house assistance of the Fire Marshal. At any point in the future, should these positions be made full-time positions, they will then be eligible to receive full District benefits.

Personnel Compensation and Benefits Overview

District compensation and benefit data is contained within this section of the annual budget document. This section of the operating budget tends to be the most unpredictable and the most difficult area in which to project actual expenditures for the entire fiscal year. It is analyzed from every possible angle in an attempt to avoid over or under budgeting. These budgeted expenditures have been meticulously calculated ensuring only appropriate values have been assigned to each line item. Items such as employment taxes, retirements, and Worker's Compensation costs are requirements under federal and/or state mandates. In order to remain competitive in the local marketplace, the Board has also dictated that certain benefits be provided to preserve the District's exceptionally skilled labor force. The various District divisions also submit budget requests for estimated overtime, identified in the budget as coverage compensation, and other wage related expenditures.

Loss of employees creates financial hardship based on the costs associated with the hiring and training of new employees. Openings in the daily staffing model also require overtime manpower to fill vacant positions. Another turnover related issue is the loss of experienced paramedic level personnel which can lead to operational deficiencies.

The Governing Board has combated this issue through systematic increases to the District wage and benefit packages over the years. Due to these efforts, the employee benefits package is competitive when compared with other Valley fire agencies, which has resulted in a reduction in employee turnover.

A factor commonly used by the District in determining annual wage scale enhancements has been competitiveness with neighboring emergency service agencies. The District participates in a wage and benefit study periodically to compare wages and benefits of similar entities. This is extremely valuable as wage and benefit competitiveness is vitally important in maintaining a stable work force. District management feels that the highly qualified and dedicated personnel in this District should receive wages and benefits that are at least equitable with those of other departments/districts in the Valley.

The District's Governing Board wisely created a standard wage scale based on an employee's position/rank. This scale allows employees who obtain a minimum of a "meets standard" rating on their annual Employee Performance Review to advance to the next step for their position/rank unless they have reached the top step in the scale. This type of wage scale design is currently used by most, if not all, of the fire departments in the Valley and has proven effective in eliminating subjectivity and also instilling consistency into personnel compensation packages. In FY 2012/2013, the District implemented a new Employee Performance Review Program which further enhanced objectivity and uniformity.

The District wage scale organizes employees into five (5) general classes. These classes combine individuals based on work periods under the Fair Labor Standards Act requirements for generation of mandatory overtime hours. While the District's Staffing Plan depicts an optimum total of 85 full-time employees, the FY 2015/2016 Budget and Operational Plan currently allocates funding for a stipend and associated overtime for the Facilities Management Program Manager, worker's compensation costs associated with the Volunteer Fire Inspectors and the estimated expenditures required for the contracting of services to fulfill the requirements of the Information Technology Specialist's position. Although these positions are not proposed to be filled with full time employees within the next fiscal year, they remain in the District's Organizational/Staffing Plan for future consideration.

FY 2015/2016 Compensation and Benefits Modifications

Potential compensation and benefits changes for any given fiscal year are weighed against a number of factors. In previous years, it was blatantly obvious that the District's compensation and benefits package was greatly lacking in comparison to other Valley agencies. As previously stated, this was reflected in increased employee turnover and through compensation studies conducted both locally and across Arizona which compared wage and benefits packages with other entities similar in size and make-up. In previous years, this process has warranted changes in the District's wage scale and in the benefits that were offered. As a result of the ongoing due diligence of the Board, the District continues to create a compensation and benefits package of a comparable nature to other entities at the District's level of professionalism.

Annually, inflationary impacts are one factor used in determining the necessity and extent of annual Cost of Living Allowance (COLA) enhancements which require an adjustment in the District's established wage scale. The District utilizes two sources of

information to determine COLA's for the coming fiscal year. Those sources are the Consumer Price Index and the Social Security Administration's COLA adjustment for the Social Security and Supplemental Security Income (SSI). Further information regarding these two influences is summarized in the following paragraphs.



Inflation has been defined as a process of continuously rising prices or equivalently, of a continuously falling value of money. Various indexes have been devised to measure different aspects of inflation. However, the Consumer Price Index (CPI) has often been used by the District when measuring inflationary impact on employee wages. The U.S. Department of Labor website states "The CPI measures inflation as experienced by consumers in their day-to-day living expenses. The CPI is generally the best measure for adjusting payments to consumers when the intent is to allow consumers to purchase, at today's prices, a market basket of goods and services equivalent to one that they could purchase in an earlier period. The CPI also is the best measure to use to translate retail sales and hourly or weekly earnings into real or inflation-free dollars". The U.S. Bureau of Labor Statistics reported that the CPI for All Urban Consumers (CPI-U) increased 0.2% in March 2015 on a seasonally adjusted basis. Over the last 12 months, the "all items" index increased 1.7% before the seasonal adjustment.

The Social Security Administration announced in October 2014 that the monthly Social Security and Supplemental Security Income (SSI) benefits would increase. The COLA adjustment has been established at 1.7%, effective in January of 2015. A Cost of Living Adjustment has been included for FY 2015/2016 for North County Fire & Medical District employees for the second time after five consecutive years without a modification. Prior to the 2009/2010 Fiscal Year, the District had included COLA increases in the budget each year.



Since the District began operations, the Governing Board has allowed employee input regarding annual wage and benefit changes. This year, the employees were polled by the Sun City West Firefighters Association to ascertain what wage and benefit issues they would like the District management and the Governing Board to consider changing or creating for FY 2015/2016. For the last several years, District employees have only requested minor benefit enhancements. The only request included in the FY 2015/2016 Budget is to maintain the District's health insurance provider for next year.

Other additions to the District's compensation plan expenditures include wage increases that are projected as part of the annual review/merit process for those employees who have not yet reached the top step salary for their particular wage scale. As previously mentioned, this budget includes a 1.7% COLA Adjustment to the District's wage scale. The resulting budgetary impact attributed approximately 1.4% of the 8.5% overall increase in the wages and benefits categories of the budget. Revisions to the Wage Scale are adopted with the budget.

Considering all District full-time employees, 45 employees or 53.0% are ineligible for merit enhancement during FY 2015/2016. Another 6 employees are projected to transition to the top step for their wage scale, making them ineligible for merit increases during the next fiscal year. By June 30, 2016, the total number of “topped out” employees will reach 51 or 60.0% of the District’s current work force.



Captain Kane Nixon, Firefighter Jared Randall, Captain Jeremiah Johnson, Engineer Vince Nielsen, Engineer Nate Benear, Firefighter John Dial

Personnel Compensation and Benefits Expenditures

The tables beginning below and continued throughout the compensation and benefits section, identify each account associated with the District’s wages and benefits program, followed by detailed descriptions of each of those accounts.

Wages & Benefits Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
500000 General Wages						
500510 · General Admin Personnel	\$ 461,345	\$ 464,330	\$ 451,426	\$ 470,220	\$ 5,890	1.3%
500520 · Billing Personnel	\$ -	\$ -	\$ -	\$ 99,584	\$ 99,584	100.0%
501000 · Health & Medical Personnel	\$ 78,610	\$ 79,795	\$ 79,795	\$ 162,366	\$ 82,571	103.5%
501510 · Suppression Personnel	\$ 4,114,528	\$ 4,389,771	\$ 4,323,774	\$ 4,525,429	\$ 135,658	3.1%
501520 · EMS Personnel	\$ 676,091	\$ 641,828	\$ 629,642	\$ 664,729	\$ 22,901	3.6%
501530 · Part-Time Personnel	\$ -	\$ -	\$ 6,687	\$ 145,378	\$ 145,378	100.0%
502000 · Community Risk Personnel	\$ 277,402	\$ 295,890	\$ 295,374	\$ 314,752	\$ 18,862	6.4%
502500 · Support Services Personnel	\$ 59,986	\$ 64,076	\$ 63,896	\$ 71,862	\$ 7,786	12.2%
Total 500000 General Wages:	\$ 5,667,963	\$ 5,935,690	\$ 5,850,594	\$ 6,454,320	\$ 518,630	8.7%

The following bullet points provide detailed information regarding all accounts grouped in the 500000 General Wages and the 510000 Employer Taxes & Benefits sections of the previous table.

- **500510 General Administrative Personnel:** These employees generally work a 40-hour work schedule. Salaries for the Fire Chief, Accounting Supervisor, Administrative Coordinator, and Human Resources are supported here. Also included in this account are the hourly wages for the Payroll/Benefits Specialist and the Administrative Assistant position. Increases in this account are reflective of the impacts of wage and benefit changes.
- **500520 Billing Personnel:** With the introduction of the In-House Billing Program, this account was created to track the wage expenditures associated with the Billing Manager and the Billing Specialist. Reductions in outside vendor expenditures are anticipated to offset these costs entirely.
- **501000 Health & Medical Personnel:** This account was modified to reflect salary funding for the current Health/Medical Coordinator and the proposed Nurse Practitioner, who are assigned to a 40-hour work week schedule. This account reflects an increase which is directly linked to the addition of one full-time salaried employee.
- **501510 Suppression Personnel:** The ranks of Captain, Engineer, and Firefighter are included in this line item. The majority of these personnel are classified as Shift Sworn Employees who work one 48-hour tour of duty consisting of two 24-hour back-to-back shifts beginning every fourth day generating an average work week of 56 hours. However, these employees fall under a special Fair Labor Standards Act 7(k) Exemption which mandates that these personnel receive only three (3) hours of mandatory overtime for each 56-hour work week which is accounted for in this budget item. Shift-Sworn Certified Emergency Paramedics (CEP) in this employee class receive CEP Stipends of \$2.35 per hour. One full-time firefighter/paramedic utilized for supporting the HALO program is also included within this line item. HALO personnel receive Specialty Pay for HALO participation of \$1.72 per hour for hours specifically associated with the HALO Program. All expenditures associated with this employee, including the Specialty Pay, are off-set by the HALO revenues received. One (1) Assistant Chief and three (3) Battalion Chiefs' salaries are also funded through this account. Increases in this account are related to wage and benefit adjustments.
- **501520 EMS Personnel:** This account encompasses Emergency Medical Service personnel including the ranks of Emergency Medical Care Technician (EMCT) and Paramedic. They are considered Shift Non-Sworn employees who staff certain District ambulances and who currently work one 48-hour tour of duty consisting of two 24-hour back-to-back shifts beginning every fourth day generating an average of a 56-hour work week. Under the Fair Labor Standards Act, this requires 16 hours of mandatory overtime each work week which is accounted for in this budget item. Increases in this account reflect merit advancements and COLA modifications.

- **501530 Part-Time Personnel:** During FY 2014/2015, the District began supplementing scheduled and un-scheduled absences within the EMS ranks with part-time personnel. These personnel are limited in the number of hours they may work each pay period to reduce or eliminate benefit outlays. This new program also benefits the District through the development of a reliable pool of professional, trained personnel from which future employees may be hired.
- **502000 Community Risk Management Division Personnel:** Employees in this account generally work a 40-hour work week schedule. Budgeted funds cover the salaries of one (1) Assistant Chief and the Fire Marshal. Also included are the hourly wages of the Community Outreach Specialist. The Information Technology Specialist is currently authorized as a contract position under the District's Staffing Plan and may be funded as a full-time employee at some point in the future and would then be budgeted in this account. Any necessary wage and benefit changes have been added to this account.
- **502500 Support Services Personnel:** This account funds the salary of the Support Services Coordinator who works a 40-hour work week schedule and has been increased due to wage and benefit changes.

Wages & Benefits Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
500000 Continued: Additional Compensation						
503000 · Miscellaneous Compensation	\$ 47,802	\$ 82,051	\$ 81,650	\$ 77,686	\$ (4,365)	-5.3%
503500 · Longevity Compensation	\$ 122,757	\$ 133,177	\$ 133,125	\$ 142,708	\$ 9,531	7.2%
505000 · Holiday On-Call Compensation	\$ 227,615	\$ 241,072	\$ 241,042	\$ 255,657	\$ 14,585	6.1%
507000 · Program Manager Compensation	\$ 1,300	\$ 3,900	\$ 1,300	\$ 3,900	\$ -	0.0%
508500 · Coverage Compensation	\$ 469,592	\$ 474,774	\$ 420,785	\$ 383,527	\$ (91,247)	-19.2%
Total 500000 Additional Compensation:	\$ 869,066	\$ 934,974	\$ 877,902	\$ 863,478	\$ (71,496)	-7.6%
<i>Grand Total General Wages:</i>	<i>\$ 6,537,029</i>	<i>\$ 6,870,664</i>	<i>\$ 6,728,496</i>	<i>\$ 7,317,798</i>	<i>\$ 447,134</i>	<i>6.5%</i>

- **503000 Miscellaneous Compensation:** This line item funds miscellaneous compensation items such as vehicle allowance, Inter-Facility Non-Emergency Ambulance Transport (IFXTP) Stipends and Out-of-Class Assignment Compensation. Due to the overwhelming success of the IFXTP program, the District instituted a stipend payable to each employee who participates in a patient transport with a mileage greater than ten miles. Out-of-Class Assignment Compensation, termed "Move-Up Pay", is currently earned on a per shift basis after the completion of an initial 120 non-consecutive hours of working in an Out-of-Class capacity. Hours are accumulated on an annual basis and are carried over from previous years until the minimum requirement is met. An Out-of-Class Assignment is defined as an employee temporarily working in a position of higher rank/responsibility, i.e.: an Engineer who must temporarily work in the position of Captain. Employees may only work in this higher ranking capacity if they meet District defined minimum requirements for the higher ranking position. Currently,

employees receive this structured stipend for each full 24-hour shift worked under Out-of-Class assignment guidelines.

- **503500 Longevity Compensation:** This program was designed to encourage long-term employment with the District by providing added compensation for tenured employees based on specific policy guidelines. This program, as well as a competitive wage and benefit package, has proven instrumental in helping to slow the trend of excessive and costly employee turnover. The program is designed to reward employee longevity with the District and has become commonplace in fire departments across the valley.

Almost 53% of the District's employees have reached the top step of the wage scale and a majority of them have been "topped out" for two or more years. Longevity compensation is incremental based on years of service and ranges from 0.5% to a maximum of 5% for an employee with 25 plus years of service. The benefit begins after an individual has completed seven years of service. This program continues to be a valuable incentive in retaining tenured employees.

- **505000 Holiday / On-Call Compensation:** The District's business requires 24-hour service, 7 days a week, 365 days per year including holidays. This requires that personnel spend time away from their families during established holidays. Various on-call personnel such as the Support Services Coordinator, District qualified fire investigators, and Chief Officers are also required to be on call every day of the year on a 24-hour basis. This program is in place to compensate employees for these mandatory holiday and 24-hour on-call responsibilities.
- **507000 Program Manager Compensation:** This program compensates the Emergency Medical Services (EMS) Supplies, Health & Fitness and Station Supplies/Facilities Maintenance Program Managers for additional specialized duties above and beyond their normal job requirements. These program managers require an in-depth knowledge of their specific programs in order to effectively ensure certain District requirements are adhered to on a daily basis. No changes have been instituted for this account.
- **508500 Coverage Compensation:** This is a difficult area in which to project budgeted funding. Many unknown circumstances contribute to this expenditure area which can greatly impact the outcome of this budgetary item over the course of the fiscal year. Funds provide for the maintenance of required manpower to effectively meet the needs of the property owners in an emergency response and also to comply with local, state and federal standards. Unforeseen events or illnesses, mandatory state and federal training compliance requirements, unplanned personnel vacancies, or large scale incidents all affect this expenditure. While the District attempts to ensure that there will always be personnel available to cover these gaps in the daily schedule, personnel may be required to provide services during their normal 'off-duty' hours. Federal law

mandates that these hours be compensated at a rate of one and one half times an employee's normal hourly wage. The anticipated coverage expenditures reflect a significant decrease for FY 2015/2016 due to the utilization of part-time EMS personnel to fill daily vacancies, both scheduled and un-scheduled.

Wages & Benefits Expenditure Projections							
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change	
510000 Employer Taxes & Benefits							
511000 Employer Taxes							
511100 · Social Security Tax - Employer	\$ 91,176	\$ 98,351	\$ 94,333	\$ 113,327	\$ 14,976	15.2%	
511200 · Medicare Tax - Employer	\$ 92,223	\$ 103,012	\$ 101,332	\$ 108,954	\$ 5,942	5.8%	
511300 · AZ Unemployment Tax	\$ 1,203	\$ 4,035	\$ 676	\$ 2,923	\$ (1,112)	-27.6%	
511400 · Workers Compensation Insurance	\$ 174,777	\$ 198,300	\$ 197,082	\$ 210,508	\$ 12,208	6.2%	
Total 511000 Employer Taxes:	\$ 359,379	\$ 403,698	\$ 393,423	\$ 435,712	\$ 32,014	7.9%	

- 511100 Social Security Tax:** The District is required to comply with certain federal, state and local government regulations and statutes which outline specific budgetary requirements. Although the District is required to pay the usual employer taxes, it does receive some exemptions, i.e., shift-sworn emergency services employees are exempt from Social Security due to their required inclusion in the Arizona Public Safety Personnel Retirement System (PSPRS). The District is required to pay a 6.2% tax on all wages paid to employees who are eligible to be covered under Social Security. The District has projected an increase in this account for the coming year as a result of the addition of three full-time personnel and 30 part-time employees. Eligible employees are also mandated to pay a portion of their wages into the Social Security system. It is important to note that PSPRS annuitant employees are not eligible to participate in the Social Security System. The District currently has one senior employee who is legislatively excluded from participation in the social security system.


- 511200 Medicare Tax:** The District is required to pay a 1.45% tax on all wages paid to all employees. Employees are also mandated to pay an equivalent portion of their wages for this tax.


- 511300 AZ Unemployment:** All Arizona employers are required to pay unemployment taxes on the first \$7,000 of gross wages each employee earns per calendar year. The District received a tax rate of 0.22% last fiscal year, which is significantly lower than average and has estimated that the rate will increase to 0.35% for FY 2015/2016 based on historical trends. In the past several years, the District has had minimal claims for unemployment benefits paid out on its behalf which assists in maintaining a reduced percentage for this tax.



- 511400 Worker's Compensation Insurance:** District employees experience potentially life threatening or bodily injury situations on a daily basis. This risk to their lives and livelihoods is greater than for an average private sector employee. This increased risk typically results in higher annual premiums for Worker's Compensation Insurance. Premium rates are differentiated between each Worker's Compensation Class and can change from year-to-year based on industry trends. The District focuses on safety both in the field and in its facilities which has resulted in reduced instances of reportable injuries. This aids the District in maintaining a steady and more predictable premium.

The National Council on Compensation Insurance (NCCI) organization recommends the workers' compensation insurance rates to state insurance departments nationwide. An increase is projected for this account due to the changes made in the staffing model and wage adjustments. The District's commitment to employee health, wellness, and focused safety measures kept employee work related injuries to a minimum. Unfortunately, the District's Experience Modifier (e-mod), which compares the performance of a particular employer to the average of all employers in similar businesses, increased by 11.0% from 62.0% to 73.0%. The District's new e-mod, combined with additional personnel contributed to the increase in this expenditure account.

Wages & Benefits Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
512000 Retirements						
512100 · PSPRS Retirement Contributions	\$ 1,019,889	\$ 1,190,199	\$ 1,133,071	\$ 1,393,176	\$ 202,977	17.1%
512200 · ASRS Retirement Contributions	\$ 176,881	\$ 184,906	\$ 191,918	\$ 216,795	\$ 31,889	17.2%
512300 · 401(a) Retirement Contributions	\$ 198,887	\$ 236,239	\$ 234,126	\$ 237,201	\$ 962	0.4%
Total 512000 Retirements:	\$ 1,395,657	\$ 1,611,344	\$ 1,559,115	\$ 1,847,172	\$ 235,828	14.6%

- 512100 PSPRS Retirement:** The District's sworn or firefighting employees are mandated to participate in the Arizona Public Safety Personnel Retirement System (PSPRS). The annual actuarial produced by the PSPRS has determined the District's required contribution rate for FY 2015/2016 year is 27.24% of wages paid to all eligible employees which is a 3.21% increase over the FY 2014/2015 contribution rate of 24.03%.



Participating employees are also mandated to pay a designated portion of their wages, established by statute, to the PSPRS. The participant (employee) contribution rate was impacted by legislative changes that became effective July 1, 2011 and has been increased for the coming fiscal year from 11.05% to 11.65%. The employee contribution rate increased incrementally over several years until it reached the maximum participant contribution rate of 11.65% during FY 2015/2016. Going forward, the rates are actuarially determined annually based on funding requirements. Additionally, changes in state statute now mandate that the District must pay an actuarially established contribution rate on

all wages paid to PSPRS annuitants who have been re-hired into a PSPRS position. The District does not currently have any employees who fit this criterion. The PSPRS FY 2015/2016 contribution rate for PSPRS annuitants is 28.62% compared to the previous year's rate of 19.65%. It is important to note, that should the District hire a PSPRS Annuitant, participation in this program and the Arizona State Retirement System would be legislatively mandated. A significant portion of the 17.1% increase in this account is attributed to the PSPRS rate increase. Chart 7-2 presents the District's PSPRS contribution rates in recent years.

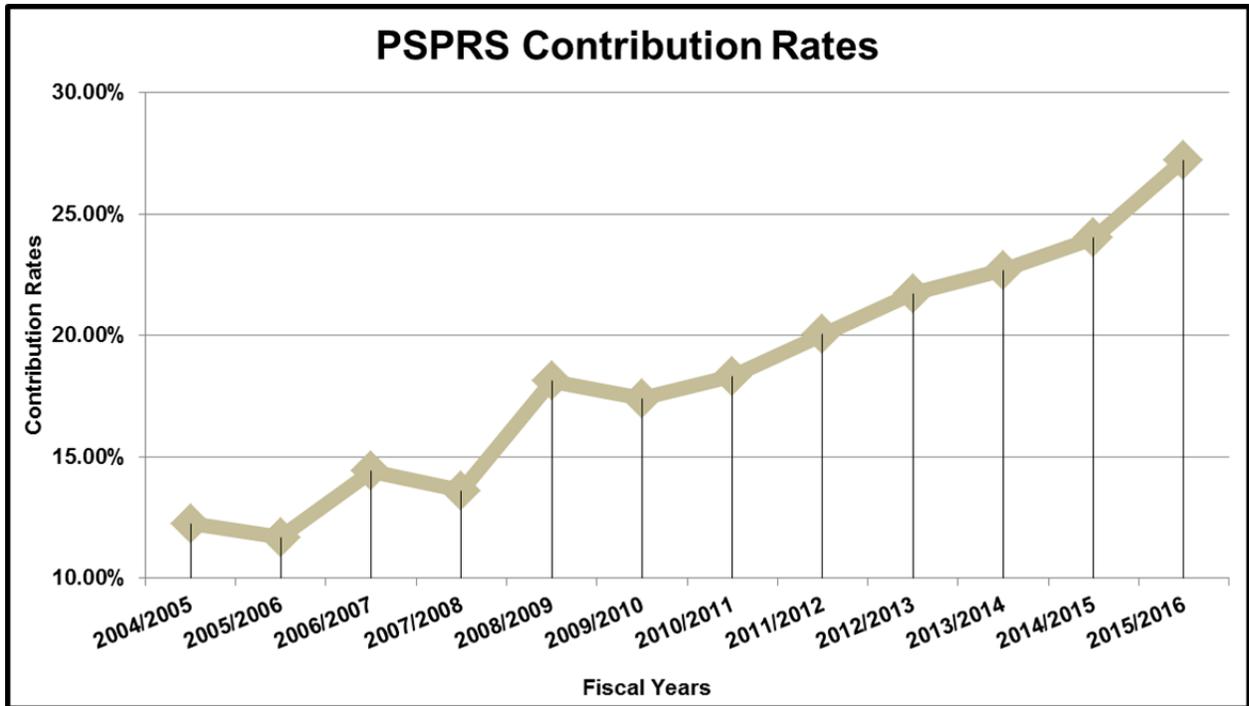


Chart 7-2

- 512200 ASRS Retirement:** The District's non-sworn or non-firefighting personnel participate in the Arizona State Retirement System (ASRS). The annual actuarial produced by the ASRS has set the required combined employer/employee contribution rates for FY 2015/2016 at 22.70%. ASRS has a legislatively established employer/employee contribution percentage ratio of 50/50. Therefore, the budgeted contribution percentage for FY 2015/2016 has been calculated at 11.35% of wages paid to all eligible employees which represents a slight decrease from the 11.48% rate of the prior fiscal year. Eligible participants (employees) are mandated to pay a portion of their wages to the ASRS. The employee contribution rate is equivalent to the District's contribution rates. Staffing modifications which increased the number of staffing positions within the District generated an increase in this account. Chart 7-3 presents the District's ASRS contribution rates in recent years.



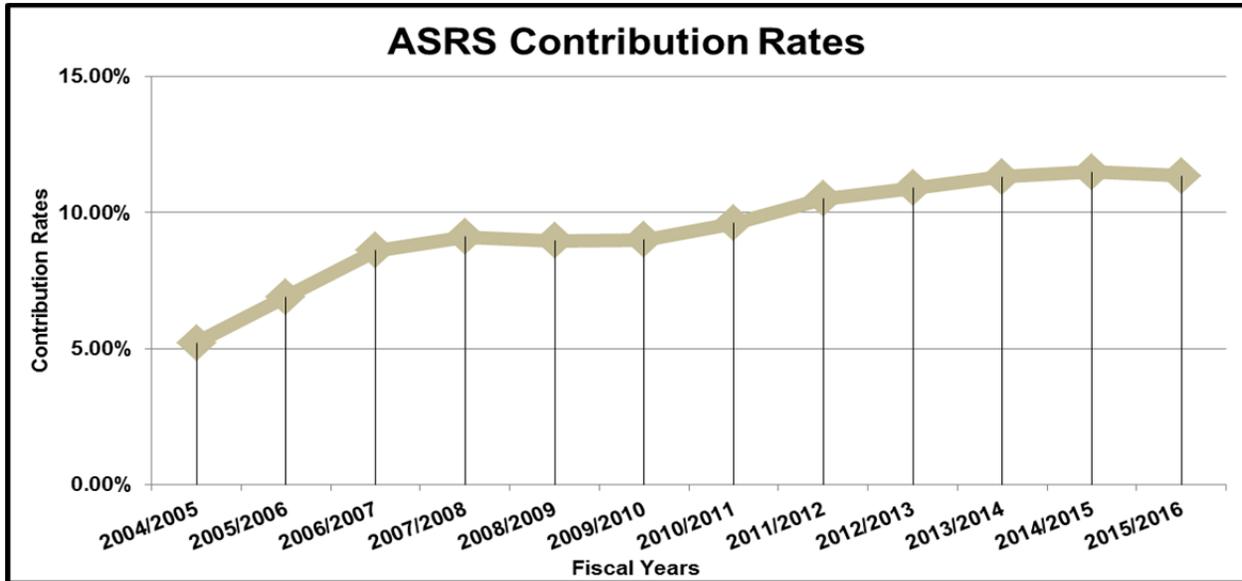


Chart 7-3

- 512300 401(a) Retirement:** The 401(a) program is a long-term personnel retirement account designed to help provide additional retirement funds for District employees. This type of program is common in the fire service and is identified as a Deferred Compensation Program. The District currently funds the 401(a) account at a rate of 3.0% of wages paid per employee. Employees become 100% vested after five years of continuous service with the District.

Wages & Benefits Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
513000 Benefit Insurance						
513100 · Health Insurance	\$ 1,123,612	\$ 1,264,555	\$ 1,264,336	\$ 1,481,074	\$ 216,519	17.1%
513200 · Dental Insurance	\$ 91,542	\$ 90,545	\$ 89,921	\$ 97,442	\$ 6,897	7.6%
513300 · Life/AD&D Insurance	\$ 12,332	\$ 13,895	\$ 13,505	\$ 15,664	\$ 1,769	12.7%
513400 · PSPRS Cancer Insurance	\$ 2,500	\$ 2,800	\$ 2,850	\$ 2,950	\$ 150	5.4%
513500 · Post Employment Health Plan	\$ 65,917	\$ 69,585	\$ 68,377	\$ 72,658	\$ 3,073	4.4%
513600 · MERP Retiree Med Reimbursement	\$ 4,200	\$ 3,850	\$ 3,850	\$ 2,450	\$ (1,400)	-36.4%
513700 · Long Term Disability	\$ 16,952	\$ 17,288	\$ 17,027	\$ 16,408	\$ (880)	-5.1%
513900 · Vision Insurance	\$ 4,814	\$ 5,045	\$ 4,989	\$ 5,294	\$ 249	4.9%
Total 513000 Benefit Insurance:	\$ 1,321,869	\$ 1,467,563	\$ 1,464,855	\$ 1,693,940	\$ 226,377	15.4%

- 513100 Health Insurance:** Health Insurance, including a prescription drug program, is provided as a benefit to the employees and their dependents in accordance with industry standards. The District offers two medical insurance options for employees and the participation of eligible retirees. The first option is the traditional Preferred Provider Organization (PPO) Plan, and the second is a High Deductible Health Plan (HDHP) in conjunction with a Health Savings Account (HSA) Plan.

HDHP/HSA plans are a form of consumer directed health coverage, pairing a high-deductible health plan with a tax-free savings account for medical expenses. These plans are ultimately designed to reduce healthcare insurance costs for employers and employees by motivating better health care purchasing decisions. The underlying concept is that people make smarter financial choices when they're expending their own funds. Consequently, claims will be smaller and renewals will be less. HSA accounts are managed by the participant and any unexpended funds carry forward from year-to-year with no penalty and are available to offset future health insurance costs.

For the FY 2015/2016, Blue Cross Blue Shield (BCBS), the District's current provider, initially proposed a 19.9% increase over last year's premium costs for both the PPO and HSA plans. After negotiations, BCBS compromised and reduced their proposed increase to 11.48%. However, the plan deductibles under both the HSA and PPO plans were increased. The new deductibles changed from \$3,000 for an individual to \$3,500 and from \$6,000 to \$7,000 for families under the HSA plan and from \$1,500 for individuals and \$3,000 for families to \$2,000/\$4,000 respectively under the PPO plan. After researching other available market options, the District has determined that this was the most economical option available. Additionally, the PPO plan experienced a change in the co-insurance levels, transitioning from a 100% plan to an 80%-20% plan.

Health insurance premiums for full-time employees will continue to be covered by the District for either medical insurance option. Premiums for dependent coverage will be shared between the employee (20%) and the District (80%). The District will also make a contribution for health-related expenses to the HSA account of full-time employees participating in the high deductible health plan. The cost of this contribution is largely offset by the premium savings for HSA participants and will be reviewed and revised each plan year as determined by the Board. In an attempt to reduce the premium increase trend, employees and their covered spouses will continue to be encouraged to participate in certain health and wellness related programs. Employees who are tobacco users will be assessed an additional 5% of the monthly premiums.

Although there will be a substantial increase in the participant deductibles, the District's HSA contributions for FY 2015/2016 remain at the previously established \$1,850 for Employee Only participants and \$3,700 for Employees with dependents. Consequently, single participants will now be responsible for \$1,650 of the total \$3,500 deductible and participants with dependents are responsible for \$3,300 of the total \$7,000 deductible. The District distributes fifty percent (50%) of the HSA contribution during the first pay period in July and the balance will be issued during the first pay period in January. This contribution schedule limits the District's potential for lost contributions and encourages accelerated funding of HSA accounts by participants. This allows employees to take control of their health insurance and plan their Health Savings Account

(HSA) contribution requirements over the course of an entire year. The maximum allowable annual contribution under IRS regulations for 2015 are \$3,350 for individuals and \$6,650 for families. Employees who are 55 or older may contribute an additional \$1,000 per year.

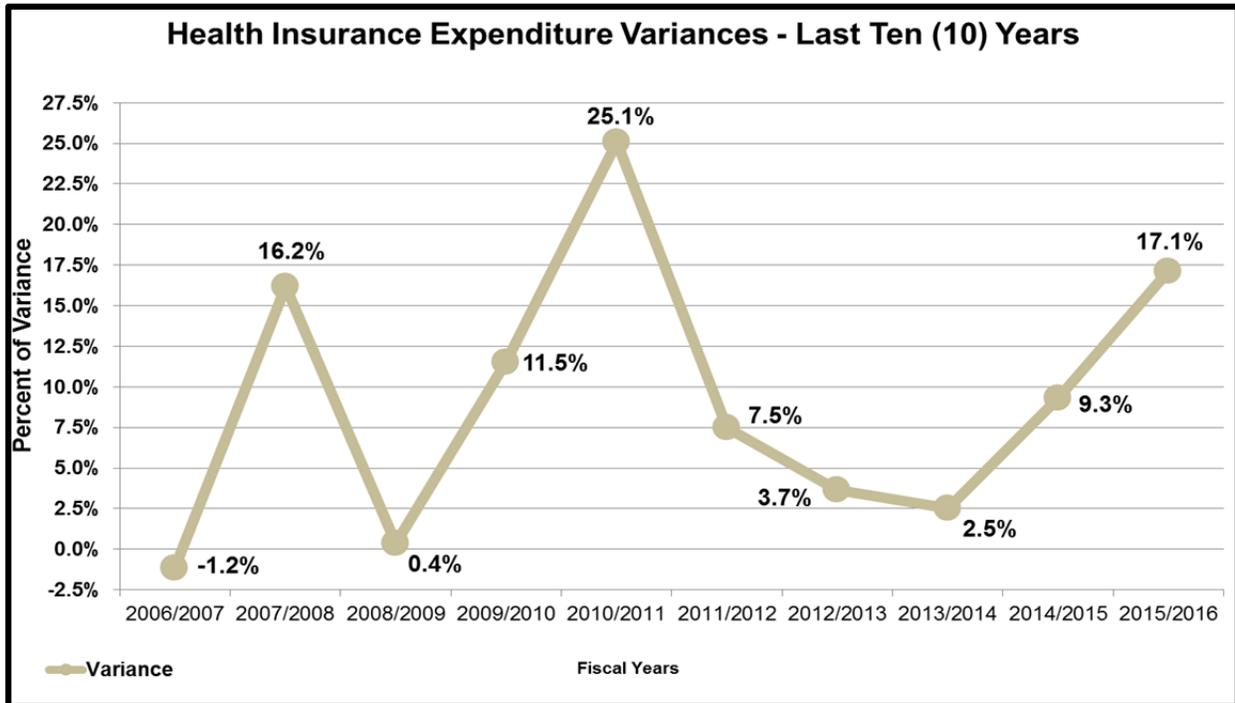


Chart 7-4

The District will continue researching methods to reduce health insurance costs. As depicted in the graph above, over the last ten years, the District has experienced significant health insurance expenditures fluctuations. However, transitioning to a Consumer Driven High Deductible Health Insurance Plan (CDHDP) or HSA still appears to be the best direction for the District. Regardless of the costs associated with contributing to the HSA accounts, overall costs are minimized and the employees are sharing more in the health insurance burden. It is important to note that a portion of the 17.1% elevation in this account is contributed to newly added full time positions combined with premium increases.

HSA participants may also elect to re-direct their Post-Employment Health Plan (PEHP) contributions, made by the District on their behalf, into their HSA accounts. Normally these contributions are directed into a PEHP account managed by Nationwide Retirement Solutions and are inaccessible until the employee separates from the District.

- 513200 Dental Insurance:** Dental insurance is provided as a benefit to the employees and their dependents in accordance with industry standards. Premiums for employees are covered by the District while premiums for dependent coverage are shared between the employee and the District.

Previously, the Governing Board chose to stabilize the annual employee dental premium amounts. To alleviate the issues involved with annual premium increases and to create more support from employees (“if you abuse it, it will cost you more in future premium increases”); the decision was made to adopt an annual 80/20 premium payment arrangement for dependent coverage under dental insurance.

District employees are currently covered through MetLife Dental who initially offered a 7.29% premium escalation for FY 2015/2016. As a result, the District selected an optional dental plan with MetLife. The benefit changes under the new dental plan include no deductible for preventative care, a deductible of \$50 for individual, and \$150 for families, where previously there were none and 10% reductions across the board in basic, major and endodontics/periodontics coinsurances. Increases in this account result from a combination of new hires and higher premiums.

- **513300 Life/AD&D Insurance:** Life and Accidental Death & Dismemberment Insurance is provided to each employee with a benefit equal to one and one half times their annual salary, up to the maximum value of \$100,000. The District initially received a 64.7% increase in coverage rates from The Standard Insurance Company for the coming year. However, this proposal was ultimately negotiated down to a 6.5% increase, which includes a two-year rate guarantee, expiring June 30, 2017.
- **513400 PSPRS Cancer Insurance:** This benefit is provided to Arizona Public Safety Personnel Retirement System (PSPRS) participants and is funded through and provided by PSPRS. The District does not have an option to discontinue this insurance as it is mandated by Arizona State statutes. Participants become eligible to utilize this benefit from their first day of inclusion under PSPRS. This account funds the required coverage of both the active PSPRS participants and those participants currently enrolled in the PSPRS Deferred Retirement Option Plan (DROP). The annual premiums are established by PSPRS at \$50 per participant. This account was increased as a result of the retirement of PSPRS DROP personnel who were previously excluded from the cancer program for which their replacements must now be covered.
- **513500 Post Employment Health Plan (PEHP):** This employee benefit plan is designed to allow the District to invest funds into a Post-Employment Health Plan (PEHP) under Internal Revenue Code Section 501(c)(9) VEBA. These funds provide for the payment of post-employment qualified medical premiums that employees will incur upon separation from District service. This program was established in July 2007 to replace the Medical Expense Reimbursement Plan (MERP) previously sponsored by the District. The PEHP benefit is currently funded at a rate of 1.0% of wages paid per employee. Effective July 1, 2012, District employees who participate in the Health Savings Account (HSA) Health

Insurance Program can choose to divert these employer contributions into their HSA accounts. This will not change the percentage of funding paid by the District. It will provide an additional option to assist employees in funding these accounts for current and future medical expenditures. Unspent funds within the employee's HSA account can be carried forward from year-to-year and utilized for future medical expenses in the same method as the PEHP.

- **513600 MERP Retiree Medical Reimbursement (MERP):** The Medical Expense Reimbursement Plan (MERP) became effective July 1, 1999. It was revised by Board Resolution # 7212005 (July, 2005) to disallow any new participants after July 1, 2007, when this program was replaced by the PEHP. This program reimburses PSPRS retirees \$50 per month, not to exceed \$600 annually, for any medical expenses they incur and is issued in January of each year. This benefit terminates when the retiree becomes Medicare eligible. This program currently supports five District retirees and will be gradually eliminated as each eligible retiree reaches Medicare eligibility age. One of the current retiree participants in this program will age out during FY 2015/2016 resulting in a reduction in this item. The last participant's eligibility will expire in FY 2022/2023.
- **513700 Long Term Disability (LTD):** This benefit is provided through two different entities: Arizona State Retirement System (ASRS) and The Hartford Insurance Company. This fiscal year, ASRS mandates that the required contribution be 0.24%, divided 50/50 between both the employer and the employee. This expenditure is budgeted using a premium rate of 0.12% of each participant's wages annually to provide for Long Term Disability for ASRS participants. Participants become eligible to utilize this benefit from the first day of their enrollment into ASRS. Because Public Safety Personnel Retirement System (PSPRS) participants do not receive this benefit through PSPRS, the District contracts with a vendor to provide a comparable benefit to that of ASRS participants. Reductions in this account are related to an 8.8% decrease in the premium rates obtained from switching this provider from The Standard to The Hartford for FY 15/16. These rates are guaranteed for two years, through June 30, 2017.
- **513900 Vision Insurance:** This account funds vision insurance benefits for the employees of the District. Employees may elect additional coverage for their dependents but must pay 100% of these dependent costs. Effective July 1, 2012, the District entered into a multi-year contract with EyeMed Vision Care to provide this benefit with no increase in premium costs for the duration of the agreement ending June 30, 2015. EyeMed has agreed to extend this contract for another two years (through 2017), and once again, maintain the current premium rates.

Wages & Benefits Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
514000 Operational Allowances						
514100 · Longevity Enhancement Programs	\$ 60,337	\$ 154,125	\$ 297,796	\$ 112,219	\$ (41,906)	-27.2%
514200 · Uniform Allowance	\$ 60,208	\$ 63,750	\$ 64,388	\$ 67,150	\$ 3,400	5.3%
514300 · Cell Phone Allowance	\$ 11,596	\$ 12,168	\$ 11,516	\$ 13,988	\$ 1,820	15.0%
Total 514000 Operational Allowances:	\$ 132,141	\$ 230,043	\$ 373,700	\$ 193,357	\$ (36,686)	-15.9%
Total Benefits:	\$ 3,209,047	\$ 3,712,648	\$ 3,791,093	\$ 4,170,181	\$ 457,533	12.3%
Total Combined Wages & Benefits:	\$ 9,746,076	\$ 10,583,312	\$ 10,519,589	\$ 11,487,979	\$ 904,667	8.5%

- 514100 Longevity Enhancement Programs:** In accordance with the District's Accrued Leave Management Policy #6.01, which was modified in October of 2013, employees who meet the policy requirements are eligible to participate in the Longevity Enhancement Program (LEP) if they have met certain qualifications. This program was created in an effort to reward employees who have served the District ten years or more and have utilized minimal leave hours during their tenure. These employees have accumulated compensated absence banks and with it an associated District liability. The creation of this policy encourages participation in the LEP and reduces future costs and liability funding requirements for the District. Employees decrease their compensated absence accumulation at current hourly wages rather than continuing to accumulate hours that will be paid later at a much higher rate. Funding for this expenditure is calculated based on projected usage by District employees. Employees who plan to participate in this program during the next fiscal year are required to notify the Financial Services Division by March 1. This account experienced a significant decrease as a result of a decrease of senior employees' requests to participate in this program and the retirement of three District employees during FY 2014/2015.

Modifications to the Leave Management Policy effective July 1, 2012 created the Paid Time Off (PTO) program which applies to all employees hired after July 1, 2012. This program phases out Sick / Vacation Leave and creates a "sunset" on the Longevity Enhancement Program. This transition will ultimately greatly reduce the District's liability associated with the previous accumulation of sick leave balances. In an effort to identify and ensure available funding for the current and future compensated absence related liabilities, the District introduced a policy to allot the necessary funds to satisfy this liability. These funds are classified as Committed Funds within the General Fund Balance and identified as the Employee Benefit Liability Account (EBLA). Once it is fully funded, the District anticipates that the EBLA, coupled with the PTO policy, will generate long-term self-sustainability through a combination of interest earnings and employee attrition. Transfers from the EBLA are expected to offset the annual expenditures associated with the District's Compensated Absences and Longevity Enhancement Program liabilities.

- **514200 Uniform Allowance:** The District’s Uniform Allowance Policy directly governs the funds in this account. In order to ensure that employees maintain a professional appearance and comply with safety standards, the District requires that its employees wear uniforms as outlined in its policies. In order to mandate uniform standard compliance, each employee is provided an annual uniform allowance which is added to the employee’s compensation as taxable income. All employees who interact in the field, with the exception of some members of the Administrative Staff, receive this taxable benefit. Changes in this account are related to addition of new staffing subject to this allowance.
- **514300 Cell Phone Allowance:** Key employees, who are required to be accessible 24 hours a day, are required to sign contracts and provide proof of continued cellular service ensuring accessibility. In return, these individuals are paid a per pay period allowance to maintain this service requirement. FY 2015/2016 changes calculated for this account for are attributed to new positions.

Accounting and Professional Services Overview

Accounting responsibilities include all finance, accounting, payroll, customer billing, budget preparation, purchasing oversight, and miscellaneous program services. Completion of the annual audit and Comprehensive Annual Financial Report (CAFR) and annual budget report submissions are also tasks performed with the assistance of these funding categories. The District must periodically seek the services of outside professionals to provide needed services. Those budgetary line items are contained in this section.

Financial Services Division Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
530500 · Accounting	\$ 14,469	\$ 16,850	\$ 15,447	\$ 17,350	\$ 500	3.0%
531000 · Bank Service Charges	\$ 11,215	\$ 16,400	\$ 8,391	\$ 9,500	\$ (6,900)	-42.1%
531500 · Payroll Processing	\$ 452	\$ 1,200	\$ 509	\$ 1,200	\$ -	0.0%
532000 · Insurance Billing	\$ 187,064	\$ 187,765	\$ 223,212	\$ 38,536	\$ (149,229)	-79.5%
550500 · Memberships & Dues	\$ 6,528	\$ 8,928	\$ 8,134	\$ 9,118	\$ 190	2.1%
551000 · Professional Subscriptions	\$ 2,176	\$ 2,756	\$ 2,603	\$ 2,866	\$ 110	4.0%
559500 · Contingency	\$ -	\$ 350,000	\$ 350,000	\$ 350,000	\$ -	0.0%
Total Financial Services Division:	\$ 221,903	\$ 583,899	\$ 608,296	\$ 428,570	\$ (155,329)	-26.6%

- **530500 Accounting:** State statute requires the District to hire an outside independent Certified Public Accountant (CPA) to provide a complete audit of all District financial information on an annual basis. This line item is managed by the Financial Services Division and allows funding for the annual audit process as well as for occasional consultation with a Certified Public Accountant for audit preparations and other financial matters that arise during the fiscal year. The District produces a Comprehensive Annual Financial Report (CAFR) each fiscal year. This document presents the District’s Basic Financial Statements and

provides the public, and District creditors, with the broadest possible picture of the District's financial status. It is the intent of the District to continue production of this in-depth annual financial report. The projected increase in this account is associated with the plan to maintain the services of the District's current auditing firm under the current rate agreement. This account also includes funding for participation in the Government Finance Officers Association (GFOA) Budget and CAFR Award Programs.

- **531000 Bank Service Charges:** In previous years, the District was able to avoid banking service charges through the use of balance credits applied against banking service fees. As a result of low interest rates, the District does not receive enough balance credits to offset these costs. As interest rates increase, these fees may be reduced or eliminated. This account also funded interest expenditures associated with Registered Warrants or 'borrowed funds', generally utilized during periods of low tax revenue collections. In recent years, the District has not had to Register Warrants through the Maricopa County Treasurer and as such has not paid interest against borrowed funds. Therefore, this account was reduced to reflect these unexpended funds.
- **531500 Payroll Processing:** Internal payroll processing was implemented on January 1, 2007, and has been extremely successful. This account funds the expenditures required for payroll processing. The requirements include periodic tax table updates through the accounting software, tax form requirements for federal and state reporting, and miscellaneous supplies. This program is managed by the District's Financial Services Division personnel.
- **532000 Insurance Billing:** The contract with Mediclaim Data Services (MDS), the District's ambulance transport billing service provider, is managed by the Financial Services Division. The MDS contract was renewed effective July 1, 2012, for a five year term and is due to expire on June 30, 2017. This contract provides ambulance billing services for a rate of 9.25% of net ambulance revenues collected by MDS. This budget account is calculated based on the estimated ambulance revenues collected by MDS for a portion of FY 2015/2016. There is an almost 80% reduction factored into this account as a direct result of the transition of these services from the external provider (MDS), to complete in-house processing of these billing services.
- **550500 Memberships & Dues:** As a professional organization, the District has a responsibility to maintain specific memberships with organizations to ensure the continued education of its employees. Some of these memberships keep the District apprised of the ever-changing legal aspects of emergency service protocols and nuances. Other association dues keep the District current on local, state, and national issues; ensuring that District personnel have access to the most current industry information. Examples of these professional organizations include the Arizona Fire District Association (AFDA), the National Fire Protection Association (NFPA), the International Code Council (ICC), and the Government

Financial Officer's Association (GFOA). This account was slightly increased as a result of increased fees for some of the District's professional memberships.



- **551000 Professional Subscriptions:** The Administrative office subscribes to local periodicals for community relations and historical and current events purposes. It also subscribes to nationally recognized professional materials which provide educational information for Emergency Medical Services personnel and code enforcement manuals utilized by staff on a regular basis. A slight increase in this account is the result of increased subscription costs of one publication.
- **559500 Contingency:** The Contingency section of the District expenditures budget was established through Governing Board action to offset unforeseen expenses and revenue shortages during the fiscal year. Unanticipated expenses can occur at any time. Additionally, it is not uncommon for the District to end its fiscal year with a short fall in property tax or other alternative revenues collection. This expenditure account also acts as an offset to the necessary capital projects annual funding requirements. Unexpended funds in this account are transferred directly to the Capital Projects Fund in support of future capital needs.

The Government Accounting, Auditing, and Financial Reporting (GAFR) Manual recommends a contingency fund of no less than 5-15% of the required General Fund operational expenditures. Currently, the Fire District's contingency allotment represents less than 2.5% of these expenditures. Following the GAFR recommendations, the District's contingency fund should be incrementally increased, when possible, with the ultimate goal of maintaining the recommended minimums.

Debt Service Overview

Large-scale apparatus, specialized equipment, and facilities have always been immense expenses to fire districts and the taxpayers who support them. The District consistently looks for ways to decrease the impact of these major purchases to its property owners through alternative funding sources. The method of using alternative funding through lease/purchase spreads the costs of a capital asset over the actual useful service life of the asset. This method allows the asset to be paid for by the

taxpayers who actually benefit from its use. Assets that are purchased using cash on hand accumulated from current taxes and current residents may not benefit those current taxpayers; instead benefitting future taxpayers. In the past, the Governing Board has acquired lease/purchase proceeds to alleviate funding through increased tax levies for significant capital asset purchases. Utilizing General Obligation (GO) Bonds, lease/purchases, and other funding mechanisms provides the District with the ability to stretch tax dollars to maximize limited budgets. These alternative funding methods have been used by fire districts as well as other local governments throughout the years and remain a key element to stabilizing tax rate fluctuations.

The District continuously searches for ways to stretch its resources. Accordingly, in August of 2013, District staff was able to negotiate the refinancing of its outstanding debt. In doing so, the District experienced a reduction in interest rates from 4.3% fixed to 2.99% fixed. This transaction also released the liens on various apparatus. The new agreement required the District to secure the agreement with the Administration building, Station 101 and Station 102. Staff further negotiated that the lien held on the Administrative facility be released in December of 2020. An additional million dollars in capital projects loan proceeds were also secured to assist in the renovation of Station 103 and construction of Station 104. More importantly, the annual debt service payments were reduced by over \$100,000. This debt issuance, in conjunction with the District’s annual depreciation schedule funding, is expected to significantly reduce the need for future debt funding.

The District continues to responsibly manage its remaining debt. The District will have just under \$5.5 million dollars of outstanding indebtedness at the end of FY 2014/2015. As previously stated, the District’s current debt has a fixed interest rate of 2.99%. The annual principal and interest payments for this Lease/Purchase Agreement equate to roughly \$512,738 for FY 2015/2016 and remain at that level until the debt is fully retired in June of 2028. The District will continue to explore options for retiring or refinancing debt, when financially beneficial, whenever feasible. Charts 7-5 and 7-6 illustrate the annual principle and interest payments and declining balances until this Lease/Purchase Agreement reaches maturity.

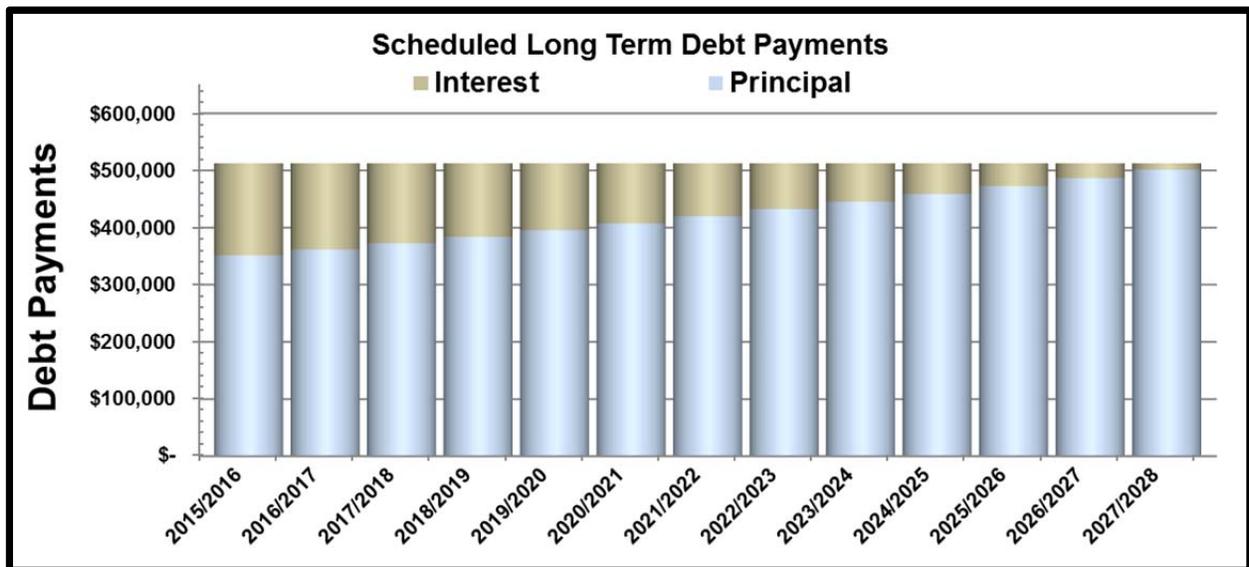


Chart 7-5

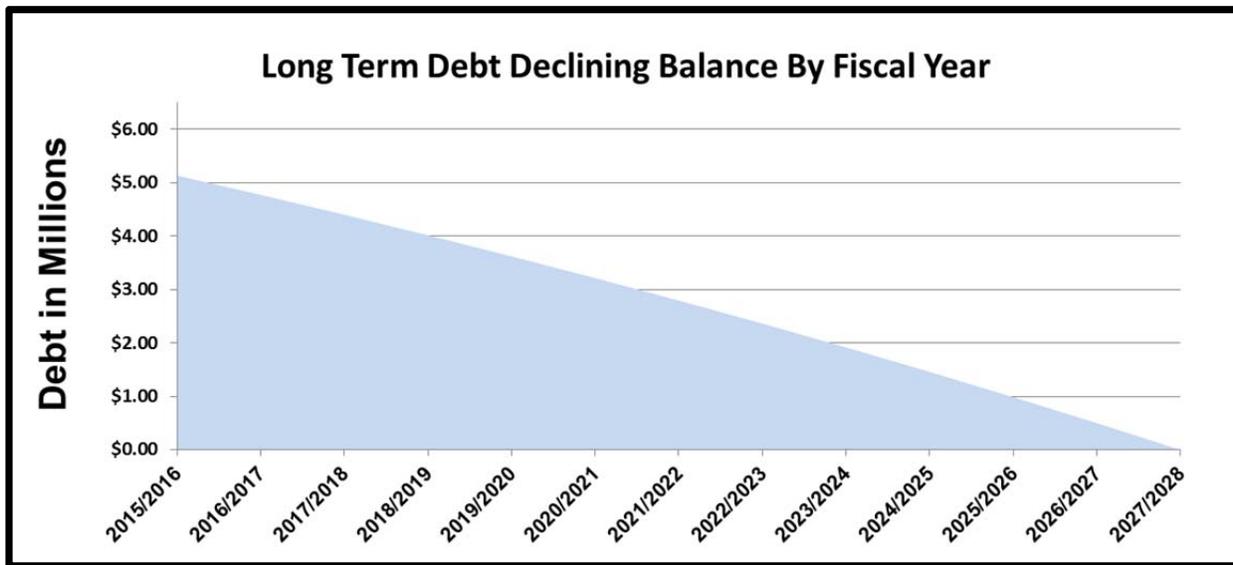


Chart 7-6

The District utilizes this section of the budget to allocate funding for the support of the Capital Improvement Plan (CIP), also identified as depreciation funding. The District has implemented a Capital Improvement Plan (CIP) as a section within the District’s Business Plan. Although the District prepares a separate CIP from the Annual Budget and Operational Plan, the two plans are closely linked. The CIP is a systematic method of anticipating, planning, and budgeting for major capital projects. The structure of the plan is based on the District’s Property Stewardship and Capitalization Policies and is reviewed annually. The Plan includes depreciation schedules, normal replacement schedules, and annual funding requirements for additional capital projects.

Through the use of aging and depreciation schedules, and future capital funding projections; the District has developed the Capital Projects Funding program to assist in dispersing, over multiple years, the detrimental impact that large capital purchases have on the annual budget process. This negative impact has been lessened through capital planning including the depreciation of large assets over their life span and designating funding on an annual basis to support this program.

Debt Service Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
725000 · Lease/Purchase Principal	\$ 407,122	\$ 340,942	\$ 340,942	\$ 351,212	\$ 10,270	3.0%
725500 · Lease/Purchase Interest Expenditure	\$ 142,490	\$ 171,798	\$ 171,798	\$ 161,528	\$ (10,270)	-6.0%
729000 · Capital Projects Funding (Deprc)	\$ 96,000	\$ 19,650	\$ 19,650	\$ 19,650	\$ -	0.0%
Total Debt Service:	\$ 645,612	\$ 532,390	\$ 532,390	\$ 532,390	\$ -	0.0%

- 725000 Lease/Purchase Principal:** This account funds the current year’s semi-annual principal payment expenditures. This account will increase incrementally each year in tangent with a decrease in the related interest expenditure. This lease/purchase debt is scheduled to be fully retired in June 2028.

- **725500 Lease/Purchase Interest:** This account funds the current year's semi-annual interest payment expenditures. The interest rate associated with this debt is fixed at 2.99% for the term of the debt and this expenditure will decrease annually as the debt is satisfied.
- **729000 Capital Projects Funding (Depreciation):** This account allocates funding for the purchase and replacement of the District's depreciable capital assets including facilities, apparatus and other costly equipment. Calculations for this account are generally derived from the Capital Improvement Plan, which is found as a section within the District's 2014-2015 Revision of the 2011-2016 Business Plan. Funding in this account is combined with un-expended funds from the Contingency Account (#559500) to satisfy required funding levels. The FY 2014/2015 Budget shows a marked decrease for this account. This reduction is linked to realized fiscal year end revenues over expenditures for fiscal year 2013/2014. It is expected that in FY 2015/2016, the budget for this account will be maintained at the previous year's level.



Administrative Services Division

The Administrative Services Division is overseen by the Administration/Community Risk Management Divisions Assistant Chief who is supported by an Administrative Coordinator, a Human Resource position, and an Administrative Assistant. Each position and the associated responsibilities will be detailed in the following pages of this document. In addition to general administrative duties, this section also encompasses the District's Human Resources, Governing Board requirements and special projects such as the generation and facilitation of the District's Strategic and Business Plans, generation of grant applications, and the Fire District Accreditation process.

Governing Board Overview

The Fire Chief is hired by the Governing Board to manage the Fire District as a whole, including ensuring that all employees adhere to the Policy Manual as set forth by the Board and the Operations Manual which is developed and managed by the Fire Chief. These manuals guide and direct the employees of the District in providing the highest level of service and professional standards. The Fire Chief, the Administration /Community Risk Management Division Assistant Chief and the Administrative Coordinator also have the task of ensuring the District's Governing Board is advised of all pertinent and important issues so they may make informed decisions for their constituents. These personnel guide the District and Board in complying with the laws governing special districts and open meetings.

Governing Board Personnel Summary

Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Board Members	5.0	5.0	5.0
Fire Chief	1.0	1.0	1.0
Assistant Chief	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Total Personnel Assigned	8.0	8.0	8.0

Governing Board Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Board Workshops	12	12	12
Legally Mandated Board Meetings	12	12	12
Projected Public Hearings/Special Meetings	4	4	4
Board Policies Administered	90	90	90

Status of FY 2014/2015 Performance Goals & Objectives

- Continue to participate in monthly Public Board Workshops and Public Board Meetings, address public questions and comments, review and approve the District's Monthly Financial Reports and obtain statistics regarding the general operations of the Fire District. - **Accomplished**

- Continue to award special recognition for the District's customers, volunteers, residents, and employees who have attained certain service milestones and/or made significant contributions to the District and its residents. - **Accomplished**
- Continue the review and authorization of District expenditures, to be completed on a weekly basis by no less than two Board Members. - **Accomplished**
- Review and approve the District's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending June 30, 2014. - **Accomplished**
- Continue to ensure that the District adheres to the expenditure limits established with the adoption of the FY 2014/2015 Annual Budget & Operational Plan. - **Accomplished**
- Provide direction and authorization of significant District expenditures associated with the District's Capital Improvement Plan (CIP) and/or contingency expenditures as defined in policy. - **Accomplished**
- Review and approve the 2014/2015 Revision of the District 2011-2016 Business Plan, to include the 2015/2016 Capital Improvement Plan (CIP). - **Accomplished**
- Review and Adopt the District's FY 2015/2016 Annual Budget & Operational Plan. - **Accomplished**
- Direct the administration, generation, and adoption of new District Policy Manual Policies as necessary. - **Accomplished**
- Continue to keep informed of general and legislative issues that may impact the Fire District through the attendance of conferences such as the Arizona Fire District Association Conference offered twice per year. - **Accomplished**
- Update Governing Board Manuals as needed. - **Accomplished**
- Call for a Governing Board election in November 2014 per state statute. - **Accomplished**
- Participate in new Governing Board member orientation. - **Accomplished**

FY 2015/2016 Performance Goals and Objectives

- Continue to participate in monthly Public Board Workshops and Public Board Meetings, address public questions and comments, review and approve the District's Monthly Financial Reports and obtain statistics regarding the general operations of the District.
- Continue to award special recognition for the District's customers, volunteers, residents, and employees who have attained certain service milestones and/or made significant contributions to the District and its residents.
- Continue the review and authorization of District expenditures, to be completed on a weekly basis by no less than two Board Members.
- Review and approve the District's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ending June 30, 2015.
- Continue to ensure that the District adheres to the expenditure limits established with the adoption of the FY 2015/2016 Annual Budget & Operational Plan.
- Provide direction and authorization of significant District expenditures associated with the District's Capital Improvement Plan (CIP) and/or contingency expenditures as defined in policy.
- Create new Strategic Plan
- Create new Business Plan based on Strategic Plan (include 2016/2017 Capital

Improvement Plan (CIP)

- Review and Adopt the District's FY 2016/2017 Annual Budget & Operational Plan based on structure of Strategic & Business Plans
- Direct the administration, generation, and adoption of new District Policy and Operations Manuals Policies as necessary.
- Continue to keep informed of general and legislative issues that may impact the District through the attendance of conferences such as the Arizona Fire District Association Conference offered twice per year.

The North County Fire & Medical District Governing Board is comprised of five elected members who are responsible for the overall budgetary and policy direction of the Fire District. The Board approves the scope and direction of the services to be provided to the citizens and ensures that their needs are met, in so far as possible, with available resources.

Fire District Board members, while elected into service, may come from varied backgrounds and may have limited knowledge of the federal, state and local governmental requirements to which they must adhere in the oversight of a fire district.

The Administrative Coordinator manages training for the Elected Governing Board members to ensure that every opportunity for education is provided. A.R.S. 48-803.H requires six (6) hours of specified training (open meeting law, finance, budget governance) within one year for newly elected, re-elected, or appointed Governing Board members. The largest single training entity for Fire District officials is the Arizona Fire District Association (AFDA). The AFDA currently sponsors conferences twice a year, in January and between the June and July months. Conferences are usually Thursday through Sunday and provide a variety of topics presented by a cadre of qualified educators. Training typically includes representatives from state and local governmental entities to which fire districts are required to submit annual reporting mandates; legal counsels who provide information on Open Meeting laws and board member roles and responsibilities; auditors, accountants and other experienced individuals in the field of fire district finance, etc. Each conference offers varied subject matter and reinforces the importance of continued education through the inception of a certificated program. This training benefits both new and tenured Governing Board members. There are occasions in which other professional organizations may provide training that would benefit District Board members and that funding is also reserved in this area.

This section of the budget also contains items such as Board meeting and administrative expenditures, and elections funding as necessary. Budget expenditures in this area may fluctuate dramatically between election years and non-election years. FY 2015/2016 is a non-election year, therefore funding has been removed.



Fire Board Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
533000 · Election Expenditures	\$ -	\$ 13,500	\$ 12,446	\$ -	\$ (13,500)	-100.0%
611000 · Educational Expenditures	\$ 375	\$ 1,450	\$ 1,080	\$ 1,450	\$ -	0.0%
613000 · Travel Expenditures	\$ 1,625	\$ 5,120	\$ 4,043	\$ 5,120	\$ -	0.0%
551501 · Meeting Expenditures	\$ 987	\$ 850	\$ 958	\$ 850	\$ -	0.0%
Total Fire Board:	\$ 2,987	\$ 20,920	\$ 18,527	\$ 7,420	\$ (13,500)	-64.5%

- 533000 Election Expenditures:** The District is required by State statute to hold biennial elections for its board members. An election was required in November 2014 of FY 2014/2015 as there were two (2) Board Members with completed terms. Election funding is not included in the FY 2015/2016 Budget since an election is not required again until November 2016.
- 611000 Educational Expenditures:** This budgetary account provides funding for training conference registration for all five (5) Board members to attend both Arizona Fire District Association (AFDA) training conferences, plus any other potentially beneficial conferences that might arise throughout the fiscal year.
- 613000 Travel Expenditures:** This account allows for the per diem, lodgings, and travel expenditures that are associated with Board members attending educational conferences throughout the fiscal year.
- 551500 Meeting Expenditures:** This funding, which is derived from the overall District Outreach budgetary account (#5515), covers Governing Board meeting expenses and supplies. There is no change in this budgetary item.

Administrative Services Division Overview

The Administrative Services Division is overseen by the Administration/Community Risk Management Division Assistant Chief and managed by the Administrative Coordinator and Human Resources with the support of the Administrative Assistant. The primary responsibilities of the Administrative Services Division are to provide administrative support in the form of Human Resources, records management, office management, and customer service. The Division's employees are charged with maintaining personnel records and public documents, coordinating and managing insurance programs (including facility and apparatus), customer relations with residents seeking services directly from the administrative offices of the District, and assisting with ensuring proper data management. They are also charged with researching and applying for grants to support the efforts of the District. Special Projects are also assigned to the Administrative Services Division including the administration and development of the District's Core Documents and other assignments as necessary (accreditation, intranet policy and operations manuals, etc.). As a result of the District's growth, projected ongoing economic challenges, the addition of new District programs, and the retirement of the District's Human Resource Generalist; the structure,

functionality, and job responsibilities of the Administrative Services Division continue to be evaluated for efficiency, relevancy and structure.

The Administrative Services Division provides support for the following District Business Plan Strategic Priorities and the associated Strategic components listed below:

Strategic Priority #2: Financial Sustainability

- Strategic Component – Cost Effectiveness
 - Action Item 2.4 – Alternative Work Schedules or Locations
 - Action Item 2.5 – Recycling / Conservation Program

Strategic Priority #4: Personnel Development

- Strategic Component – Recruitment & Retention
 - Action Item 4.2 – Human Resources / Personnel Retention
 - Action Item 4.3 – Recruitment
 - Action Item 4.4 – Management & Leadership / Succession Plan

Administrative Services Division Personnel Summary

Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Assistant Chief	1.0	1.0	1.0
Administrative Coordinator	1.0	1.0	1.0
Human Resources	1.0	1.0	1.0
Administrative Assistant	1.0	1.0	1.0
Total Personnel Assigned	4.0	4.0	4.0

Administrative Services Division Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Human Resources			
Employees Supported (FT/PT)	82/0	80/11	85/30
Volunteers Supported	50	50	65
Retirements and Departures Processed	1	2	3
New Employees Hired and Orientated	6	11	TBD
Workers Compensation Claims Processed	7	TBD	TBD
Employee Benefit Fairs Conducted	1	2	2
Recruitment Events	1	1	TBD
Special Projects			
Grant Applications Submitted/Value	3/\$680,274	3/TBD	TBD
Grant Awards Received/Value	1/\$5,271	1/\$2,000	TBD
Special Projects Managed*/**	2	2	2

Status of FY 2014/2015 Performance Goals & Objectives

- Conduct orientation for all newly hired employees. - **Accomplished**
- Complete an Employee Classification and Compensation Study. - **Accomplished**
- Continue to update and distribute new policies and procedures as necessary. -

Accomplished

- Continue to enhance the content of District quarterly newsletters. - **Restructured**
- Continue support for fire and medical information programs as well as the links from the Communications Center to the District's emergency management reporting system. - **Ongoing**
- Maintain computerized performance appraisal instrument. - **Accomplished**
- Continue to work towards a paperless office environment. - **Accomplished**
- Continue to manage District's recycling program. - **Accomplished**
- Research additional renewable Energy projects and/or opportunities - **Accomplished**
- Research appliances due for replacement and purchase Energy Star appliances when possible in cooperation with Support Services Division. - **Accomplished**
- Finalize transition to Document Locator (workflow/records management software). - **Ongoing**
- Identify additional items to be scanned that could enhance efficiency and storage reduction. - **Ongoing**
- Increase viability and spectrum of District Data Management. - **Ongoing**
- Enhance the Support Services Division data management systems. - **Ongoing**
- Complete annual review and revision of District Business Plan. - **Accomplished**
- Continue to research potential grant opportunities and seek alternative grant revenue to enhance District funding. - **Ongoing**
- Continue to maintain the intranet Fire District Forms Catalog, Policy and Operations Manuals for personnel use. - **Ongoing**
- Continue to explore possible program partnerships/functional consolidation/shared services or mergers, present any results to the Governing Board, implement results as appropriate. - **Ongoing**
- Complete Shared Services Assessment Study. - **Postponed**
- Complete Accreditation Annual Compliance Reports (ACR). - **Accomplished**
- Complete annual review of designated District Policies and Standard Operating Procedures. - **Ongoing**
- Continue to monitor Legislative issues that affect Fire Districts. - **Ongoing**
- Enhance District promotional testing and assessment center processes. - **Accomplished**
- Complete evaluation training for all supervisors. - **Accomplished**
- Schedule EEOC training for all Chief Officers. - **Accomplished**
- Research alternative methods of psychological testing for new employees. – **Accomplished**
- Re-design Governing Board Manuals by October 2014 - **Revised**

FY 2015/2016 Performance Goals & Objectives

- Conduct orientation for all newly hired employees.
- Complete an Employee Classification and Compensation Study as requested.
- Continue to update and distribute new policies and procedures as necessary.
- Continue the research and development of internal District newsletters.
- Continue support for fire and medical information programs as well as the links from the Communications Center to the District's emergency management

- reporting system.
- Maintain computerized performance appraisal instrument.
 - Continue to work towards a paperless office environment.
 - Continue to manage District's recycling program.
 - Research additional renewable Energy projects and/or opportunities.
 - Research appliances due for replacement and purchase Energy Star appliances when possible in cooperation with Support Services Division.
 - Finalize transition to Document Locator (workflow/records management software) and/or transition to appropriate software within new Accounting Software if appropriate.
 - Identify additional items to be scanned that could enhance efficiency and storage reduction.
 - Increase viability and spectrum of District Data Management.
 - Enhance the Support Services Division data management systems.
 - Complete annual review and revision of District Business Plan.
 - Continue to research potential grant opportunities and seek alternative grant revenue to enhance District funding.
 - Continue to maintain the intranet Fire District Forms Catalog, Policy and Operations Manuals for personnel use.
 - Continue to explore possible program partnerships/functional consolidation /shared services or mergers, present any results to the Governing Board, and implement results as appropriate.
 - Explore Shared Services as directed.
 - Complete Accreditation Annual Compliance Reports (ACR).
 - Begin re-Accreditation process.
 - Complete annual review of designated District Policies and Standard Operating Procedures.
 - Continue to monitor Legislative issues that affect Fire Districts.
 - Develop Front Office Handbook
 - Re-design Governing Board Manuals by January 2016

Administrative Services Expenditures

Administrative expenditures include the following: liability insurance administration, general administration and records management; clerical support for the various divisions; and continuous review, revision, and enforcement of the District Policy and Operations Manuals. The records management responsibilities include serving as legal custodian of the District's official records; coordinating public records request fulfillment; and records retention and destruction processes.

The Human Resources component encompasses many programs and services designed to support the District and its employees in the achievement of the District's mission. Human Resources oversees areas pertaining to employee hiring and orientation, performance management, benefits administration, Policy and Operation Manuals' maintenance, Milestone Recognition Program, and employee benefits and services. Additional responsibilities include working with the Financial Services Division

to administer local, state and federal employment laws; wages and salaries; employee and retiree healthcare benefits; the Deferred Compensation Program; and other areas essential to the management of the District's Human Resources including coordination and implementation of employee events, retirement programs, and additional recognition awards.

The District Recruitment Program goals are executed by a group of highly trained and motivated employees charged with continuing the District's practice of hiring quality personnel. Recruitment of outstanding personnel and a commitment to their continued development is essential to organizational success. This is accomplished through formalized procedures for the recruitment, testing, and initial training of new District personnel. The end result will be individuals who consistently provide District taxpayers with excellent service.

The Administrative Services Division is also charged with the management of special projects such as researching, applying for, and administering grants to support the efforts of the District. The administration, development and annual revision of the District's core documents (Strategic, Business and Annual Budget and Operational Plans), are supported through the expenditures outlined below. Other assignments such as maintaining the District's Accreditation status, maintaining and updating the intranet policy and operations manuals and overseeing the training and education of District Board members and administrative staff are accomplished by this Division.

Administrative Services Division Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
521000 · Facilities/Equipment Insurance	\$ 26,616	\$ 32,071	\$ 32,071	\$ 38,416	\$ 6,345	19.8%
522000 · Motor Vehicle Insurance	\$ 20,976	\$ 20,720	\$ 21,164	\$ 23,286	\$ 2,566	12.4%
523000 · Umbrella, Errors & Omissions	\$ 7,860	\$ 8,433	\$ 8,433	\$ 9,044	\$ 611	7.2%
532500 · Legal/Consulting Expenditures	\$ 66,866	\$ 45,000	\$ 153,902	\$ 50,000	\$ 5,000	11.1%
551500 · District Outreach	\$ 8,277	\$ 9,035	\$ 8,881	\$ 9,535	\$ 500	5.5%
552000 · Office Supplies	\$ 9,792	\$ 11,000	\$ 10,898	\$ 12,000	\$ 1,000	9.1%
552500 · Office Equipment	\$ 2,515	\$ 5,000	\$ 4,865	\$ 5,000	\$ -	0.0%
553000 · Postage & Delivery	\$ 4,241	\$ 4,332	\$ 5,992	\$ 6,340	\$ 2,008	46.4%
553500 · Publishing & Printing	\$ 4,524	\$ 3,525	\$ 3,525	\$ 3,821	\$ 296	8.4%
554000 · Copier Expenditures	\$ 3,102	\$ 3,333	\$ 3,497	\$ 2,938	\$ (395)	-11.9%
555500 · Hiring, Testing & Recruitment	\$ 10,482	\$ 13,755	\$ 16,142	\$ 27,939	\$ 14,184	103.1%
559000 · Accreditation	\$ 1,975	\$ 14,770	\$ 14,700	\$ 3,350	\$ (11,420)	-77.3%
561000 · Duty Uniforms	\$ 9,705	\$ 5,850	\$ 5,407	\$ 13,450	\$ 7,600	129.9%
Total Administrative Services:	\$ 176,931	\$ 176,824	\$ 289,477	\$ 205,119	\$ 28,295	16.0%

- 521000 Facilities / Equipment Insurance:** The District must ensure that its assets are protected to prevent any possible disruption in the services it provides to District property owners. To provide this assurance, the District obtains insurance policies that will replace property as a result of damage, theft, or loss. This policy ensures the repair and / or replacement of any District facilities or

equipment the loss of which may impact normal service operations due to its damage, theft, or destruction. This line item also includes General and Management Liability Insurances costs, Cyber Liability and Crisis Management Coverage. This coverage increased as a result of the completion of Station 104.

- **522000 Motor Vehicle Insurance:** This policy ensures that, in the event of an accident or loss, any apparatus belonging to the District will be replaced or repaired as quickly as possible and without a significant and unforeseen expense to the District. Increases are associated with the addition of four new apparatus.
- **523000 Umbrella, Errors & Omissions:** The District also retains insurance coverage to protect against unforeseen or unidentified potential liabilities. This policy protects the District and its taxpayers against unknown threats of litigation that could potentially have a detrimental financial impact. Arizona Theft Recovery and a \$400,000 Annual Fidelity Bond are also contained in this expenditure item. Premiums are reflective of industry rates.
- **532500 Legal/Consulting Expenditures:** This account encompasses any legal and consulting expenditure requirements that may arise during the fiscal year. The budget estimate is based on past usage and current circumstances. Legal counsel may be solicited for assistance with potential grants, annexations, pending agreements, etc. Additionally, consultants may provide the District with professional Human Resource guidance; in-depth feasibility studies, professional consultant related research and guidance may be required during the fiscal year. This funding allows for these services to be accomplished and has been increased for FY 2015/2016.
- **551500 District Outreach:** This section of the budget is used for the recognition and appreciation of the District's customers, volunteers, residents, and employees. This line item includes such items as funding for volunteer, citizen, and employee recognition events. Additionally, opportunities such as employee retirements and special recognition awards are purchased from this account. Other non-financial appreciation tokens and rewards include hams and turkeys for the on-duty crews during holidays. Current annual recognition items include the Firefighter of the Year Award and the Service Milestone Award Program. Employee events are critical to providing and maintaining the "family support" atmosphere within the District. This expenditure account also allows for ongoing administrative and business meetings hosted by the District. These meetings include, but are not limited to, Valley Fire Consortium meetings, Westside Fire Chiefs meetings, District Budget meetings, District Strategic Planning meetings, etc. This item has been minimally increased for FY 2015/2016.
- **552000 Office Supplies:** This section is mainly comprised of items associated with the daily business operations of the administrative office and stations and includes miscellaneous office, clerical, filing, and paper supplies. A significant portion of the expenditures in this account are attributed to the purchase of toner

and ink cartridges. The District continues to save external printing costs by the printing of some brochures and public safety information internally. In-house printing does contribute to usage of ink and toner. Expenditures in this account were adjusted for FY 2015/2016 to include additional supplies necessary for in-house billing services.

- **552500 Office Equipment:** These funds are used to provide basic office equipment for use by the District to facilitate operational requirements. This line item allocates funding for printers, fax machines, calculators, and small computer equipment such as mouse or keyboard replacement. This line item has been maintained this year.
- **553000 Postage & Delivery:** This account provides the funding necessary to mail general correspondence, vendor payments or ship materials as needed. This account also provides for the leasing of a postage meter to facilitate the allocation of postage. This account has been increased to accommodate additional mailings related to the new in-house billing process.
- **553500 Publishing & Printing:** The District is a professional organization and, as such, is required to produce published materials such as business cards, blood pressure cards, and informational and educational brochures that highlight information on safety concerns, injury prevention, etc. This expenditure increased slightly for Fiscal Year 2015/2016.
- **554000 Copier Expenditures:** This account allows for the purchase of supplies and the quarterly maintenance contract for the District's Konica-Minolta copy machine. It has been decreased due to the removal of budgeted repair costs for a Canon copier which was disposed of during the prior fiscal year.
- **555500 Hiring, Testing, & Recruitment:** Funding in this area covers the new employee recruitment processes and allows the District to test potential candidates through extensive interview panels, written examinations, and pre-employment screenings, and an enhanced psychological testing process. The District also includes funding for Promotional Testing in this budget account. Promotional testing opportunities for Battalion Chief, Captain, and Engineer are typically offered biennially to establish a promotional list. The promotional testing process requires a written exam, a practical test, and an interview panel. During this fiscal year, the District is anticipating the completion of an Engineer's and Captain's promotional testing process. The anticipated hiring of approximately 20 part-time employees, combined with the promotional expenditures, generated the increase in this budget account.
- **559000 Accreditation:** The funds associated with this account will allow the District to comply with the annual reporting criteria required to maintain the Center for Public Safety Excellence (CPSE) Accreditation. The District's re-accreditation process will



be finalized in FY 2015/2016 and will require the submission of the Applicant Agency Fee necessary for re-accreditation. This account was decreased due to the removal of expenditures associated with Ambulance Services Accreditation through the Commission on Accreditation of Ambulance Services (CAAS) which were expended.

- 561000 Duty Uniforms:** This account provides uniforms for the administrative staff to assist with the mandate that all personnel present a professional appearance at all times. This account also sponsors funding for initial uniforms issued to any new hires or promoted field personnel to enforce the District's professional operational appearance and safety standards. This account was increased to accommodate the anticipated approximately 20 part-time hires planned for the coming fiscal year.

Administrative Services Division Training

The Administrative Services Division Training expenditures provide training funding for the administrative personnel within the District including the Fire Chief. These personnel require annual training to maintain and enhance necessary skill sets as well as to stay current in their fields of expertise. Changes in federal and state regulations, as well as a cadre of other management, legal, financial, technology and data management related issues occur annually. This may include knowledge of Human Resource issues, tax revenue statutes and payroll tax withholding mandates, as well as legal reporting issues and tasks. Periodic training is required to ensure that legal constraints are adhered to regarding these issues. Additionally, staff must keep abreast of topics such as the Fair Labor Standards Act (FLSA), the Family Medical Leave Act (FMLA), the Health Insurance Portability and Accountability Act of 1996 (HIPPA), and Arizona Revised Statutes, Title 48, regarding Special Taxing Districts.

Administrative Services Division Training Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
661000 · Educational Expenditures	\$ 2,635	\$ 8,210	\$ 8,051	\$ 10,960	\$ 2,750	33.5%
663000 · Travel Expenditures	\$ 5,364	\$ 8,782	\$ 8,480	\$ 13,282	\$ 4,500	51.2%
Total Administrative Services Trng:	\$ 7,999	\$ 16,992	\$ 16,531	\$ 24,242	\$ 7,250	42.7%

- 661000 Educational Expenditures:** This funding allows for the Fire Chief, the Financial Services Division and the Administrative Services Division personnel to attend AFDA and other beneficial conferences, degree advancement courses, state and federally sponsored employer seminars, and retirement administration symposiums. Educational fees for maintaining the Professional Human Resource Manager's (PHRM) Certification Program through the Society for Human Resource Management (SHRM) for Human Resources, and the pursuit of advanced degrees are included in this account. There is an increase in this account due to the addition of two billing personnel and the required certifications that must be maintained through continuing education credits.

- **663000 Travel Expenditures:** This account allows for the per diem, lodgings, and travel expenditures that are associated with attending educational conferences and courses throughout the fiscal year. The most noteworthy of these is attendance at the Arizona Fire District Association Conference twice annually for designated members of the administrative staff. This account was increased due to the addition of new administrative personnel.



CPSE Accredited Agency Award Presentation



Community Risk Management Division

The Administration/Community Risk Management Assistant Chief oversees the Community Risk Management Division, which is managed by the Fire Marshal/IT Coordinator with the support of the Community Outreach Specialist. Four of the District's Fire Corps members were trained last fiscal year as volunteer Fire Inspectors to also support this Division. This Division and its responsibilities will be detailed in the following pages of this document.

Community Risk Management Overview

The Community Risk Management Division's mission is to reduce the frequency and magnitude of fires and emergency incidents through cost effective, service oriented fire prevention programs which are developed through participation in local enforcement and regulatory processes. Equally important to this mission is the fire and life safety education component. This Division is responsible for annual fire and safety inspections and fire code enforcement; plans review, to include the issuance of construction permits associated with both new structures and renovations; fire investigations (cause & origin); planning and development of District resources to include potential annexations; community fire and life safety education, community/media relations, and disaster preparedness.

The Community Risk Management Division focuses on basic targeted functions including Fire Prevention, Fire and Life Safety Education, technology and data management, future Planning - Land / Growth Development, and volunteerism. While the operations of this Division have a significant impact on the current and future residents of the District, it thrives on a proportionately smaller funding requirement for support. The District expanded the Fire Corps Volunteer Program last fiscal year with the addition of the four volunteer fire inspectors. Volunteers also assist the District in the Financial Services Division and as amateur radio (HAM) operators in the event of an emergency.

Community fire and life safety education is the first line of defense in risk management. Through community fire and life safety education, the District has a tool to educate the public by learning from the mistakes of others so the same mistakes are not repeated. The Community Risk Management Division is responsible for the development and delivery of all fire and life safety education programs.

Providing fire prevention inspections and enforcement of the Fire Code is intended to minimize the damage to life and property due to fires (safer buildings mean fewer fires). District personnel also participate in the plan review process to identify potential fire and life safety hazards prior to the construction and/or remodel of commercial occupancies within the District. The Community Risk Management Division works with the Maricopa County Sheriff's Office in determining the origin and cause of fires involving significant damage or that are suspicious in nature.

Community relations and media dissemination are also functions for which this Division is currently accountable. These activities are valuable because the District must continually reach the community with methods other than call response to maintain and enhance the community's safety message and the positive influence of the District. Proactive and progressive District planning and development is another important program administered by the Community Risk Management Division in projecting new services and needed improvement in current service delivery to District residents and property owners.



As a part of this proactive and progressive planning, the District's Fire Corps Program was created to help coordinate volunteer activities that will make the District's communities safer, stronger, and better prepared to respond to any emergency situation. It provides opportunities for people to participate in a range of measures to make their families, their homes, and their communities safer from the threats of crime, terrorism, and disasters of all kinds. The Fire Corps Program builds on the successful efforts that are already in place in many organizations in

the community to prevent crime and respond to emergencies. Programs that started through local innovation are the foundation for Fire Corps and this national approach to citizen participation in community safety. As a result of this valuable and highly effective program, in FY 2011/2012, the District was awarded a Smoke Alarm grant totaling \$197,990 from the Federal Emergency Management Agency. These alarms included special adaptive alarms for the deaf/hard of hearing. During the past three years, Fire Corps volunteers have been instrumental in the installation of these alarms. Installation of the smoke alarms within the original designated grant area was completed last year. Since smoke alarms purchased under the grant still remained, the grantors authorized expansion of this program to other adjacent areas that were among the first residential structures built in Sun City West.

The District is one of many organizations partnering with the Sun City West Citizen Corps Council to strive for a safer, stronger, and better prepared community. This partnership affords the District opportunities for additional resources and funding for Community Risk Management on a federal, state, county, and local level. For example, the District previously partnered with the Sun City West Rotary Foundation in a smoke alarm battery grant for the purchase of 10-year lithium batteries. The District will always strive to partner with other organizations for the betterment of the community.

The Citizen Corps Council serves as the umbrella that the "Are You Ready?" and Fire Corps Volunteer Programs fall under to better serve the community and target specific needs of Sun City West residents. The District has long recognized the excellent resources available in the residents of the communities served by the District. Many citizens possess obvious knowledge, talents, and specialized skills that would be invaluable in assisting the District. The Fire Corps Volunteer Program was established to assist in the expansion of the District's services to an increased number of residents as well as allowing the District to implement new programs without adding additional

paid personnel. The District currently utilizes volunteer nurses for the regular blood pressure checks at the Administrative Office and has expanded the use of the Fire Corps volunteers into several areas which include, but are certainly not limited to: the Lockbox Program, Child Safety Seat Loaner Program, smoke alarm inspections and installations, home safety surveys and inspections, commercial fire inspections, community education activities, CCO/CPR/AED Community Training, non-hazardous service call response, the Matter of Balance Fall Prevention Program, and the Community Connector Program, etc.



Fire Corps Volunteers

The District's Fire Corps Program received the national 2013 Fire Corps Award of Excellence by the International Fire Service Training Association (IFSTA) and Fire Protection Publications (FPP). This award honors remarkable achievements in fire and emergency services and the community and exemplifies outstanding performance for calendar year 2012. The District's Program was chosen out of approximately 1,000 applicants as the winner of this award.



Fire Corps members Michael Bannon and Douglas Randall

The Community Risk Management Division evaluated the District's current Community Emergency Response Team (CERT)/Citizens Academy Programs and designed a multi-faceted Fire Corps Volunteer Program based on that evaluation. Additional volunteer recruitment efforts have been implemented and the program continues to thrive. As of the end of FY 2015/2016, the District anticipated that it will have 65 active Fire Corps volunteers.

The Community Risk Management Division also manages the District's Information Technology Systems. This includes supporting the District's computer hardware and maintaining sophisticated software systems and operations to ensure proper data management. The information technology component of this Division is responsible for the District-wide integration and coordination of all technology applications; managing the District's wide area data network; work station computers; e-mail resources; District webpage; Global Information Systems (GIS) and data analysis; employee scheduling software (TeleStaff); and the District's data management systems. These data management systems include the paperless records management system, identified as Document Locator, Target Solutions, FireAdmin.com, FireHouse and Electronic Patient Care Reporting (ePCR) software, fire prevention occupancy and inspection records; and District training records. To enhance effectiveness and efficiency, the District is increasingly utilizing technology in all facets of its operations. Correct and reliable statistical information is vital to the District in the terms of grant acquisition, Insurance Services Office (ISO) ratings, Accreditation accomplishment, and growth planning projections.

The Community Risk Management Division is responsible for the following District Business Plan Strategic Priorities and the associated Strategic Components as listed on the next page:

Strategic Priority #1: Community Outreach & Partnerships

- Strategic Component – Customer Service
 - Action Item 1.1 – Community Education & Relations
- Strategic Component – Citizen Health & Safety
 - Action Item 1.2 – Community Assistance Program
 - Action Item 1.3 – Fire Prevention / Investigations
- Strategic Component – Collaborative Community Partnerships
 - Action Item 1.4 – Fire Corps Volunteer Program

Strategic Priority #3: Resource Development & Deployment

- Strategic Component – Response Capacity / Capability
 - Action Item 3.1 – Mapping / GIS
 - Action Item 3.2 – Disaster Preparedness

Strategic Priority #5: Infrastructure

- Strategic Component – Information Technology Utilization
 - Action Item 5.7 – Review & Enhance Internal Communication Mechanisms
 - Action Item 5.8 – Administration Paperless System

- Strategic Component – Repeatable & Accountable Organizational Processes
 - Action Item 5.10 – Data & Records Management



Emergency Preparedness Presentation

Community Risk Management (CRM) Division Personnel Summary

Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Full-Time Personnel			
Assistant Chief	1.0	1.0	1.0
Fire Marshal/IT Coordinator	1.0	1.0	1.0
Community Outreach Specialist	1.0	1.0	1.0
Information Technology Specialist	1.0	0.0	0.0
Total Full-Time CRM Personnel	4.0	3.0	3.0



Fire extinguisher training with Fire Corps members



Various child safety seats used in Loaner Program

Community Risk Management Division Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Community Risk Management Code Enforcement			
Fire Crew Inspections	100	100	100
Community Risk Management Staff Inspections	200	200	200
Inspections Not Completed within 30 Day Variance	0	0	0
Construction Inspections	60	60	60
Hazards Noted	100	100	100
Hazards Abated	100	100	100
Plans Reviewed	50	40	40
Plans Reviewed within 30 Day Goal	50	40	40
Consultations	10	10	10
Permits Issued	50	40	40
Fire Investigations			
Investigations Performed	2	5	5
Hours expended in investigation	20	50	50
Planning & Development			
Plat/Development Plan Reviews	0	0	0
Developer/Owner Consultations	1	1	1
Community Education / Relations			
News Releases & Articles	117	100	100
Public Education / Community Risk Presentations	304	258	258
Public Education / Community Risk Participants	17,266	17,000	17,000
Public CCC/CPR/AED Trainings	16	20	20
Public CCC/CPR/AED Participants	233	240	240
Blood Pressure Checks	1,492	1,400	1,400
Child Safety Seat Installations	485	425	425
Lock Box Sales	630	600	600
Lock Box Installations	597	575	575
Lock Box Maintenance	2,019	1,850	1,850
Smoke Alarm Checks	1,471	1,400	1,400
Smoke Alarm Installations	1,823	1,800	1,800
Fire Corps Volunteer Coordination			
Fire Corps Volunteers	55	65	65
Fire Corps Volunteer Hours Provided to the District	7,073	7,500	7,500
Fire Corps Volunteer Training Hours	364	380	400
Information Technology			
Servers Supported	13	13	13
Desktop & Portable Computers Supported	38	70	70
Critical Software Packages Supported	27	27	27

FY 2014/2015 Performance Goals and Objectives

- Continue with promotional and educational programs for the community – **Accomplished / Ongoing**
- Continue to explore new partnerships to assist in delivering our educational safety messages to the community – **Accomplished / Ongoing**
- Continue to deliver the “Remembering When” educational program which includes senior fall and fire prevention as well as other components – **Modified**

- Continue District field participation in Homeowner's Association meetings, community service clubs, etc. – **Accomplished / Ongoing**
- Finalize standardized written community education lesson plans for consistency in presentation – **Accomplished / Ongoing**
- Finalize formalized evaluation instrument on type & quality of District presentations – **Accomplished / Ongoing**
- Continue to coordinate Citizens Academies and Fire Corps Volunteer Program – **Accomplished / Ongoing**
- Continue to research area Community Assistance Programs as well as potential community assistance partnerships – **Accomplished / Ongoing**
- Continue to research and identify long term community assistance needs within the District – **Accomplished / Ongoing**
- Complete all priority inspections to reduce potential for life loss within a 30 day variance of their scheduled time – **Accomplished / Ongoing**
- Complete all plan reviews and permit/user fee invoices within a 30 day period from the time received – **Accomplished / Ongoing**
- Implement expanded inspection fee program – **Accomplished**
- Maintain annual fire prevention/investigation training program for District fire and EMS crews - **Ongoing**
- Assist other Divisions with Material Safety Data Sheets (MSDS), pre-planning, and mapping/GIS requirements - **Ongoing**
- Maintain/update maps of neighboring jurisdictions – **Accomplished / Ongoing**
- Evaluate access/egress capabilities in the newly annexed areas and work to improve any issues - **Ongoing**
- Continue to update records and forecast District growth related issues – **Accomplished / Ongoing**
- Build & maintain relationships with developers from new and prospective annexation areas - **Ongoing**
- Assess projected District growth plans/potential – **Accomplished / Ongoing**
- Promote District services to other areas not currently in the Fire District but considered to be in the District planning area – **Accomplished / Ongoing**
- Continue to research & assess alternative funding mechanisms for community education/services – **Accomplished / Ongoing**
- Monitor and evaluate performance measures for existing and new District Community Risk Management programs – **Accomplished / Ongoing**
- Explore the development of a community electronic newsletter - **Ongoing**
- Create a District property owner contact database - **Ongoing**
- Continue the fostering of hazard mitigation throughout the District via public education and plan development – **Accomplished / Ongoing**
- Identify additional community events in which District participation would be warranted – **Accomplished / Ongoing**
- Research additional Fire Corps Volunteer Program usage – **Accomplished / Ongoing**
- Identify additional Fire Corps Program resource opportunities – **Accomplished / Ongoing**
- Add additional Fire Corps Volunteers as budgeted – **Accomplished**

- Explore additional social media & other outlets for citizen communications possibilities – **Accomplished / Ongoing**
- Continue evaluation of utilizing volunteer inspectors including budgetary impact, and training/supervision requirements – **Ongoing**
- Train assigned personnel in advanced fire investigation practices. – **Accomplished / Ongoing**
- Continue to work with residents of newly annexed areas to improve access, water supply, and address identification. – **Accomplished / Ongoing**
- Research methods to communicate District news, events and educational information to annexed area residents. – **Accomplished / Ongoing**
- Research additional Mapping/GIS software based on planning needs. – **Accomplished / Ongoing**
- Provide mapping/GIS training as needed. – **Accomplished / Ongoing**
- Update response maps as necessary to maintain correct data. – **Accomplished / Ongoing**
- Participate in any NIMS required courses. – **Accomplished / Ongoing**
- Identify additional community resources for the “Are You Ready?” Program. – **Accomplished / Ongoing**
- Continue partnership with Banner Del E. Webb Hospital's annual “Have a Heart” CPR event in observance of Valentine’s Day. – **Accomplished / Ongoing**
- Enhance the “Are You Ready?” Program as necessary. – **Accomplished / Ongoing**
- Continue to administer Smoke Alarm Replacement Grant for oldest portion of Sun City West. – **Accomplished / Ongoing**
- Continue to manage the District's wide area data network, the District's intranet, internet and e-mail resources, all District computers and related equipment and software.
- Continue to – **Accomplished / Ongoing** update existing intranet for easier access to pertinent information for employees. – **Accomplished / Ongoing**
- Continue to support the financial, human resources, EMS, fire, fleet and building maintenance software programs and all other software utilized to operate the District. – **Accomplished / Ongoing**
- Evaluate & install operating system software upgrades. – **Accomplished / Ongoing**
- Evaluate computer system storage and access for ease of use. – **Accomplished / Ongoing**



Fire Corps members Janet Goooltz

- Enhance HRIS System in FireHouse – **Revised**
- Evaluate GIS Mapping Program Equipment needs – **Accomplished / Ongoing**

FY 2015/2016 Performance Goals and Objectives

- Continue with promotional and educational programs for the community.
- Continue to explore new partnerships to assist in delivering District educational safety messages to the community.
- Continue to deliver the “Matter of Balance” educational program which includes senior fall prevention as well as other components.
- Continue District field participation in Homeowner’s Association meetings, community service clubs, etc.
- Finalize standardized written community education lesson plans for consistency in presentation.
- Finalize formalized evaluation instrument on type & quality of District presentations.
- Monitor and evaluate performance measures for existing and new District Community Risk Management programs.
- Continue to coordinate Citizens Academies and Fire Corps Volunteer Program.
- Continue to research area Community Assistance Programs as well as potential community assistance partnerships.
- Continue to research and identify long term community assistance needs within the District through programs such as Aging In Place, Community Resilience or a Connector program.
- Continue to research & assess alternative funding mechanisms for community education/services.
- Continue the fostering of hazard mitigation throughout the District via public education and plan development.
- Research additional Fire Corps Volunteer Program usage.
- Identify additional Fire Corps Program resource opportunities.
- Train, certify and utilize Fire Corps volunteers in commercial fire inspections.
- Explore additional social media & other outlets for citizen communications possibilities.
- Research methods to communicate Fire District news, events and educational information to annexed area residents.
- Enhance the “Are You Ready?” Program as necessary.
- Enhance the Fire Extinguisher Training Program as necessary.
- Continue to administer Smoke Alarm Replacement Grant program for oldest portions of Sun City West until all grant alarms are installed.
- Continue partnership with Banner Del E. Webb Hospital’s annual programs and events.
- Complete all priority inspections to reduce potential for life loss their scheduled time.
- Complete all plan reviews and permit/user fee invoices within a 14 day period from the time received.
- Maintain annual fire prevention/investigation training program for District fire and EMS crews; train assigned personnel in advanced fire investigation practices.

- Assist other Divisions with Material Safety Data Sheets (MSDS), pre-planning, and mapping/GIS requirements.
- Research additional Mapping/GIS software based on planning needs.
- Provide mapping/GIS training as needed.
- Update response maps as necessary to maintain correct data; maintain/update maps of neighboring jurisdictions.
- Evaluate access/egress capabilities in the newly annexed areas and work to improve any issues.
- Continue to work with residents of newly annexed areas to improve access, water supply, and address identification.
- Continue to update records and forecast District growth related issues.
- Build & maintain relationships with developers from new and prospective annexation areas.
- Promote District services to other areas not currently in the Fire District but considered to be in the District's planning area.
- Create a District property owner contact database.
- Participate in any NIMS required courses.
- Continue to manage the District's wide area data network, the District's intranet, internet and e-mail resources, all District computers / ePCR devices and related equipment and software.
- Continue to support the financial, human resources, EMS, fire, fleet and building maintenance software programs and all other software utilized to operate the District.
- Evaluate computer system storage and access for ease of use.

Community Risk Management Division Expenditures

The following budgetary accounts identify the expenditures involved in supporting the Community Risk Management Division's programs. A detailed explanation of each account follows.

Community Risk Management Division Expenditure Projections						
Description	FY 2013/2014 <i>ACTUALS</i>	FY 2014/2015 ADOPTED	FY 2014/2015 <i>ESTIMATED</i>	FY 2015/2016 ADOPTED	Budget Variance	% of Change
545000 · Computer/Systems/Equip R/M	\$ 37,665	\$ 30,000	\$ 31,365	\$ 32,874	\$ 2,874	9.6%
545500 · Computer Software Licensing	\$ 23,318	\$ 23,798	\$ 31,688	\$ 50,864	\$ 27,066	113.7%
554500 · Computer Hardware	\$ 12,430	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
555000 · Computer Software	\$ 1,845	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
566000 · Fire Corps Materials & Supplies	\$ 2,704	\$ 3,900	\$ 3,900	\$ 4,100	\$ 200	5.1%
566500 · Risk Management Materials	\$ 5,738	\$ 12,500	\$ 11,809	\$ 12,500	\$ -	0.0%
569100 · Lock Box Materials	\$ 22,151	\$ 23,200	\$ 21,419	\$ 23,200	\$ -	0.0%
569200 · T-Shirt Materials	\$ -	\$ 900	\$ 900	\$ 900	\$ -	0.0%
569300 · Smoke Alarm Materials	\$ 25,497	\$ 31,250	\$ 30,216	\$ 31,250	\$ -	0.0%
569400 · Prevention Services Materials	\$ 1,386	\$ 4,200	\$ 4,057	\$ 4,200	\$ -	0.0%
Total Community Risk Management:	\$ 132,735	\$ 144,748	\$ 150,354	\$ 174,888	\$ 30,140	20.8%

- **545000 Computer / Systems / Equipment Repair & Maintenance (R/M):** Computer systems are a critical component of the District's operations and are used extensively. These systems are managed by the Community Risk Management Division and allow personnel to meet the daily management, information recording and reporting, and research and processing requirements of the District. This account has increased for the 2015/2016 fiscal year based on the support needed to maintain the additional computer equipment in the District's more sophisticated network and information technology system.
- **545500 Computer Software Licensing:** This account funds the annual maintenance contracts of the District's current computer software systems. These systems include: FireHouse, TeleStaff, ImageTrend the electronic patient care reporting (ePCR) system, Document Locator, FireAdmin.com, ArcView GIS, GasBoy, NEFSIS, and many more. In order to sustain these programs with the most current updates, annual maintenance contracts must be maintained. These systems are designed to maintain or increase the effectiveness and efficiency of District data and records management processes. This account was increased due to the addition of the new Tyler Technologies Encode Accounting software, mandated Social Media Archival software, and increases in costs associated with the ImageTrend ePCR maintenance requirements.
- **554500 Computer Hardware:** The District's computer hardware and network funding is contained within this account. These funds will be used to maintain the current computer network and internet service in good working order and to purchase new and replacement components as necessary.
- **555000 Computer Software Expenditures:** These funds provide for the purchase of new software programs and operating systems such as Microsoft Office, Outlook, Publisher and Microsoft Windows. These software and operating programs do not require annual upgrades. They only occur when necessary or when new computers are purchased. This account has been maintained.
- **566000 Fire Corps Materials & Supplies:** As the District continues to operate its volunteer Fire Corps Program, it is necessary to provide miscellaneous materials, uniforms and equipment for their use as they assist the District. Increases in this account reflect the addition of 10 Fire Corps members and an increase in materials and supplies needed for day-to-day operations.
- **566500 Risk Management Materials:** This budget category covers many of the supplies necessary to run existing or projected programs of the Community Risk Management Division. Community education materials, promotional items, and community education supplies include promotional and print materials employed in District community education and relations events to reinforce educational messages and familiarize residents with the District. It also covers promotional items necessary for distribution at Health & Safety Expo events. Expenditures associated with the "Are You Ready?" program are found in this account. Funds

also cover any educational / training videos or CD's. These are an excellent tool to utilize during community education presentations and also for in-house training on community education or fire prevention topics. Videos and CD's are also employed in the District's "A Matter of Balance" Program and various other projects. Plans review, permit, inspection, and investigation supplies are also purchased with this funding.

- **569100 Lockbox Materials:** This expenditure account tracks the disbursements associated with the Emergency Lockbox Program. The purchase of lockboxes, lockbox maintenance supplies, drills, drill bits and other materials used to support this program are expended from this account. This account was maintained for the coming fiscal year. A portion of the District's program revenues are budgeted to recoup these direct expenses.



Lock Boxes currently in use by the District – oldest (L) to newest (R) versions

- **569200 T-Shirt Materials:** The District purchases and sells t-shirts that allow the employees and community to show their pride and support of the District. These shirts are sold at public education events and at the District's Administration office. This has been a popular program and the District wishes to ensure its continuance through this account. A portion of the District's program revenues are budgeted to recoup these direct expenses.
- **569300 Smoke Alarm Materials:** The District has extended its customer service efforts with the expansion of this program. Smoke alarms are purchased by the District for re-sale during routine home safety inspections. Residents have the option of purchasing additional or replacement smoke alarms from District personnel at the time of the inspection and it is installed immediately. This account has been increased as a result of the growing popularity and public exposure of this program. A portion of the District's program revenues are budgeted to recoup these direct expenses.



- **569400 Prevention Service Materials:** This funding covers training materials required for various EMS classes including student manuals, Automated External Defibrillation (AED) training apparatus, CPR and AED training mannequins, CPR cards, training videos, CD's and on-line training aids, etc. Since the District is now an American Heart Association Accredited Training Site managing the training of three other public safety entities, those agencies must be provided with course completion cards causing this account to be increased. However, these costs are reimbursed to the District and the off-setting revenues can be found in the Prevention Service/Fee Revenues account.

Community Risk Management Division Training

Funding in this category supports continuing education in the areas of code enforcement, arson investigation, community education, information technology, or other Division related training. Community education related training for employees is also necessary for the continued growth of these programs. The District also supports training of the Fire Corps Volunteer Program through this section of the budget.

Community Risk Management Division Training Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
632000 · Educational Expenditures	\$ 660	\$ 7,174	\$ 5,111	\$ 6,205	\$ (969)	-13.5%
634000 · Travel Expenditures	\$ 2,236	\$ 9,131	\$ 5,144	\$ 8,706	\$ (425)	-4.7%
635000 · Fire Corps Training	\$ 74	\$ 750	\$ 750	\$ 750	\$ -	0.0%
Total Community Risk Mgmt Trng:	\$ 2,970	\$ 17,055	\$ 11,005	\$ 15,661	\$ (1,394)	-8.2%

- **632000 Educational Expenditures:** It is necessary for Division employees to take classes in fire investigation, plans review, building inspections, and public education. Included are classes from the National Fire Academy (NFA). NFA classes are state-of-the art Fire Service classes that are available at a minimal cost to the District. Continuing education is necessary on an ongoing basis to stay current with changes in the fire service and code enforcement. Many of the classes are required to retain or obtain pertinent certifications. Such courses include, but are not limited to: Fire Code continuing education classes, fire cause and origin classes, Child Safety Seat Technician continuing education classes, Arizona Fire District Association seminars, and Arizona State Fire Marshal's courses. Funding is provided for two District personnel to participate in an advanced Fire Investigation Certification continuing education programs. Training is provided through this account for managing the District's records management system (FireHouse) and the GIS mapping software. The decrease in this account reflects a reduction in training requirements for the Administration/Community Risk Management Division.
- **634000 Travel Expenditures:** This account allows for the per diem, lodgings and travel expenditures associated with attending educational requirements outlined above for the Community Risk Management Division. This decrease

resulted from removal of travel expenditures associated with Fire investigation training requirements.

- **635000 Fire Corps Training:** This account covers expenses for training Fire Corps personnel in the skills needed to accomplish tasks in the office environment and in the field. Such skills include, but are not limited to; computer training, office equipment training, Child Safety Seat Technician training, CPR Instructor training, smoke alarm and residential lockbox installation procedures, and any necessary software training. This account would also cover any “train the trainer” expenses needed for those individuals that would provide support to existing and new programs such as fall prevention, fire and life safety classes, and other educational classes that the District offers to residents.



Emergency Services / Health & Medical / Support Services Divisions

As a result of the District's growth, projected ongoing economic challenges, and the development of new District programs; the structure, functionality, and job responsibilities of what was previously designated as the Emergency Services Division has been re-designed for Fiscal Year 2015-2016 following an evaluation for efficiency, relevancy and structure and an additional Division has been added under the oversight of the Emergency/Support Services Division Assistant Chief who will be designated as the Emergency Services/Health & Medical/Support Services Divisions Assistant Chief.

The Emergency Services / Health & Medical / Support Services Divisions are responsible for providing support and a safe environment for residents and property owners by minimizing the loss of life and property through effective and innovative emergency response programs. They ensure the safety and effectiveness of the District's employees through the maintenance of the District's facilities and response apparatus.

Emergency Services is overseen by the Emergency Services/Health & Medical/Support Services Divisions Assistant Chief. The Emergency Services Division consists of Fire Operations and Emergency Medical Service (EMS). Three Battalion Chiefs, spread between three platoons, monitor the daily operations of both Fire and EMS and will continue to report directly to the Emergency Services/Health & Medical/Support Services Divisions Assistant Chief. Personnel assigned to Fire Operations are sworn personnel. Employees assigned to EMS Operations are performed by both sworn and non-sworn. The District added a cadre of part-time non-sworn EMS personnel in Fiscal Year 2014/2015 to assist with District operations and plans to add additional part-time EMS personnel in FY 2015/2016. Personnel assigned to the Health & Medical and Support Services Divisions are non-sworn.

Fire Operations

The primary responsibility of Fire Operations is emergency and non-emergency response. Emergency responses involve medical emergencies, fires, and special operations (hazardous materials, technical rescues, etc.). Non-emergency responses are typically for residents requiring non-emergency aid including invalid assistance, checking odors, fire alarms with no sign of fire, and other non-emergency activities.

A Training Committee is responsible for training, education, and certification of all fire personnel. The committee will continue to be headed by the Emergency Services/Health & Medical Division/Support Services



Ladder 102

Divisions Assistant Chief. A Battalion Chief and a Training Captain have been assigned to oversee the District's training.

Emergency Medical Service

The Emergency Medical Service (EMS) Section is responsible for all EMS activities in the District. These activities include responding to emergency medical calls, providing inter-facility transports, EMS training and continuing education, EMS quality assurance, and EMS equipment and supplies. Emergency Medical Service responses continue to account for the majority of the District's annual emergency calls for assistance.

Health & Medical Division

Beginning in Fiscal Year 2015/2016, the newly created Health & Medical Division will be responsible for managing the District's Inter-facility Transport and Community Integrated Healthcare Programs. This Division will continue to be overseen, managed, and coordinated by the Emergency Services/Health & Medical/Support Services Divisions Assistant Chief and the Emergency Medical Service Coordinator who will be re-designated as the Health/Medical Coordinator.

The Inter-facility Transport Program provides for the non-emergency transport of patients from facilities partnering with the District. This program has proven very successful and continues to grow which will necessitate continued planning for additional apparatus and additional personnel as needed to manage the program.

In Fiscal Year 2012/2013, the District began the discussion, research, and planning necessary to initiate a Community Integrated Healthcare Program. This program places an emphasis on primary and preventative care, linked with community prevention services. One component to the program is to reduce repeat patient visits to hospital emergency facilities for chronic medical conditions thus reducing costs while promoting high-value, effective community care. A second component of the program will be the establishment of an in-house clinic at the administrative/maintenance facility and mobile clinics. The in-house clinic will potentially be utilized for District residents and personnel, for both employee physicals as well as other diagnostic services. The traveling clinics would serve various entities in the community such as assisted and independent living facilities. The comprehensive planning necessary to initiate this program continued in FY 14/15. The program will likely involve the District partnering with various other community healthcare professionals and organizations. A District nurse practitioner will oftentimes be utilized in conjunction with an existing North County Fire & Medical District paramedic serving as the District's Community Integrated Healthcare Program Team. The Emergency Services/Health & Medical/Support Services Divisions Assistant Chief and the Health/Medical Coordinator will manage and coordinate the program.

In addition to the coordination and management of the District's Inter-Facility and Community Integrated Healthcare Programs, the Health/Medical Coordinator will also coordinate other internal and external health and wellness related programs. This position will also continue to represent the District in matters related to EMS Standards and Regulations and represent the District in various EMS organizations as necessary.

Previously, the Health/Medical Coordinator was also responsible for emergency medical training, education, and certification of all EMS personnel. As previously stated, many of these responsibilities have been transitioned to a District Battalion Chief and Captain.

SUPPORT SERVICES DIVISION

The Support Services Division is also overseen by the Emergency Services/Health & Medical/Support Services Divisions Assistant Chief and is managed by the Support Services Coordinator and a Facilities Management Program Manager position.

The Support Services Division will continue to be managed by the Emergency Services/Health & Medical/Support Services Divisions Assistant Chief and consists of a Support Services Coordinator and a part-time Facilities Program Manager who reports to the Support Services Coordinator and is responsible to assist with facilities maintenance and repair as well as facility supply management. The Support Services Division's responsibility is two-fold. The Division ensures the District is provided with the safest and most reliable fire apparatus for residents and property owners of the District as well as District personnel, and provides for the essential needs of each of the District's four station sites, the Administrative/Maintenance building, and the District Fitness Center. This provides the District with a base work environment that is structurally and mechanically sound. Support Services is responsible for all fleet and facilities maintenance and accompanying duties, assigned tasks, and related responsibilities from ordering kitchen equipment to the maintenance of District apparatus. Support Services is challenged to project facility and apparatus strengths and weaknesses utilizing a combination of preventative maintenance and accurate assessment of equipment life.

The Emergency Services / Health & Medical / Support Services Divisions will be discussed in detail in the pages that follow.



Engineer Vince Nielsen / Firefighter Coy Boggler

Emergency Services Division

The Emergency Services Division includes the following program areas: Emergency Response, Emergency Medical Service (EMS), Wildland, Employee Health and Safety, Firefighting and Personal Protective Equipment, Self-Contained Breathing Apparatus (SCBA), Mission Readiness Training and Development, and Disaster Preparedness. The Emergency Services/Health & Medical/Support Services Divisions Assistant Chief oversees this division. Personnel assigned to Fire Operations are sworn personnel and employees assigned to EMS Operations are performed by both sworn and non-sworn individuals. The District also added a cadre of part-time non-sworn EMS personnel in Fiscal Year 2014/2015 to assist with District operations and plans to add additional part-time EMS personnel during Fiscal Year 2015/2016.

Emergency Services Division Overview

The staffing plan addresses many of the recommendations as stated by the National Fire Protection Association (NFPA) Standard 1710. It also addresses daily scheduling issues that arise from attrition, approved personnel leave usage, work related injuries and standard operating procedures.

The Emergency Services Division supports the following District Business Plan Strategic Priorities and the associated Strategic Components as listed below:

Strategic Priority #3: Resource Development & Deployment

- Strategic Component – Service Delivery & Resource Allocation
 - Action Item 3.3 – Fire District Accreditation
 - Action Item 3.5 – Incident Response Quality Assurance
 - Action Item 3.6 – Emergency Response / Effective Deployment of Resources
- Strategic Component – Operational Partnerships
 - Action Item 3.9 – Fire Service Leadership / Regional Consistency & Coordination

Strategic Priority #4: Personnel Development

- Strategic Component – Knowledge & Skills
 - Action Item 4.1 – Personnel Training
- Strategic Component – Well Being
 - Action Item 4.5 – Employee Fitness and Wellness
 - Action Item 4.6 – Risk Management / Health & Safety

Strategic Priority #5: Infrastructure

- Strategic Component – Repeatable & Accountable Organizational Processes
 - Action Item 5.9 – District Policies & Standard Operating Procedures

Emergency Services Division Staffing

Position	2013/2014 Actual	2014/2015 Actual	2015/2016 Adopted
Assistant Chief	1.0	1.0	1.0
Battalion Chiefs	3.0	3.0	3.0
Captains	12.0	15.0	15.0
Engineers	12.0	12.0	12.0
Firefighters	16.0	19.0	25.0
Firefighter Rovers	9.0	9.0	3.0
EMS Personnel	18.0	12.0	12.0
Part-Time EMS Personnel	0.0	11.0	30.0
Total Assigned Personnel	72.0	82.0	101.0

Emergency Response Program

The Emergency Response Program represents the most visible aspect of the District's mission. A major consideration in the delivery of effective emergency services is the timeframe, or emergency response time, in which these services are delivered. Emergency response time is defined as the elapsed time from the moment an emergency call is received in the Communications Center until the first unit arrives on scene. As a part of the Accreditation process through the Commission on Fire Accreditation International (CFAI), the District was required to develop a Standards of Cover (SOC) document. The SOC is based on empirical study and demonstrates continuous improvement strategies that include deployment considerations, minimum response times, and standard of cover assessments. These improvement strategies were used to establish formal performance measures or response goals for the District. The emergency response performance measure has been segmented into three components which are identified as Call Processing Time, Turnout Time, and Response Time Standards or travel time to the incident. The District Board adopted formal Resolution #10-0121-1 on January 21, 2010 to formally establish these goals. The District compares emergency responses against these goals to determine the effectiveness of its emergency responses. Details regarding each performance measure are listed below.



Ladder 102 Crew

District Performance Measures / Response Goals

- **District Call Processing Time:** The District will work with the Regional Communications Center to strive for an emergency call processing time of sixty (60) seconds or less, 90% (percent) of the time.
- **Turnout Time:** A critical component of response time is turnout time (the amount of time that passes between the incident being broadcast to firefighters and the time that District fire apparatus is en route to the emergency).

Type of Incident	Turnout Time Standard*
Emergency Medical Incidents (0700-2200 hours)	1 Minute
Emergency Medical Incidents (2201-0659 hours)	1 Minute, 30 Seconds
Fire Incidents (0700-2200 hours)	1 Minute, 30 Seconds
Fire Incidents (2201-0659 hours)	1 Minute, 45 Seconds

**Standard based on 90% (percent) fractile.*

- **Response Time Standards:** The District will always strive to deliver emergency services in a safe and efficient manner. The response time goals for each type of response, excluding call processing time and turnout time, are detailed as follows:

- **Fire Suppression Response Time Standards:**

Resource	Response Time Standard* Demand Zone A	Response Time Standard* Demand Zone B
First Due Company	4 Minutes (Travel)	8 Minutes (Travel)
Initial Full Alarm Assignment	6 Minutes (Travel)	10 Minutes (Travel)

**Standard based on 90% (percent) fractile.*

- **Special Operations Response Time Standards:**

Resource	Response Time Standard* Demand Zone A	Response Time Standard* Demand Zone B
Hazardous Materials - First Due Company	4 Minutes (Travel)	8 Minutes (Travel)
Hazardous Materials – Balance of Units	10 Minutes (Travel)	12 Minutes (Travel)
Technical Rescue - First Due Company	4 Minutes (Travel)	8 Minutes (Travel)
Technical Rescue – Balance of Units	10 Minutes (Travel)	12 Minutes (Travel)

**Standard based on 90% (percent) fractile.*

- **Emergency Medical Operations Response Time Standards:**

Resource	Response Time Standard* Demand Zone A	Response Time Standard* Demand Zone B
First Due Unit	4 Minutes (Travel)	7 Minutes (Travel)
Balance of Units	4 Minutes 30 Seconds (Travel)	7 Minutes 30 Seconds(Travel)

**Standard based on 90% (percent) fractile.*

Maintaining staffing recommendations and response times within these guidelines will also assist the District in meeting its Ambulance Certificate of Necessity (CON) mandates for the provision of ambulance services, in maintaining Accreditation, and in maintaining its newly awarded Insurance Services Office (ISO) rating of Class 1, received in early 2015 after completion of a re-evaluation process. The Class 1 rating places the District in an elite group consisting of less than 1% of the nation's more than 49,000+ fire protection agencies nationally. This rating was unprecedented in the State of Arizona. The District was the first department in the state to be awarded a Class 1 rating. The ISO ratings are given to fire departments throughout the country for the effectiveness of their fire protection services and equipment in protecting the community. Maintaining this Class 1 ISO rating has a direct impact on lower fire insurance premiums for property owners in the District.



The District presents the following table to demonstrate the performance as compared to the established response goals for the period of July 1, 2013 through June 30, 2014. The table below displays data for all emergency calls that occurred during FY 2013/2014. It presents the emergency response time and the three performance measure components as established under the District's response goals. The information is presented in the form of Hours:Minutes:Seconds (00:00:00) to represent the length of time in which each component was performed. The percentages listed across the top of the table indicate the total percentage of emergency calls that were processed within the time indicated in each cell.

Performance Measure	90%	80%	70%	60%	50%
Call Processing Time	00:01:31	00:01:12	00:01:02	00:00:55	00:00:48
Turnout Time	00:01:23	00:01:08	00:00:59	00:00:50	00:00:44
Travel Time	00:06:18	00:05:00	00:04:21	00:03:52	00:03:30

Along with the Response Goals discussed above, the District has also established certain on-scene Performance Objectives. These performance objectives define the District's goals once responding units have arrived on the emergency scene. The following bullet points detail the District's Performance Objectives as adopted by formal Resolution #10-0121-1 on January 21, 2010:

- Fire Suppression Performance Objective:** To stop the escalation of a fire where found. Typically this includes search and rescue for victims, confining the fire to the room of origin, and limiting the heat and smoke damage to immediate area of the room of origin. The first arriving engine company initiates search/rescue and fire attack operations. The second arriving engine company provides a back-up line and/or a Rapid Intervention Crew (RIC). The first arriving ladder company



provides ventilation and loss control measures as necessary. The response shall be capable of providing a 500 gallon per minute initial fire attack.

An effective fire force is comprised of a minimum of fifteen (15) personnel deployed via engine companies, ladder/ladder tender(s), rescue unit(s) and battalion chief(s). Upon notification of a “working fire”, additional personnel will be automatically dispatched via Engine Companies, ladder trucks, and various other vehicles. The District has applied for a FEMA SAFER grant to hire six (6) additional firefighters. If the grant is successful and the six firefighters are hired, this will improve efficiency on the fire ground, allowing the District to deploy/assemble an NFPA 1710 initial full alarm assignment, effective response force, and rapid intervention crew to initiate a safe and effective emergency operational plan with sufficient resources arriving on the scene in a timely manner.

- **Special Operations Performance Objectives:**

- **Hazardous Materials:** To isolate, evacuate, and identify the hazardous material(s) that created the emergency and mitigate the hazard.
- **Technical Rescue:** To initially determine the number, location, and condition of victims involved in the incident and to extricate the victim(s) using the lowest risk option possible.



An Effective Response Force (ERF) will be composed of eight (8) to fourteen (14) personnel deployed in engine and ladder companies, rescue units, hazmat or technical rescue apparatus and battalion chief(s).

- **Emergency Medical Operations Performance Objectives:** Stop the escalation



of a medical emergency, within the capabilities of the effective response force. Specifically, assess patients and prioritize care to minimize death and disability. Intervene successfully in life-threatening emergencies, stabilize patients to prevent additional suffering, and provide basic or advanced life support and transportation to a treatment facility as necessary.

An effective response force of three (3) to six (6) personnel with a minimum of two paramedics deployed via ambulance/medic unit, Engine Company, and/or Ladder Company or other units as necessary to initiate basic or advanced life support activities as appropriate.

The District’s on-scene performance objectives were formalized with the accreditation process; formal statistical data for this on scene performance objective is being gathered. However, these performance objectives have been integrated into the District’s computerized emergency response tracking database and will be comparable in the future.

Firefighting and Personal Protective Equipment Overview

This section contains all expenditures related to firefighting and personal protective equipment acquisition, maintenance, and supplies. The District strives to obtain and maintain the appropriate tools for employees to safely and effectively provide the services necessary to protect District property owners. The Personal Protective Equipment (PPE) Program ensures all District personnel possess a complete set of PPE clothing and equipment which is maintained in a safe and functional condition. The program is also responsible to regularly maintain, replace and/or repair any component of the assigned PPE equipment and performs other related tasks as required. A Cancer Reduction Program will be initiated during FY 14/16 based on a review of the 2013 National Institute for Occupational Safety and Health (NIOSH) Cancer Study. Components of the program include: 1. Dual turnout program to reduce health and cancer risks; 2. Hood exchange program to reduce carcinogen exposures; 3. Turnout cleaning standard operating procedures; 4. “Cancer Prevention Initiative” standards of practice based on the Firefighter Cancer Support Network *White Paper*; 5. Implement station clean zones and Station Shoe Policy to minimize transport of toxins into station living quarters.

This Section of the Emergency Services Division manages the following District Business Plan Strategic Priorities and their associated Strategic Components as listed:

Strategic Priority #5: Infrastructure

- Strategic Component – Facilities, Apparatus & Equipment
 - Action Item 5.4 – Fire Equipment

Firefighting Equipment and PPE Section Personnel Summary

Position	2013/2014 Actual	2014/2015 Actual	2015/2016 Adopted
Battalion Chief	1.0	1.0	1.0
Captain	1.0	1.0	1.0
Engineer	1.0	1.0	1.0
Total Personnel Assigned	3.0	3.0	3.0



Firefighting Equipment and PPE Section Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Total Front Line Fire Hose in Service:			
4" Supply Line (Feet)	3,600'	4,750'	4,900'
2 ½" Attack Line (Feet)	4,450'	3,350'	4,450'
1 ½" Attack Line (Feet)	350'	350'	350'
1 ¾" Attack Line (Feet)	4,450'	3,860'	4,600'
Hard & Soft Suction (Feet)	220'	220'	320'
Smoke Ejectors	4	4	4
Positive Pressure Ventilation Fans	3	3	3
Thermal Imaging Cameras (TIC's)	6	6	6
Extrication Systems in Service:			
Hydraulic Rescue Systems	2	2	2
Pneumatic Air Bag Lift Systems	2	2	2
Stabilization Systems	2	2	2
Rescue Saws In Service:			
Chain Saws – Carbide Chains	4	5	5
Circular Saws – Carbide Blades	5	5	5
Turn-Outs in Service:			
Turn-Out Ensembles Maintained	76	76	82
Turn-Out Ensembles Repaired	12	12	15

Status of FY 2014/2015 Performance Goals and Objectives

- Increase District hose and equipment inventories on reserve apparatus to comply with established District standard and maintain one "turn-key" engine and medic unit reserve. – **Partially Accomplished / Ongoing**
- Maintain an adequate inventory of firefighting equipment and supplies. – **Ongoing**
- Maintain all equipment in a state of good repair for the safety of all firefighters. – **Accomplished / Ongoing**
- Replace PPE items based on manufacturer's recommendations or as a result of irreparable damage. – **Accomplished / Ongoing**
- Maintain employee certification for PPE repairs and maintenance. – **Ongoing**
- Implement new comprehensive and accurate records management and inventory system for PPE. – **In Progress**
- Complete and continually update the response/deployment analysis regarding appropriate apparatus. – **Ongoing**
- Identify need to preserve and/or improve levels of service to keep pace with predicted service area and call volume growth in terms of: Personnel, Apparatus, Facilities, and Finances. – **Ongoing**
- Complete new service delivery strategies (alternative response criteria). – **Ongoing**
- Complete staffing and response study for Station 104. – **Accomplished**
- Complete annual comprehensive evaluation of PPE, fire equipment, and SCBA for potential upgrade/replacement needs. – **Ongoing**
- Continue to plan for service issues associated with the District's growth planning

areas including efforts to define and then secure future station sites and service need timelines in conjunction with accreditation. – **Ongoing**

FY 2015/2016 Performance Goals and Objectives

- Identify need to preserve and/or improve levels of service to keep pace with predicted service area and call volume growth in terms of: Personnel, Apparatus, Facilities, and Finances.
- Complete new service delivery strategies (alternative response criteria).
- Complete annual comprehensive evaluation of PPE, fire equipment, and SCBA for potential upgrade/replacement needs.
- Continue to plan for service issues associated with the District’s growth planning areas including efforts to define and then secure future station sites and service need timelines in conjunction with accreditation.
- Implementation of Cancer Reduction Program including prioritization, cost analysis, educational component, policy development, etc.

Firefighting and Personal Protective Equipment Expenditures

The following table outlines the expenditure accounts associated with the Firefighting and Personal Protective Equipment Section of the budget:

Firefighting and PPE Program Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
543000 · Firefighting Equipment R/M	\$ 2,755	\$ 4,500	\$ 4,500	\$ 4,500	\$ -	0.0%
571000 · Firefighting Equipment	\$ 8,246	\$ 7,400	\$ 7,187	\$ 6,000	\$ (1,400)	-18.9%
573000 · Protective Equipment	\$ 31,368	\$ 34,796	\$ 39,129	\$ 53,340	\$ 18,544	53.3%
Total Firefighting & PPE Program:	\$ 42,369	\$ 46,696	\$ 50,816	\$ 63,840	\$ 17,144	36.7%

- **543000 Firefighting Equipment Repair / Maintenance (R/M):** This account allows personnel from the Emergency Services Division to complete minor repairs to firefighting equipment such as chainsaws, hoses, ventilation fans, extrication equipment etc. Through this expenditure account, the District can maintain equipment for longer service life. No changes were planned in this budget for FY 2015/2016.

- **571000 Firefighting Equipment:** This account provides funding for the replacement of small tools, fire equipment and firefighting supplies used or worn in the normal course of emergency and firefighting activities. Items include, but are not limited to: saw blades and chains, fire suppression foam, hose couplings and appliances, and hand tools such as shovels, halogen tools, pike poles, and axes. This account experienced a significant reduction as the result of the removal of programmed chain saw blade replacements that occurred during FY 2014/2015.



- 573000 Protective Equipment:** The dangers inherent in firefighting require specialized personal protective equipment which can withstand extreme conditions. Although the District is able to perform minor repairs to this equipment, some items require replacement due to excessive wear or damage which cannot be economically or properly repaired to meet minimum NFPA safety standards. The substantial escalation in this category is related to assessment of wear and tear of current PPE inventory and continued improvements in manufacturing, contributing to higher costs.

Wildland Deployment Program Overview



The District has supported a very successful Wildland Deployment Program over the last several years. This program provides many benefits to both the District and the firefighters who participate in this program.

It is very difficult to project all revenues and expenditures for this beneficial program. The District's Wildland Team may be activated several times or not at all during any given year depending on the number, length, and size of the wildland fires that occur nationwide. Due to the unpredictable nature of wildfires, including when and where they might strike, the District may show significant fluctuations in the associated annual revenue and expenditure budgets for this program. Revenues are set to meet the anticipated fiscal year expenditures based on continuing program costs.

The Wildland Team has been deployed to many parts of the nation in recent years including: Arizona, California, Georgia, Idaho, Montana, Washington and New Mexico. These deployments have provided our firefighters with invaluable experience and knowledge in wildfire and urban interface tactics.

Wildland Section Personnel Summary

Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Wildland Red Card Engine Boss	4.0	4.0	4.0
Wildland Strike Team Leaders	1.0	1.0	1.0
Wildland Red Card Personnel	11.0	11.0	11.0
Total Assigned Personnel	16.0	16.0	16.0

Wildland Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Wildland Deployments	1	TBD	TBD
Wildland Re-Certified Engine Boss	2	2	2
Wildland Engine Boss Trainees	3	3	3
Wildland Strike Team Leader Trainees	1	1	1
Wildland Red Card Re-Certified Firefighters	11	11	11

Status of FY 2014/2015 Performance Goals and Objectives

- Maintain adequate number of Red Card certified personnel in the District and assist with advanced Wildland certifications for interested employees. **Accomplished**
- Increase the number of Engine Bosses and Strike Team Leaders in the District through completion of required experience on deployments. **Not Accomplished**
- Ensure all Wildland Red Card Firefighters participate in the annual Central Arizona Wildland Response Team (CAWRT) Training. **Accomplished**
- Maintain all Wildland apparatus supplies, equipment and personnel in a ready state for immediate deployment at any time day or night. **Accomplished**
- Provide all District members with annual urban interface and wildland fire training. **Accomplished**
- Extend CAWRT Duty Officer responsibilities to qualified members of the team. **Not Accomplished**
- Improve communication and navigation capabilities of apparatus and crews. **Accomplished**
- Renew biannually (2016, 2018, 2020), at a minimum, Arizona State Forester's Cooperative Fire Rate Agreement with the Arizona Department of Revenue. **Accomplished**

FY 2014/2015 Performance Goals and Objectives

- Maintain adequate number of Red Card certified personnel in the District and assist with advanced Wildland certifications for interested employees.
- Increase the number of Engine Bosses and Strike Team Leaders in the District through completion of required experience on deployments.
- Ensure all Wildland Red Card Firefighters participate in the annual Central Arizona Wildland Response Team (CAWRT) Training.
- Provide all District members with annual urban interface and wildland fire training.
- Extend CAWRT Duty Officer responsibilities to qualified members of the team.
- Improve communication and navigation capabilities of apparatus and crews.



Firefighter Coy Boggler, Firefighter Darby Starr and Engineer Vince Nielsen

Wildland Deployment Program Expenditures

The following table outlines the expenditure accounts associated with the Wildland Deployment Program Section of the budget:

Wildland Program Expenditure Projections						
Description	<i>FY 2013/2014</i> <i>ACTUALS</i>	FY 2014/2015 ADOPTED	<i>FY 2014/2015</i> <i>ESTIMATED</i>	FY 2015/2016 ADOPTED	Budget Variance	% of Change
572000 · Wildland Equipment	\$ 3,867	\$ 4,314	\$ 3,820	\$ 4,264	\$ (50)	-1.2%
623500 · Wildland Training Expenditures	\$ 1,083	\$ 3,000	\$ 5,419	\$ 3,000	\$ -	0.0%
Total Wildland Program:	\$ 4,950	\$ 7,314	\$ 9,239	\$ 7,264	\$ (50)	-0.7%

- **572000 Wildland Equipment:** This budgetary account provides funding for replacement of all Wildland equipment such as personal protective equipment, small tools, and hoses. Also included is a handheld Global Positioning Satellite (GPS) navigation device, and the addition of one Bendex King portable digital radio. Additional deployment costs such as travel to and from deployments, which are generally reimbursed, are included in this account. All costs in this expenditure area are generally offset by the revenues this program produces.
-
- **623500 Wildland Training Expenditures:** This account provides funding for all Wildland training. Associated expenditures include annual “Red Card” Training necessary to maintain Wildland certifications and attendance to the annual state sponsored Wildland Academy. These costs are generally offset by the revenues this program produces.

Self-Contained Breathing Apparatus (SCBA) Overview

The Self-Contained Breathing Apparatus (SCBA) Program ensures all necessary SCBA equipment is maintained in a safe and functional condition, and provides for the regular service, replacement and / or repair of any SCBA equipment components. The program is also responsible for performing fit testing on SCBA and Hepa masks for appropriate personnel as required.

Self-Contained Breathing Apparatus Section Personnel Summary

Position	2013/2014 Actual	2014/2015 Actual	2015/2016 Adopted
Battalion Chief	1.0	1.0	1.0
SCBA Technicians	3.0	3.0	4.0
Program Coordinator	1.0	1.0	1.0
Total Assigned Personnel	5.0	5.0	6.0

Self-Contained Breathing Apparatus Performance Measures

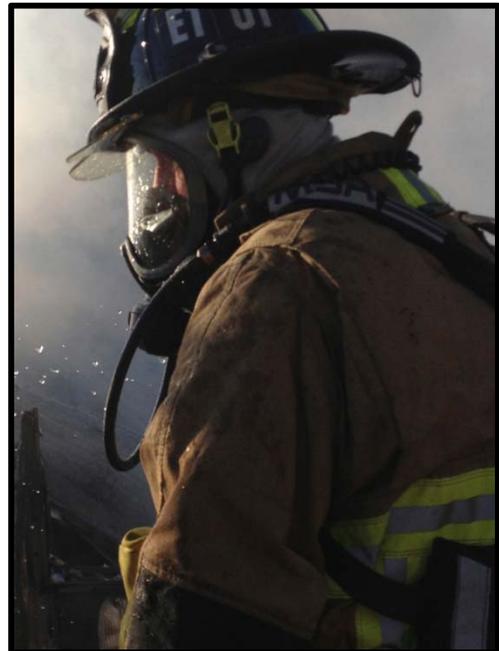
Description	2013/2014 Estimated	2014/2015 Projected	2015/2016 Projected
SCBA Units	41	41	47
Annual Fit Tests Performed	130	130	130
Front Line SCBA Units Maintained	31	31	37
Training SCBA Units Maintained	10	10	10
Clear Command Systems Maintained	24	28	39
SCBA Air Compressors Maintained	1	1	1
SCBA Training Sessions Conducted	2	2	2
RIC SCBA Unit Maintained	1	1	3

Status of FY 2014/2015 Performance Goals and Objectives

- Annual SCBA and N95 Airborne Pathogen Mask fit testing for all line personnel. **Accomplished/Ongoing**
- Assure that state and national standard procedures are followed (i.e. NFPA, OSHA, ANSI, etc.). **Accomplished/Ongoing**
- Perform required maintenance inspections and repairs. **Accomplished/Ongoing**
- Maintain and manage all inventories and equipment for the SCBA program. **Accomplished/Ongoing**
- Attempt to forecast industry changes as they may apply to the District. **Ongoing**
- Maintain/obtain required certifications in order to ensure that proper maintenance and safety skills are current. **Accomplished/Ongoing**
- Maintain accurate and comprehensive records including SCBA training, maintenance, equipment allocations, etc. **Accomplished**
- Maintain the electronic emergency scene SCBA accountability system. **Ongoing**

FY 2015/2016 Performance Goals and Objectives

- Annual SCBA and N95 Airborne Pathogen Mask fit testing for all line personnel.
- Assure that state and national standard procedures are followed (i.e. NFPA, OSHA, ANSI, etc.).
- Perform required maintenance inspections and repairs.
- Maintain and manage all inventories and equipment for the SCBA program.
- Attempt to forecast industry changes as they may apply to the District.
- Maintain/obtain required certifications in order to ensure that proper maintenance and safety skills are current.
- Maintain accurate and comprehensive records including SCBA training, maintenance, equipment allocations, etc.
- Maintain the electronic emergency scene



- SCBA accountability system.
- Place 2 new RIC Bags in service to be placed on front line units.
- Obtain FEMA Assistance to Firefighters Grant with the objective of purchasing a new compressor system.

Self-Contained Breathing Apparatus (SCBA) Expenditures

SCBA Equipment Program Expenditure Projections						
Description	FY 2013/2014 <i>ACTUALS</i>	FY 2014/2015 ADOPTED	FY 2014/2015 <i>ESTIMATED</i>	FY 2015/2016 ADOPTED	Budget Variance	% of Change
543500 · SCBA Equipment R/M	\$ 5,748	\$ 4,766	\$ 4,766	\$ 4,278	\$ (488)	-10.2%
574000 · SCBA Equipment	\$ 15,356	\$ 12,225	\$ 12,225	\$ 16,425	\$ 4,200	34.4%
Total SCBA Equipment Program:	\$ 21,104	\$ 16,991	\$ 16,991	\$ 20,703	\$ 3,712	21.8%

- **543500 SCBA Equipment Repairs / Maintenance (R/M):** Mandatory testing of current SCBA equipment requires annual air compressor testing and preventative maintenance, quarterly air quality testing of the cascade system used to refill SCBA air cylinders expended during training or an incident, and Posi-Check III maintenance and calibration. Calibration for the Posi-Check unit is not required during this fiscal year and a savings was realized in this account.



OSHA requires Hydrostatic testing of SCBA Cylinders every three years and DOT Cascade Storage Cylinders every five years. This testing was last performed on the SCBA Cylinders in September of 2012 and is scheduled again in September of 2015. The Cascade Cylinders were tested in 2014 and will not be scheduled for testing again until FY 2019/2020.

- **5740 SCBA Equipment:** Maintenance of the District’s Self Contained Breathing Apparatus (SCBA) equipment is vital for District personnel’s safety on an emergency scene. These funds cover maintaining and repairing SCBA units and the cascade system. The District has also implemented a program requiring that all mask face pieces are serviced and rebuilt on an annual basis to assure proper safety performance. This account increased due to the anticipated purchase of four replacement Heads-Up Displays (HUD) units with brackets and four Clear Command Lapel Microphones.

Health and Safety Overview

The Health and Safety Section is responsible for overseeing the general safety and health of District employees. The goal of this section is to educate and train employees regarding safety awareness and to assist them in maintaining a minimum level of physical conditioning to prevent personal injury during their job performance. The District provides facilities and trainers to encourage self-awareness of individual physical abilities as well as strengths and weaknesses. By increasing awareness of potential safety hazards both on emergency scenes and in the District’s facilities, the District strives to reduce the occurrence of workplace accidents and injuries. The District

and its personnel are required to observe the Occupational Safety and Health Act (OSHA) requirements as well as other regulations and standards set by national organizations such as the National Fire Protection Agency (NFPA). This budget category allocates funding to assure that the District is in compliance with these regulations and standards.

The Health and Safety Section of the Emergency Services Division manages the following District Business Plan Strategic Priorities and the associated Strategic Components:

Strategic Priority #4: Personnel Development

- Strategic Component – Well Being
 - Action Item 4.5 – Employee Fitness and Wellness
 - Action Item 4.6 – Risk Management / Health & Safety

Health & Safety Section Personnel Summary

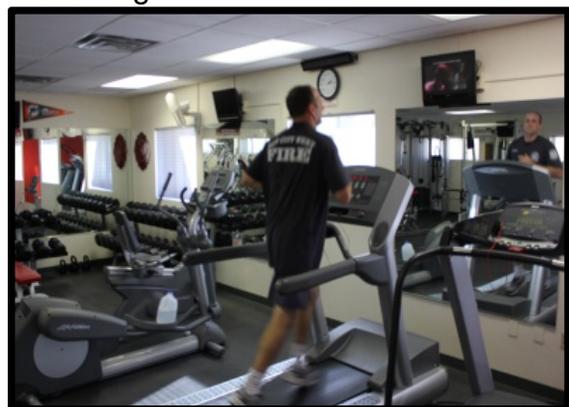
Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Battalion Chief	1.0	1.0	1.0
Battalion Safety Officers	3.0	3.0	3.0
Program Manager	1.0	1.0	1.0
Fire Captain / Peer Fitness Instructors	5.0	4.0	4.0
Total Assigned Personnel	10.0	9.0	9.0

Health and Safety Section Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Wellness Program Participation by Employees (%)	100%	100%	100%
Annual Fit-For-Duty Physicals for Shift Personnel (#)	72	70	70
Exercise Participation by Shift Personnel (%)	100%	100%	100%
Yearly Fitness Assessments for Shift Personnel (%)	100%	100%	100%

FY 2014/2015 Performance Goals and Objectives

- Implement fitness program for Administrative staff. – **Accomplished / Ongoing**
- Coordinate with Human Resources on the following:
 - Providing pre-hire physicals for new Emergency Services Division personnel. – **Accomplished / Ongoing**
 - Facilitating return to work and fit for duty issues for District personnel. – **Ongoing**
 - Investigating all employee injuries and accidents. – **Accomplished / Ongoing**
 - Evaluating Workers Compensation



- claims for common injuries. Determine effective ways to reduce these types of injuries with preventative education programs. – **Accomplished / Ongoing**
- Evaluating and maintaining quality pre- and post-exposure services. – **Accomplished / Ongoing**
- Evaluating and revising District safety policies and procedures where needed. – **Accomplished / Ongoing**
- Evaluating and possibly implementing Employee Safety Handbook. – **Ongoing**
- Continuing to administer required annual employee inoculation program. – **Accomplished / Ongoing**
- Continuing to evaluate current Critical Incident Stress Management needs. – **Accomplished / Ongoing**
- Explore options and develop a plan to deal with current as well as future needs including utilizing CISM teams from neighboring jurisdictions. – **Ongoing**
- Review and revise Infection Control Plan as necessary. – **Ongoing**
- Develop and initiate a District-wide Fitness Program based on the results of the annual Fit-For-Duty Physical tiered assessment of physical ability and establish fitness improvement goals for each employee. – **Accomplished / Ongoing**
- Evaluate Peer Fitness Program for enhancement if necessary. – **Accomplished / Ongoing**
- Research possible improvements to District facilities that promote health & safety. – **Accomplished / Ongoing**
- Work closely with Architect and design team to ensure aspects of firefighter safety are included in new and remodeled station design. – **Accomplished / Ongoing**
- Provide required safety signs and equipment for the new and remodeled stations. – **Accomplished / Ongoing**

FY 2015/2016 Performance Goals and Objectives

- Continue fitness program for Administrative staff.
- Continue to coordinate with Health and Medical Division and Human Resources on the following:
 - Providing pre-hire physicals for new Emergency Services Division personnel.
 - Facilitating return to work and fit for duty issues for District personnel.
 - Investigating all employee injuries and accidents.
 - Evaluating Workers Compensation claims for common injuries. Determine effective ways to reduce these types of injuries with preventative education programs.
 - Evaluating and maintaining quality pre- and post-exposure services.
 - Evaluating and revising District safety policies and procedures where needed.
 - Evaluating and possibly implementing Employee Safety Handbook.
- Continuing to administer required annual employee inoculation program.
- Continuing to evaluate current Critical Incident Stress Management needs.
- Explore options and develop a plan to deal with current as well as future needs including utilizing CISM teams from neighboring jurisdictions.
- Review and revise Infection Control Plan as necessary.

- Develop and initiate a District-wide Fitness Program based on the results of the annual Fit-For-Duty Physical tiered assessment of physical ability and establish fitness improvement goals for each employee.
- Evaluate Peer Fitness Program for enhancement if necessary.



Fitness Room at Station 102 - Captain Kane Nixon

Health and Safety Expenditures

The following expenditure accounts are associated with the continued health and safety of all District employees.

Health & Safety Program Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
534000 · Physicals/Vaccinations/Testing	\$ 51,203	\$ 59,246	\$ 54,961	\$ 17,608	\$ (41,638)	-70.3%
547000 · Fitness Equipment R/M	\$ 1,094	\$ 1,650	\$ 1,431	\$ 1,650	\$ -	0.0%
565000 · Safety Materials & Supplies	\$ 165	\$ 850	\$ 850	\$ 850	\$ -	0.0%
575000 · Health & Safety Equipment	\$ 155	\$ 750	\$ 750	\$ 1,000	\$ 250	33.3%
622000 · Fitness & Safety Training	\$ 1,812	\$ 4,500	\$ 4,181	\$ 4,500	\$ -	0.0%
507000 · Program Manager Compensation	\$ 650	\$ 1,300	\$ -	\$ 1,300	\$ -	0.0%
Total Health & Safety Program:	\$ 55,078	\$ 68,296	\$ 62,173	\$ 26,908	\$ (41,388)	-60.6%

- **534000 Physicals/Vaccinations/Testing:** In order to ensure compliance with National Fire Protection Association (NFPA) Standards, the District began a mandatory physical examination program in 1994 and has been committed to

maintaining a high level of employee preventative health analysis since that time. This program has proven to be effective with the early detection of many employee health conditions that required either medication or alternative treatment procedures. The goal of this program is to keep District employees' health and fitness levels above average. By monitoring employee health the District should begin to see a reduction in Worker's Compensation claims and sick time usage as well as avoiding very costly medical retirements. Expenditures in this area commonly include physicals and lab fees, an annual infection control program, and annual inoculations, testing, and titers. These expenditures were decreased significantly as a result of the hiring of a Nurse Practitioner and the transitioning of annual employee occupational physicals from an outside provider to the in-house clinic.

- **547000 Fitness Equipment Repair / Maintenance (R/M):** With regular use of current physical fitness equipment; maintenance and repairs are to be expected. These funds will assist in maintaining the equipment in good working condition for ongoing use.
- **565000 Safety Materials & Supplies:** This account funds the Occupational Safety and Health Act (OSHA) required health and safety signs and materials that are posted at each of the District stations, affixed to apparatus, and dispersed to personnel throughout the fiscal year.
- **575000 Health & Safety Equipment:** By providing fitness equipment, the District both supports and promotes the maintenance of employee health through daily muscle conditioning and stress relief programs. Peer fitness instructors train the District's employees in effective and safe fitness routines. Proposed funding will allow the replacement of training equipment, if necessary, due to normal wear and tear or should an item become damaged beyond repair. This account has been minimally increased as a result of the completion of Station 104.
- **622000 Fitness & Safety Training:** Training of District Safety personnel is primarily accomplished through the Fire Department Safety Officers Association which focuses on training mandated for personnel to maintain their certification and skill level. Critical Incident Stress Management (CISM) and Occupational Safety and Health Act (OSHA) training are also budgeted in this area. Continuing education for Peer Fitness Trainers (PFT) has resulted in a substantial increase in this account. This account will be used to provide advanced continuing education for the Peer Fitness Trainers through a nationally certified program. Each PFT is required to attend two units of continuing education per year.
- **507000 Program Manager Compensation:** This funding compensates the program manager for added responsibilities in maintaining the requirements of the health and safety program.

Mission Readiness: Training & Development Program Overview

The Mission Readiness: Training and Development Program provides coordination for both the training and development of current suppression personnel as well as providing an active role in the recruitment of new District personnel. The primary focus of this program is to provide ongoing training for emergency personnel (with the exception of Health & Medical Services training which will be reviewed later in this budget document). Continuing Education is required by local, state, and federal regulations and standards (including NFPA Standards Volume 10, OSHA Regulations 29 CFR 1910, the Arizona State Fire Marshal's Office, and the Valley Automatic-Aid Consortium). This section also coordinates instruction on any new organizational procedures and guidelines.



Swearing In Ceremony for Firefighters Aaron Armstead, Matthew Burry, Deanna Camacho and Ryan Randall

The District must be prepared in the event of a major disaster at the strategic as well as task level. In support of the District's Emergency Management Program, personnel work closely with the State of Arizona and Maricopa County Emergency Management to provide training in the areas of weapons of mass destruction, domestic terrorism, and self-awareness/preparedness in events of natural disaster. These courses are provided at minimal to no cost to the District through the Department of Homeland Security. Personnel in this program also coordinate with employees in the Community Risk Management Division to provide awareness and preparedness presentations for the community. This allows the District to educate residents in preparing for potential disasters. This may be as simple as preparing for electrical brown-outs during the height of the summer heat or complete loss of power during the Arizona monsoon season. The Mission Readiness section of the Emergency Services Division is responsible for

the following District Business Plan Strategic Priorities and the associated Strategic Components:

Strategic Priority #4: Personnel Development

- Strategic Component – Knowledge & Skills
 - Action Item 4.1 – Personnel Training

Mission Readiness: Training & Development Program Personnel Summary

Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Assistant Chief	1.0	1.0	1.0
Battalion Chief	1.0	1.0	1.0
Fire Captain/Program Coordinator	0.0	1.0	1.0
Total Assigned Personnel	2.0	3.0	3.0

Mission Readiness: Training & Development Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Training and Development			
Company Training Hours	14,533	20,000	21,000
Officer/Professional Development Training Hours	3,941	11,000	10,000
Driver/Operator Training Hours	2,111	3,000	6,000
Special Operations Training Hours	468	2,000	2,000
EMS Training Hours	1,321	6,000	5,000
Pre-Fire Planning Inspections Hours	85	250	400
Entry Level Recruit Academy Personnel	1,122	0	1,200
Disaster Preparedness			
Disaster Preparedness Presentations Provided	19	20	20
Participants	321	400	400

Status of FY 2014/2015 Performance Goals and Objectives

- Provide and document the necessary mandated and compliance training for all District personnel (16 hours minimum per month) including Wildland, PPE and SCBA training requirements.
 - Accomplished/Ongoing**
- Facilitate and provide continuing education training to all positions to ensure high levels of competency, efficiency, and safety in the areas of incident management, strategy and tactics, and the mitigation of all types of incidents. **Accomplished/Ongoing**
- Improve the training module within the Target Solutions to develop custom



Engine 101 at the Tempe Training Facility

reports automating the training records such as compliance training reporting, individual training records, and credentials tracking. **Ongoing**

- Continue to provide monthly fiscal year to date and annual reports detailing employee training type and hours. **Accomplished/Ongoing**
- Research and build partnerships with public and private agencies to promote joint coordination of training, education and facilities. **Ongoing**
- Continue to work with the Regional Operations Consistency Committee (ROCC) to maintain regional consistency and coordination. **Accomplished/Ongoing**
- Maintain a more aggressive, energetic, and targeted racial/ethnic and gender minority recruitment programs designed to attract greater quantities of quality applicants for sworn positions. **Ongoing**
- Coordinate with Human Resources to develop and implement written guidelines for new employee recruitment and selection activities. **Ongoing**
- Maintain continued membership in pertinent industry related agencies. **Ongoing**
- Analyze necessity for recruitment process based on staffing/response changes. **Ongoing**
- Institute formalized Officer Development training including move-up academies and mentoring programs **Ongoing**
- Update/revise the District Emergency Management Plan and finalize the plan for the “District Operations Center” including an exercise to test communication systems. **Ongoing**
- I.S.O. Grading Preparation **Accomplished**

FY 2015/2016 Performance Goals and Objectives

- Provide and document the necessary mandated and compliance training for all District personnel (16 hours minimum per month) including Wildland, PPE and SCBA training requirements.
- Facilitate and provide continuing education training to all positions to ensure high levels of competency, efficiency, and safety in the areas of incident management, strategy and tactics, and the mitigation of all types of incidents.
- Improve the training module within the Target Solutions to develop custom reports automating the training records such as compliance training reporting, individual training records, and credentials tracking.
- Continue to provide monthly fiscal year to date and annual reports detailing employee training type and hours.
- Research and build partnerships with public and private agencies to promote joint coordination of training, education and facilities.
- Continue to work with the Regional Operations Consistency Committee (ROCC) to maintain regional consistency and coordination.
- Maintain continued membership in pertinent industry related agencies.
- Institute formalized Officer Development and Engineer/Apparatus Operator training including move-up academies and mentoring programs
- Establish formalized Training Program and Policy to be entered into the FDSCW Operations Manual

Mission Readiness: Training & Development Program Expenditures

The following table details the budgetary accounts associated with the District's Mission Readiness Program:

Mission Readiness Program Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
565500 · Emergency Management Supplies	\$ -	\$ 1,210	\$ 1,210	\$ 1,210	\$ -	0.0%
623000 · Educational Expenditures	\$ 30,645	\$ 33,394	\$ 24,381	\$ 41,820	\$ 8,426	25.2%
624000 · Training Materials	\$ 5,663	\$ 4,710	\$ 4,095	\$ 8,070	\$ 3,360	71.3%
625000 · Travel Expenditures	\$ 1,909	\$ 4,810	\$ 3,595	\$ 4,810	\$ -	0.0%
Total Mission Readiness Program:	\$ 38,217	\$ 44,124	\$ 33,281	\$ 55,910	\$ 11,786	26.7%

- 
565500 Emergency Management Supplies: Expenditures from this category provide for supplies necessary to maintain emergency management requirements. The goal is to ensure the preparedness to properly perform the tasks which would be assigned in the event of a disaster, as well as ensuring the preparedness of our residents for catastrophic events. In addition, funds are used to operate the District's Operations Center (DOC) and interact with the County's Emergency Operations Center (EOC).
- 623000 Educational Expenditures:** Funding in this account provides for all suppression training mandated by multiple local, state and federal agencies and includes: Westside Training Consortium sponsored training, District multi-company drills, engine and ladder company evolutions, station and night drills, officer development, Arizona State Fire Marshal Training, seminars, tuition reimbursement, degree enhancement programs, driver's training, and recruit training. This account experienced increases in several areas for FY 2015/2016, including SCBA Technician recertification requirements, and additions to Target Solutions and drivers training requirements associated with the addition of both full-time and part-time employees.
- 624000 Training Materials:** The funding in this category is used for District training and a proportionate share of the costs of building props and acquiring rentals (i.e., dumpsters), etc., is used to support the Westside Training Consortium. Expenditures also include funds to maintain facility resource libraries including required training manuals and videos, and additional training items such as salvaged vehicles and props for fire training. Increases in this account are attributed to additional personnel training needs.
- 625000 Travel Expenditures:** Expenses associated with per diem, lodgings and travel expenditures for attending educational opportunities throughout the fiscal year are provided for within this account. This account maintains travel costs associated with conference requirements.

Emergency Medical Services (EMS) / Health & Medical Program Overview

The Emergency Medical Services (EMS) / Health & Medical Program is responsible for ensuring that the highest quality of medical care and transportation is delivered to patients on emergency scenes and also for ensuring that District personnel uphold strict training standards. The EMS Program also provides community Chest Compression Only (CCO), Cardio Pulmonary Resuscitation (CPR), Automated External Defibrillation (AED) and First-Aid training assistance.

In 2013, the District began providing basic and advanced life support inter-facility non-emergent transport services. The program was initiated to enhance the services to District residents and provide additional revenue. The program will be monitored closely to ensure it meets the needs of the District and further enhancements will be made as necessary.

The Emergency Medical Services Program supports the following District Business Plan Strategic Priorities and the associated Strategic Components:

Strategic Priority #3: Resource Development & Deployment

- Strategic Component – Service Delivery & Resource Allocation
 - Action Item 3.4 – Ambulance Operations Accreditation
 - Action Item 3.8 – EMS Standards & Legislation

Strategic Priority #5: Infrastructure

- Strategic Component – Facilities, Apparatus & Equipment
 - Action Item 5.5 – EMS Equipment
- Strategic Component – Information Technology Utilization

Health & Medical Division Personnel Summary

Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Health & Medical Coordinator	1.0	1.0	1.0
Program Manager	1.0	1.0	1.0
Total Assigned Personnel	2.0	2.0	2.0

Health & Medical Division Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Paramedic Refresher Training Course Participants	21	22	30
Employee CPR Training Participants	43	50	50
Documentation Quality Assessment (%)	100%	100%	100%

Status of FY 2014/2015 Performance Goals and Objectives

- Continue to facilitate and provide continuing education training to all positions to ensure extremely high levels of competency, efficiency, and safety in the area of EMS - **Accomplished / Ongoing**

- Continue to maintain accurate database on all employee certification types and expiration dates - **Ongoing**
- Continue EMS Policy revisions where necessary - **Ongoing**
- Complete certification renewal process for District ambulances – **Accomplished/Ongoing**
- Continue to move forward with the EMS Accreditation Process - **Modified / Ongoing**
- Continue to maintain EMS supply inventory program and monitor cost effectiveness - **Accomplished / Ongoing**
- Continue to monitor the established measurable set of standards to evaluate the productivity and performance of the District's EMS programs - **Accomplished / Ongoing**
- Continue to update District intranet with Continuing Medical Education (CME) and training opportunities (dates/descriptions) - **Ongoing**
- Continue to review and, if necessary, revise criteria for Quality Assurance of EMS Charts - **Accomplished / On Going**
- Continue to coordinate EMS data storage and retrieval - **Ongoing**
- Assist with ensuring that all pertinent EMS equipment is included on the District capital equipment replacement schedule - **Accomplished / Ongoing**
- Maintain preventative maintenance schedule on all EMS equipment - **Accomplished**
- Adapt additional continuing education programs and develop Target Solutions and other electronic EMS related training - **Ongoing**
- Continue partnership with Banner Del E. Webb Hospital to provide monthly education topics for paramedics - **Modified / Ongoing**
- Familiarize the District with the Commission on Accreditation of Ambulance Services (CAAS) standards for the Accreditation of Ambulance Services - **Ongoing**
- Enhance virtual recreation of incidents or events in multiple locations utilizing District's multi-media education capability thus reducing number of times personnel would need to leave first-due areas - **Modified / Ongoing**
- Evaluate compliance with Arizona Department of Health Services and base station protocols and rules; make any required changes - **Accomplished / Ongoing**
- Maintain pertinent memberships in EMS related agencies - **Accomplished / Ongoing**
- Research & evaluate District medical equipment needs based on future technology and industry standards - **Accomplished / Ongoing**
- Organize and coordinate the District's Inter-Facility Transport Program – **Accomplished**
- Initiate Community Paramedicine Program Partnership research and potentially implement program - **Accomplished / Ongoing**



Medic 102

FY 2015/2016 Performance Goals and Objectives

- Continue to facilitate and provide continuing education training to all positions to ensure extremely high levels of competency, efficiency, and safety in the area of EMS.
- Continue to maintain accurate database on all employee certification types and expiration dates.
- Continue EMS Policy revisions where necessary.
- Complete certification renewal process for District ambulances.
- Complete Commission on Accreditation of Ambulance Services (CAAS) standards for the Accreditation of District's Ambulance Service.
- Transition the EMS supply inventory system into the new accounting program and continue to maintain and monitor cost effectiveness.
- Continue to monitor the established measurable set of standards to evaluate the productivity and performance of the District's EMS programs.
- Continue to work with the various regulatory and other associations to stay abreast of changing standards and to assist in the development of future EMS policies and standards.
- Continue to review and, if necessary, revise criteria for Quality Assurance of EMS Charts.
- Continue to coordinate EMS data storage and retrieval.
- Maintain preventative maintenance schedule on all EMS equipment.
- Adapt additional continuing education programs and develop Target Solutions

- and other electronic EMS related training.
- Continue partnership with Banner Del E. Webb Hospital & Sun City Fire District to provide monthly education topics and real time scenarios for paramedics.
- Meet criteria to maintain Training Site status with American Heart Association and the American Safety and Health Institute.
- Develop program to deliver in house training session to EMS personnel via the District's multi-media system.
- Evaluate compliance with Arizona Department of Health Services and base station protocols and rules; make any required changes.
- Maintain pertinent memberships in EMS related agencies.
- Research & evaluate District medical equipment needs based on future technology and industry standards.
- Coordinate the District's Inter-Facility Transport Program and develop performance measures to evaluate impact of program on the District's EMS program.
- Initiate Community Paramedicine Program Partnership and implement program.



Patient Transport Compartment

Emergency Medical Services / Health & Medical Division Program Expenditures

The following accounts outline the expenditures associated with the delivery of EMS services by the District:

Health & Medical Operations Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
544000 · EMS/Medical Equipment R/M	\$ 12,986	\$ 6,370	\$ 5,915	\$ 13,736	\$ 7,366	115.6%
581000 · Ambulance Registrations	\$ 1,650	\$ 1,875	\$ 1,875	\$ 2,325	\$ 450	24.0%
582000 · EMS/Medical Equipment	\$ 3,627	\$ 5,745	\$ 5,700	\$ 5,785	\$ 40	0.7%
583000 · EMS/Medical Supplies	\$ 95,060	\$ 103,200	\$ 103,000	\$ 122,200	\$ 19,000	18.4%
584000 · Pharmaceutical Supplies	\$ 7,432	\$ 10,500	\$ 12,439	\$ 12,000	\$ 1,500	14.3%
507000 · Program Manager Compensation	\$ 650	\$ 1,300	\$ 1,300	\$ 1,300	\$ -	0.0%
Total Health & Medical Operations:	\$ 121,404	\$ 128,990	\$ 130,229	\$ 157,346	\$ 28,356	22.0%

- **544000 EMS/Medical Equipment Repair/Maintenance (R/M):** EMS equipment requires verification of proper operability; sometimes on a daily basis. There are various necessary requirements to inspect, calibrate, and perform preventative maintenance on items such as heart monitors, pneumatic gurneys, suction units, Continuous Positive Airway Pressure (C-PAP) devices, and glucose monitors, etc. This account includes the addition of the annual preventative maintenance for the District's heart monitors, for which the extended maintenance agreement has expired and now requires funding of almost \$8,600.
- **581000 Ambulance Registrations:** This account funds the annual Arizona Department of Health Services inspection and registration of the District's eight (8) operating ambulances. This account was increased due to the registration fees for the anticipated additional two new Ambulances. This account also funds the biennial re-certifications associated with providing ambulance services under the District's Certificate of Necessity (CON).
- **582000 EMS/Medical Equipment:** To provide superior quality pre-hospital emergency care, post-hospital follow-up care and clinic services to District patients, it is necessary to provide quality equipment to medical personnel. This account replaces items with a limited service life, as well as the normal "wear and tear" items such as oxygen regulators, blood pressure cuffs, otoscope components, heart monitor batteries and cables, backboards, and gurney mattresses, etc.
- **583000 EMS/Medical Supplies:** This budget category provides for the disposable or consumable supplies used for the treatment of emergency, medical, and clinical patients. These include, but are not limited to, medical oxygen, intravenous catheters, tubing and fluids, bandaging materials, sterile gloves, immobilization gear, intubation and airway tools, etc. The District utilizes a "Bin" system for disposable supplies that has been very successful. The increase in this account is attributed to medical supplies for use by the Nurse Practitioner.



Disposable Medical Supplies

- **584000 Pharmaceutical Supplies:** Federal Medicare changes prevent a receiving medical facility from billing for any medications not directly administered by that entity. As a result, the District must purchase any replacement pharmaceuticals utilized during the course of providing emergency patient care. This account was increased due to the increased usage and prices.

- **507000 Program Manager Compensation:** This funding compensates the EMS Program Manager for the added responsibilities of maintaining the consumable inventory requirements of the EMS Program.

Emergency Services / Health & Medical Services Training Expenditures

The Emergency Services / Health & Medical Divisions coordinate emergency and medical training for District personnel to include Emergency Medical Care Technician (EMCT), Certified Emergency Paramedic (CEP) and Nurse Practitioner Recertification Programs, Chest Compression Only (CCO), Cardiac Pulmonary Resuscitation (CPR), and Automated External Defibrillation (AED). Federal and State entities direct standards of training, frequency of recertification, and set minimum training requirement levels that must be adhered to in order for the District to remain eligible to provide pre-hospital emergency care, post-hospital follow-up services and clinical patient care to its citizenry. The District takes great pride in the exceptional level of care it ensures its residents.

It is a District priority to continue to facilitate an EMS Training Program which provides a large portion of the biennial re-certification training requirements in-house thus reducing off-site travel costs. Paramedic and EMCT recertification processes meet the standards as established by the State of Arizona effective in 2014.

Health & Medical Training Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
651000 · EMS Educational Expenditures	\$ 2,445	\$ 11,220	\$ 10,395	\$ 10,970	\$ (250)	-2.2%
651500 · Health/Medical Ed Expenditures	\$ 920	\$ 1,290	\$ 1,520	\$ 4,005	\$ 2,715	210.5%
652000 · EMS/Medical Training Materials	\$ 3,814	\$ 4,445	\$ 4,579	\$ 5,065	\$ 620	13.9%
653000 · EMS/Medical Travel Expenditures	\$ 1,041	\$ 1,940	\$ 1,877	\$ 4,981	\$ 3,041	156.8%
Total Health & Medical Training:	\$ 8,220	\$ 18,895	\$ 18,371	\$ 25,021	\$ 6,126	32.4%

- **651000 EMS Educational Expenditures:** This account provides tuition costs for Paramedic (CEP) and Emergency Medical Care Technician (EMCT) certification / re-certification. Funding for the annual paramedic refresher education includes any certification fees, such as for International Trauma Life Support (ITLS), and PEPP (pediatric emergencies) courses, as well as fees paid to guest instructors. This funding also provides ongoing training for EMS instructors and CPR trainers to ensure that they are knowledgeable in current standards of care. Training includes attendance at symposiums and conferences.
- **651500 Health/Medical Educational Expenditures:** This account provides funding for the Health & Medical Coordinator and the Nurse Practitioner. This training includes attendance at symposiums and conferences, recertification costs and testing fees, increases in this account are due to the Nurse Practitioner training requirements.

- **652000 EMS/Medical Training Materials:** This funding covers training materials required for various classes including student manuals, Automated External Defibrillation (AED) training apparatus, CPR and AED training mannequins, training videos, CD's and on-line training aids, etc. This account also allows for the purchase of textbooks, workbooks and materials for Advanced Cardiac Life Support (ACLS), Pediatric Advanced Life Support (PALS) and Basic Life Support (BLS) re-certifications. These materials are used to maintain the certifications of District emergency responders and non-emergency healthcare providers.
- **653000 EMS/Medical Travel Expenditures:** This account allows for the per diem, lodgings and travel expenditures associated with attending educational classes throughout the fiscal year. Travel costs for attendance of the Arizona Fire District Association and the Arizona Ambulance Association conferences are contained within this account for the Health /Medical Coordinator, the Nurse Practitioner and other medical personnel.



Rescue 103



Support Services Division

The Support Services Division is overseen by the Emergency Services/Health & Medical/Support Services Divisions Assistant Chief and is managed by a Support Services Coordinator with the assistance of a Facilities Management Program Manager position. The Division maintains all vehicles and facilities, including assisting in the design and construction of new facilities and/or the renovation of existing facilities. The Division maintains seven (7) structures totaling approximately 58,150 square feet. All seven (7) of the District's structures are located on six (6) different property sites. This Division also performs and supervises minor remodeling work and is responsible for facility inventory. Facility supplies are also requisitioned and tracked by the Support Services Division.

The fleet maintenance portion of the Support Services Division ensures that preventative maintenance and repair work is performed on all District emergency apparatus, light trucks, automobiles, and communications equipment. Personnel also project apparatus strengths and weaknesses to estimate apparatus life expectancy for the vehicle aging /replacement schedule.



The Support Services Division oversees the following District Business Plan Strategic Priorities and the associated Strategic Components as listed:

Strategic Priority #3: Resource Development & Deployment

- Strategic Component – Service Delivery & Resource Allocation
 - Action Item 3.7 – 800 MHz Communication System

Strategic Priority #5: Infrastructure

- Strategic Component – Facilities, Apparatus & Equipment
 - Action Item 5.1 – Facilities Renovation / Expansion
 - Action Item 5.2 – Facilities Preventative Maintenance Program
 - Action Item 5.3 – Apparatus Preventative Maintenance Program

Support Services Division Personnel Summary

Position	2013/2014 Actual	2014/2015 Authorized	2015/2016 Adopted
Full-Time Personnel			
Support Services Coordinator	1.0	1.0	1.0
Support Services Technician	0.0	0.0	0.0
Total Assigned Personnel	1.0	1.0	1.0

Support Services Division Performance Measures

Description	2013/2014 Actual	2014/2015 Estimated	2015/2016 Projected
Facilities Maintained			
Square Footage Maintained for 7 Facilities	52,440	52,440	58,139
Apparatus Maintained			
Emergency Response Vehicles	15	19	19
Non-Emergency Response Vehicles	14	14	14
Vehicles Maintained	29	33	33
Estimated Response Apparatus Miles Per Year	80,000	90,000	100,000

Status of FY 2014/2015 Performance Goals and Objectives: Facilities

- Continue to work within the District's "facilities work order" system to improve reporting and efficiency - **Accomplished / Ongoing**
- Continue to monitor the measurable set of standards developed previously to evaluate the productivity and performance of the District's facilities maintenance programs - **Accomplished / Ongoing**
- Continue to maintain the District facilities preventative maintenance schedule - **Accomplished / Ongoing**
- Complete all preventative maintenance services within a 20-day variance of scheduled date - **Accomplished / Ongoing**
- Continue to respond to all corrective maintenance requests within one (1) business day - **Accomplished / Ongoing**
- Continue to assist with the District inventory system - **Accomplished / Ongoing**
- Complete all budgeted maintenance and repair projects - **Accomplished**
- Continue to manage the District's Surplus Property Program - **Accomplished / Ongoing**
- Enhance computerized Facilities Preventative Maintenance Program - **Ongoing**
- Evaluate Facilities Preventative Maintenance equipment needs - **Accomplished / Ongoing**
- Assist in planning/programming for future District facility needs - **Accomplished / Ongoing**

FY 2015/2016 Performance Goals and Objectives: Facilities

- Continue to work within the District's "facilities work order" system to improve reporting and efficiency.
- Continue to monitor the measurable set of standards developed previously to evaluate the productivity and performance of the District's facilities maintenance programs.
- Maintain the District facilities preventative maintenance schedule and complete all preventative maintenance services according to schedule.
- Continue to respond to all corrective maintenance requests within one (1) business day.
- Assist with the transition of the District inventory system for station and janitorial supplies into the new accounting software.
- Enhance computerized Facilities Preventative Maintenance Program.

Status of FY 2014/2015 Performance Goals and Objectives: Fleet

- Continue to maintain non-capital fleet maintenance costs under set costs per mile of operation, as detailed below:

○ Pumpers	\$1.75/mile
○ Ladder	\$2.00/mile
○ Ambulance	\$1.00/mile
○ Ladder Tender	\$1.35/mile
○ Misc. Response	\$1.00/mile
○ Autos	\$0.45/mile

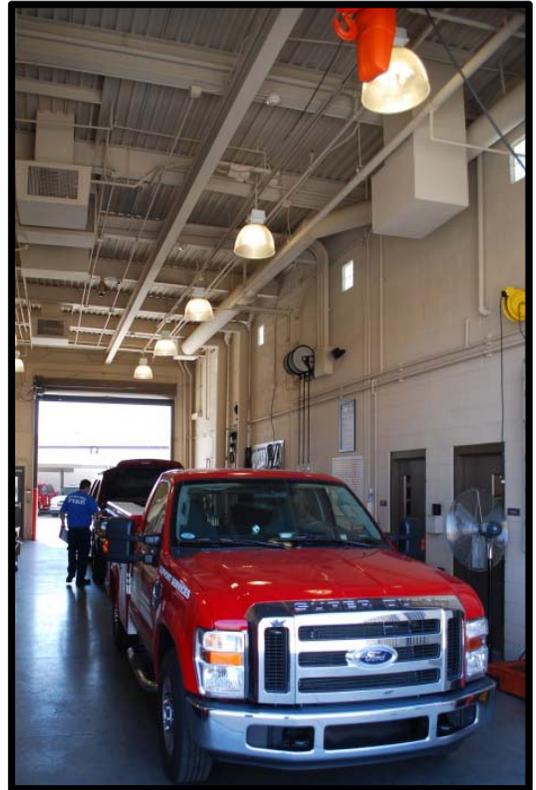
Accomplished / Ongoing

- Continue to maintain preventative maintenance schedules for all apparatus as follows:

○ Pumpers	12 months/25,000 miles
○ Ladder	12 months/25,000 miles
○ Ambulance	12 months/25,000 miles
○ Ladder Tender	12 months/25,000 miles
○ Misc. Response	12 months/25,000 miles
○ Autos	12 months/25,000 miles

Accomplished / Ongoing

- Maintain quarterly inspections on all apparatus due to the extended preventative maintenance schedules per Amsoil Lubricant recommendations. - **Accomplished / Ongoing**
- Obtain portable ground ladder (equipment) Inspections Bi-Annually. - **Accomplished / Ongoing**
- Continue the use of the Amsoil Lubricant Program - **Accomplished / Ongoing**
- Coordinate annual ladder (Apparatus) Inspections and Pump Tests. - **Accomplished / Ongoing**
- Complete all preventative maintenance services within a 20-day variance of scheduled date - **Accomplished**
- Respond to all corrective maintenance requests within one (1) business day - **Accomplished**
- Maintain fleet availability above 90% - **Accomplished**
- Maintain average turnaround times for scheduled services of:
 - Response Apparatus 48 Hours - **Not Accomplished**
 - Staff Vehicles 8 Hours - **Accomplished**
- Enhance computerized Apparatus Preventative Maintenance Plan - **Ongoing**
- Evaluate Apparatus Preventative Maintenance equipment needs - **Accomplished / Ongoing**
- Research and add appropriate Preventative Maintenance equipment to Capital Replacement Schedule - **Accomplished / Ongoing**
- Maintain Monthly Tire Depth Analysis Reporting used to program the replacement of tires for District vehicles - **Accomplished / Ongoing**
- Continue Apparatus Technician training and certification process as outlined -



Maintenance Facility

Accomplished / Ongoing

- Assist in generating specifications and contract requirements for new apparatus - **Ongoing**



Ladder 102

FY 2015/2016 Performance Goals and Objectives: Fleet

- Continue to maintain non-capital fleet maintenance costs under set costs per mile of operation, as detailed below:
 - Pumpers \$1.75/mile
 - Ladder \$2.00/mile
 - Ambulance \$1.00/mile
 - Ladder Tender \$1.35/mile
 - Misc. Response \$1.00/mile
 - Autos \$0.45/mile
- Continue to maintain preventative maintenance schedules for all apparatus as follows:
 - Pumpers 12 months/25,000 miles
 - Ladder 12 months/25,000 miles
 - Ambulance 12 months/25,000 miles
 - Ladder Tender 12 months/25,000 miles
 - Misc. Response 12 months/25,000 miles
 - Autos 12 months/25,000 miles
- Maintain quarterly inspections on all apparatus due to the extended preventative maintenance schedules per Amsoil Lubricant recommendations.
- Coordinate ground ladder equipment Inspections bi-annually.
- Coordinate annual ladder (Apparatus) Inspections and Pump Tests.
- Complete all preventative maintenance services within a 20-day variance of scheduled date.

- Respond to all corrective maintenance requests within one (1) business day.
- Maintain fleet availability at 90% annually.
- Maintain average turnaround times for in-house scheduled services of:
 - Response Apparatus 48 Hours
 - Staff Vehicles 8 Hours
- Enhance computerized Apparatus Preventative Maintenance Plan.
- Evaluate Apparatus Preventative Maintenance equipment needs.
- Research and add appropriate Preventative Maintenance equipment to Capital Replacement Schedule.
- Maintain Monthly Tire Depth Analysis Reporting used to program the replacement of tires for District vehicles.
- Continue Apparatus Technician training and certification process as outlined.
- Assist with equipping and placing into service all new apparatus purchased for Station 104 and the District.
- Coordinate signage needs for all apparatus and facilities associated with the District's name change, once approved by the Governing Board.

Facilities Management Expenditures



Administration Facilities



Station 101



Station 102



Station 103



The District maintains facilities to house both the personnel and the apparatus that support the District's mission. The following table outlines details regarding the Facilities Maintenance Expenditures for the coming fiscal year:

Facilities Maintenance Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
539100 · Electricity	\$ 83,934	\$ 99,494	\$ 79,222	\$ 88,668	\$ (10,826)	-10.88%
539200 · Natural Gas	\$ 3,326	\$ 3,504	\$ 3,496	\$ 4,440	\$ 936	26.7%
539300 · Water & Sewer	\$ 21,842	\$ 23,487	\$ 22,756	\$ 21,240	\$ (2,247)	-9.6%
539400 · Telephone	\$ 9,181	\$ 12,255	\$ 10,417	\$ 12,300	\$ 45	0.4%
539500 · Refuse Services	\$ 2,455	\$ 3,657	\$ 3,437	\$ 3,660	\$ 3	0.1%
541100 · Internal Facility R/M	\$ 6,452	\$ 7,450	\$ 6,878	\$ 6,800	\$ (650)	-8.7%
541200 · Outsourced Facilities Maintenance	\$ 7,541	\$ 11,500	\$ 11,931	\$ 11,125	\$ (375)	-3.3%
541300 · Custodial Services	\$ 3,000	\$ 4,200	\$ 3,300	\$ 4,800	\$ 600	14.3%
541400 · Landscaping Services	\$ 4,809	\$ 4,650	\$ 5,359	\$ 5,400	\$ 750	16.1%
541500 · Pest Control	\$ 3,252	\$ 5,100	\$ 3,676	\$ 4,800	\$ (300)	-5.9%
541600 · Fire & Security Alarm Systems	\$ 10,347	\$ 9,390	\$ 4,285	\$ 9,980	\$ 590	6.3%
562000 · Janitorial Supplies	\$ 5,323	\$ 8,750	\$ 8,694	\$ 9,500	\$ 750	8.6%
563000 · Facilities Supplies	\$ 3,780	\$ 5,625	\$ 5,606	\$ 6,750	\$ 1,125	20.0%
507000 · Program Manager Compensation	\$ -	\$ 1,300	\$ -	\$ 1,300	\$ -	0.0%
Total Facilities Maintenance:	\$ 165,243	\$ 200,362	\$ 169,057	\$ 190,763	\$ (9,599)	-4.8%

- 539100 Electricity:** This account provides funding for all District facilities. Budgeted funding for this account has been decreased due to the analysis of actual costs combined with the transition to the use of solar power for all of the District facilities.
- 539200 Natural Gas:** This account funds all natural gas expenditure requirements for all District facilities. This funding is based on actual costs for natural gas consumption by all facilities. The estimated cost increase is associated with the required propane gas consumption of Station 104 and price increases experienced during the prior year.
- 539300 Water & Sewer:** This account manages water and sewer services provided to all District facilities and is budgeted based on actual consumption costs experienced for all facilities.
- 539400 Telephone:** This funding allows for continued telephone service at all District facilities and has been adjusted reflecting increases imposed by the provider and the costs associated with the addition of Station 104.
- 539500 Refuse Services:** This item funds the collection and removal of refuse at District facilities and is based on monthly collection fees of \$58.00 per facility for FY 2015/2016.

- **541100 Internal Facility Repair / Maintenance (R/M):** This line item covers minor repairs or maintenance that may affect any of the District's facilities. It also allocates individual station supply monies for minor emergency repairs that can be accomplished by station personnel during hours that the Support Services Division personnel would generally be unavailable. This allows repairs to be completed in a timely manner and avoids requesting the services of off-duty Support Services personnel or not making the repair until maintenance personnel are available. The newly completed renovation of Station 103 and the construction of Station 104 both have a one year warranty which contributed to this budgetary reduction.
- **541200 Outsourced Facilities Maintenance:** The Support Services staff is able to accomplish much of the general maintenance requirements for each of the District's facilities. However, major maintenance issues that arise may be beyond the expertise of District staff. This budget account provides funding for those situations. The continued aging of several of the District's facilities and the newly completed construction/renovation of Stations 103 and 104, contributed to the net reduction in this account.
- **541300 Custodial Services:** This budget area provides for one weekly custodial service at the Administration building and is based on a recently re-negotiated fee structure. Scheduled annual carpet cleaning at each facility is also expended from this account. This account has been adjusted to reflect a slight increase in the cost of these services.
- **541400 Landscaping Services:** This account supports semi-annual weed control for all facilities and for any monthly landscape maintenance for the Administrative/Maintenance building not provided by District personnel. Landscaping at two facilities contributed to the increase in this account.
- **541500 Pest Control:** This account ensures all facilities receive pest control services monthly. Annual termite treatments for Station 103 have been removed from this account as a result of the renovation. Funds have also been budgeted to provide services for Station 104.
- **541600 Fire & Security Systems:** This funding covers the code related monitoring of the fire sprinkler and burglar alarm systems at all District facilities. A significant expenditure from this account is the required annual inspections of the fire extinguishing hood systems in the kitchens at Stations 101, 102 & 103. The District must allocate funding for annual inspections of the alarm systems and back flow testing for all facilities. This account has been adjusted to reflect increases in the cost of services, combined with the addition of Station 104.
- **562000 Janitorial Supplies:** This line item funds the cleaning and janitorial supplies for the basic upkeep of the District's facilities and is based on historical averages. Increases are related to the addition of Station 104.

- **563000 Facilities Supplies:** As the District facilities are multi-purpose in nature and personnel are on duty 24-hours a day, this account provides consumable items such as coffee, sugar, creamer, napkins, and other related items. Costs associated with supplying Station 104 have been added.
- **507000 Program Manager Compensation:** This funding compensates the program manager for added responsibilities in maintaining the requirements of the Station Supplies/Facilities Maintenance Program.

Fleet Management Expenditures

In order to successfully and professionally provide services to residents, the District has a number of apparatus which require periodic repair and preventative maintenance. This account group allows for these necessary repairs and is managed by personnel from the Support Services Division.

Fleet Maintenance Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
542000 · Internal Apparatus R/M	\$ 38,973	\$ 48,000	\$ 47,739	\$ 50,100	\$ 2,100	4.4%
542500 · Outsourced Apparatus Maintenance	\$ 28,592	\$ 27,000	\$ 25,520	\$ 27,000	\$ -	0.0%
546000 · Support Svc Equip R/M	\$ 489	\$ 500	\$ 500	\$ 500	\$ -	0.0%
564000 · Support Svc/Shop Supplies	\$ 5,733	\$ 6,000	\$ 5,819	\$ 6,000	\$ -	0.0%
568000 · Fuel (Gasoline/Diesel)	\$ 84,692	\$ 95,000	\$ 85,486	\$ 95,000	\$ -	0.0%
Total Fleet Maintenance:	\$ 158,479	\$ 176,500	\$ 165,064	\$ 178,600	\$ 2,100	1.2%

- **542000 Internal Apparatus Repairs and Maintenance (R/M):** This funding is available for use by the Support Services Division to purchase materials necessary to accomplish all in-house apparatus preventative maintenance and minor repairs. Items purchased under this account include, but are not limited to, replacement lighting, alternators, water pumps, filters, brakes, tires and apparatus batteries. This budget allows for the timely replacement of tires for all front line apparatus when necessitated. The Support Services Coordinator has instituted a Monthly Tire Tread Depth Analysis Program to better project and plan tire replacements. The increase in this account is due to the anticipated addition of new apparatus.
- **542500 Outsourced Apparatus Maintenance:** This account funds apparatus maintenance and repairs when it is necessary to outsource to other repair facilities. Due to the advancing age of some apparatus requiring additional



service, and two (2) apparatus no longer having factory warranty coverage this account has been maintained.

- **546000 Support Services Equipment Repair and Maintenance (R/M):** Support Services personnel utilize specialized equipment. This funding allows for the maintenance or repair of essential equipment (air compressor, drill press, engine hoist, etc.).
- **564000 Support Services/Shop Supplies:** This budget account provides for the purchase of minor parts and supplies utilized by the Support Services Division. These include, but are not limited to, batteries, shop tools, towels, paint, penetrating oils, etc.
- **568000 Fuel (Gasoline/Diesel):** Fuel is one the District's single largest consumables and the cost is dictated primarily by existing fuel prices. Fire apparatus have a low mile-per-gallon fuel consumption yet must respond to an increasing call volume. Fuel conservation is a responsibility of the District. Various fuel conservation techniques implemented by the District will continue to be utilized. These efforts include, but are not limited to, shopping fuel prices from various vendors and distributors, operating fuel efficient non-emergency vehicles (i.e. Ford Escapes, etc.) for out-of-service functions (i.e. inter-facility transports, vehicle repair shuttle, training, etc.) and other District business; limiting non-emergency travel to first due areas; Support Services personnel utilizing the Support Services Maintenance Vehicle to perform minor vehicle repairs at individual stations rather than driving larger apparatus to the maintenance facility; and maintaining fueling facilities at Station 101, 103 and soon to be at Station 104, to limit traveling for fueling. The Governing Board's approval of an intergovernmental agreement with Maricopa County has provided the District with an opportunity to utilize the county's fueling stations and reduced the fuel cost for administrative and support vehicles. Based on expenditures during prior years, and projected fuel prices in FY 2015/2016, this account has been maintained.



Station 103 Diesel Fuel Storage Tank & Pump

Emergency Communications Overview

The Support Services Division and an assigned Emergency Services Division Captain manage issues associated with emergency communications. This includes the purchase, as well as the preventative maintenance and repair work, of most District emergency communication and pre-emption systems. The Division is also responsible for the annual dispatch agreement with the Phoenix Fire Department, cellular services used by emergency apparatus for patching to the hospitals for receipt of medical direction, and communications equipment necessary to manage emergency incidents.

Emergency Communications Performance Measures

Description	2012/2013 Actual	2013/2014 Estimated	2014/2015 Projected
Radio's Maintained			
Portable Radios	76	76	76
Mobile Radios	38	43	58
Total Radio's Maintained	114	119	134
MCT/AVL Systems			
MCT's Maintained	16	16	19
AVL's Maintained	16	16	19
Station Packages	3	3	4
Pre-Emption Systems			
Intersections	19	20	20
Apparatus	23	24	28
Paging Service			
Pagers Maintained	5	2	2

Status of FY 2014/2015 Performance Goals and Objectives

- Continue to ensure response to all corrective communications maintenance requests within one (1) business day - **Accomplished / Ongoing**
- Continue development and monitoring of a measurable set of standards to evaluate the productivity and performance of the District's Emergency Communications Program - **Accomplished / Ongoing**
- Ensure that District communications equipment meets FCC and RWC requirements – **Accomplished / Ongoing**
- Continue evaluation and implement suitable pre-emption lighting on appropriate apparatus - **Accomplished / Ongoing**
- Continue working with Maricopa County to ensure proper operation of pre-emption systems as well as system installations at all designated District intersections - **Accomplished / Ongoing**
- Complete all budgeted maintenance and repair projects - **Accomplished**
- Continue to maintain a seat on the Regional Wireless Cooperative Counsel - **Accomplished / Ongoing**

FY 2015/2016 Performance Goals and Objectives

- Continue to ensure response to all corrective communications maintenance requests within one (1) business day.

- Continue development and monitoring of a measurable set of standards to evaluate the productivity and performance of the District’s Emergency Communications Program.
- Ensure that District communication equipment meets FCC and RWC requirements.
- Continue evaluation and implement suitable pre-emption lighting on appropriate apparatus.
- Continue working with Maricopa County to ensure proper operation of pre-emption systems as well as system installations at all designated District intersections.
- Complete all budgeted maintenance and repair projects.
- Continue to maintain a seat on the Regional Wireless Cooperative Counsel.

Emergency Communications Expenditures

The District must maintain an effective and efficient communications system to enable quick response to emergencies and maintain the safety of District personnel. This system is supported through internal personnel and external entities such as the City of Phoenix Dispatch system. The following table details the expenditure accounts associated with the District’s Emergency Communications section of the budget:

Emergency Communications Expenditure Projections						
Description	<i>FY 2013/2014</i> <i>ACTUALS</i>	FY 2014/2015 ADOPTED	<i>FY 2014/2015</i> <i>ESTIMATED</i>	FY 2015/2016 ADOPTED	Budget Variance	% of Change
591000 · Dispatching Services	\$ 383,489	\$ 426,778	\$ 412,497	\$ 433,727	\$ 6,949	1.6%
592000 · Communications Connections	\$ 25,029	\$ 28,547	\$ 25,198	\$ 31,280	\$ 2,733	9.6%
594000 · Radio Repair	\$ 415	\$ 2,000	\$ 2,000	\$ 2,231	\$ 231	11.6%
595000 · Communications Parts/Equipment	\$ 467	\$ 4,000	\$ 3,156	\$ 4,000	\$ -	0.0%
596000 · Network Systems	\$ 3,580	\$ 4,043	\$ 3,645	\$ 3,953	\$ (90)	-2.2%
Total Emergency Communications:	\$ 412,981	\$ 465,368	\$ 446,496	\$ 475,191	\$ 9,823	2.1%

- **591000 Dispatching Services:** Funding provides for 24-hour dispatching and technical services through the City of Phoenix. It also covers the costs associated with maintenance of the station dispatch packages, Mobile Communications Terminals (MCTs), Automatic Vehicle Locators (AVLs), and printer systems. The cost per dispatch as determined by Phoenix Fire Regional Dispatch Center is budgeted based on a dispatch service fee of \$23.12 per call, representing a 4.3% increase from the prior year. This account also funds the expenditures associated with participation in the Regional Wireless Cooperative (RWC). The District pays annual fees for each of the 58 radios it currently operates on the RWC system.
- **592000 Communications Connections:** Emergency medical responders must communicate preliminary medical assessments to physicians at receiving medical facilities, who then advise and prescribe pre-hospital care treatments that must be completed en-route by District personnel. Therefore, cellular

communication with the base hospitals is essential to providing a quality standard of care. This communications capability also ensures on-scene coordination of all emergency situations with the Communications Center and other personnel that may need immediate appraisals and updates of incident situations. The ePCR (paperless electronic Patient Care Reporting) system also requires monthly fees associated with the cellular connections required by the system hardware. The annual subscription fees associated with the DriveCam systems are included in this budgetary account. The increased data connection requirements for new apparatus generated the largest portion of the increases reflected in this account.

- **594000 Radio Repair:** This funding ensures continued operation of all small communications equipment as well as the maintenance of telephone systems. Increases in this account are reflective of additional radios being put into use.
- **595000 Communications Parts/Equipment:** This line item allows for the purchase of radio batteries, radio replacements and/or parts for radio equipment and other emergency communications equipment.
- **596000 Network Systems:** This funding account is required to support internet access and the District's inter-operability between computer systems and facilities. The reduction in this account is reflective of a decrease in service costs assessed by the provider.

Support Services Training Expenditures

Support Services personnel are required to maintain mechanically complex District apparatus in appropriate running order which mandate specialized technical and mechanical knowledge as well as specific certifications. Maintaining these certifications is mandated by the District.

Support Services Division Training Expenditure Projections						
Description	FY 2013/2014 ACTUALS	FY 2014/2015 ADOPTED	FY 2014/2015 ESTIMATED	FY 2015/2016 ADOPTED	Budget Variance	% of Change
641000 · Educational Expenditures	\$ 725	\$ 950	\$ 800	\$ 950	\$ -	0.0%
643000 · Travel Expenditures	\$ 1,281	\$ 900	\$ 723	\$ 900	\$ -	0.0%
Total Support Services Training:	\$ 2,006	\$ 1,850	\$ 1,523	\$ 1,850	\$ -	0.0%

- **641000 Educational Expenditures:** This account funds the cost of Mechanic EVT/ASE Certification requirements as well as other appropriate training classes attended by Support Services personnel.



- **643000 Travel Expenditures:** This account allows for the per diem, lodgings and travel expenditures associated with Support Services personnel training.

Conclusion

The District Governing Board and personnel are proud to present this in-depth budgetary document to District residents. North County Fire & Medical District is a unique entity which has a history of using an innovative approach to delivering excellent quality and highly efficient services to its residents. The District believes the FY 2015/2016 budget fully supports that innovative spirit.

The District works conscientiously, in conjunction with its Board and staff members, to produce each fiscal year's budget and operational plan; striving to minimize the financial impact to its residents through a well-managed and efficient budget. Upon the adoption of the budget, the District's Board Members and professional staff administer each budgetary account with due diligence and accountability to the residents the District serves.

District personnel are tasked with ensuring that the expenditures they make and the actions they take are always in the best interest of the District and the residents and compliment the exemplary service standards established over the years. The FY 2015/2016 Budget presented in this document outlines in detail the minimum financial requirements to maintain the professional services District residents expect.

North County Fire & Medical District believes this budget document provides funding only for those expenditures that support its mission and goal to provide the most effective, efficient and professional emergency response services that can be provided.

The District would like to thank its residents for their continued interest and support. Additional documentation and questions regarding this budget can be obtained through the District's Administrative offices located at 18818 N Spanish Garden Drive, Sun City West, Arizona, 85375.

The following pages provide an index and combine the projected revenues and operating expenditures within the adopted Fiscal Year 2015/2016 Budget. This format allows for a complete overview of the entire budget by account number and allows for comparison with the FY 2014/2015 adopted budget totals.



District Administrative/Maintenance Building

Revenue & Expenditure Directory

FY 2015/2016 ADOPTED Annual Budget & Operational Plan Summary

Page #	Description	FY 2014/2015 ADOPTED	FY 2015/2016 ADOPTED	Variance	% of Change
Revenues					
410000 Tax Revenues					
53	411000 · Property Taxes	\$ 10,193,883	\$ 10,566,435	\$ 372,552	3.7%
55	412000 · Fire District Assistance Tax (FDAT)	\$ 400,000	\$ 400,000	\$ -	0.0%
Total 410000 Tax Revenues:		\$ 10,593,883	\$ 10,966,435	\$ 372,552	3.5%
420000 Health & Medical Revenues					
55	421000 · Emergency Transport Revenues	\$ 1,534,248	\$ 1,886,165	\$ 351,917	22.9%
56	424000 · Non-Emergency Transports	\$ 495,644	\$ 563,429	\$ 67,785	13.7%
56	426000 · Health & Wellness Revenues	\$ -	\$ 50,000	\$ 50,000	100.0%
Total 420000 Health & Medical Revenues:		\$ 2,029,892	\$ 2,499,594	\$ 469,702	23.1%
430000 Program Revenues					
57	431000 · Construction Fee Revenues	\$ 43,400	\$ 35,150	\$ (8,250)	-19.0%
57	432000 · Operational Fee Revenues	\$ 28,765	\$ 31,489	\$ 2,724	9.5%
58	435000 · Prevention Service/Fee Revenues	\$ 5,300	\$ 5,300	\$ -	0.0%
58	436000 · State Land/Wildland Revenues	\$ 7,314	\$ 7,264	\$ (50)	-0.7%
61	439000 · Special Program Revenues	\$ 67,396	\$ 67,396	\$ -	0.0%
Total 430000 Program Revenues:		\$ 152,175	\$ 146,599	\$ (5,576)	-3.7%
440000 Miscellaneous Revenues					
61	443000 · Contractual & Misc Revenue	\$ 185,869	\$ 200,451	\$ 14,582	7.8%
62	443500 · Fire Ins Premium Rev (PSPRS)	\$ 100,000	\$ 120,000	\$ 20,000	20.0%
62	444000 · Interest - General Fund	\$ 4,000	\$ 4,000	\$ -	0.0%
62	445000 · Sale of Surplus Equip & Assets	\$ -	\$ -	\$ -	0.0%
62	445500 · CC Convenience Fees	\$ -	\$ -	\$ -	0.0%
62	449000 · Transfer In - Emp Benefit Acct	\$ 181,807	\$ 138,686	\$ (43,121)	-23.7%
Total 440000 Miscellaneous Revenues:		\$ 471,676	\$ 463,137	\$ (8,539)	-1.8%
Total Combined Revenues:		\$ 13,247,626	\$ 14,075,765	\$ 828,139	6.3%



Engineer Robert Corcoran / Engineer Dan Villegas / Firefighter Bill Tuvell / Captain Ian Dunbar

Revenue & Expenditure Directory, Continued

FY 2015/2016 ADOPTED Annual Budget & Operational Plan Summary Continued					
Page #	Description	FY 2014/2015 ADOPTED	FY 2015/2016 ADOPTED	Variance	% of Change
Wage & Benefit Expenditures					
500000 Wage Expenditures					
75	500510 · General Admin Personnel	\$ 464,330	\$ 470,220	\$ 5,890	1.3%
75	500520 · Billing Personnel	\$ -	\$ 99,584	\$ 99,584	100.0%
75	501000 · Health & Medical Personnel	\$ 79,795	\$ 162,366	\$ 82,571	103.5%
75	501510 · Suppression Personnel	\$ 4,389,771	\$ 4,525,429	\$ 135,658	3.1%
75	501520 · EMS Personnel	\$ 641,828	\$ 664,729	\$ 22,901	3.6%
76	501530 · Part-Time Personnel	\$ -	\$ 145,378	\$ 145,378	100.0%
76	502000 · Community Risk Personnel	\$ 295,890	\$ 314,752	\$ 18,862	6.4%
76	502500 · Support Services Personnel	\$ 64,076	\$ 71,862	\$ 7,786	12.2%
76	503000 · Miscellaneous Compensation	\$ 82,051	\$ 77,686	\$ (4,365)	-5.3%
77	503500 · Longevity Compensation	\$ 133,177	\$ 142,708	\$ 9,531	7.2%
77	505000 · Holiday On-Call Compensation	\$ 241,072	\$ 255,657	\$ 14,585	6.1%
77	507000 · Program Manager Compensation	\$ 3,900	\$ 3,900	\$ -	0.0%
77	508500 · Coverage Compensation	\$ 474,774	\$ 383,527	\$ (91,247)	-19.2%
Total 510000 Wages:		\$ 6,870,664	\$ 7,317,798	\$ 447,134	6.5%
510000 Employer Taxes & Benefits Expenditures					
511000 Employer Taxes					
78	511100 · Social Security Tax - Employer	\$ 98,351	\$ 113,327	\$ 14,976	15.2%
78	511200 · Medicare Tax - Employer	\$ 103,012	\$ 108,954	\$ 5,942	5.8%
78	511300 · AZ Unemployment Tax	\$ 4,035	\$ 2,923	\$ (1,112)	-27.6%
79	511400 · Workers Compensation Insurance	\$ 198,300	\$ 210,508	\$ 12,208	6.2%
Total 511000 Employer Taxes:		\$ 403,698	\$ 435,712	\$ 32,014	7.9%
512000 Retirements					
79	512100 · PSPRS Retirement Contributions	\$ 1,190,199	\$ 1,393,176	\$ 202,977	17.1%
80	512200 · ASRS Retirement Contributions	\$ 184,906	\$ 216,795	\$ 31,889	17.2%
81	512300 · 401(a) Retirement Contributions	\$ 236,239	\$ 237,201	\$ 962	0.4%
Total 512000 Retirements:		\$ 1,611,344	\$ 1,847,172	\$ 235,828	14.6%
513000 Benefit Insurance					
81	513100 · Health Insurance	\$ 1,264,555	\$ 1,481,074	\$ 216,519	17.1%
83	513200 · Dental Insurance	\$ 90,545	\$ 97,442	\$ 6,897	7.6%
84	513300 · Life/AD&D Insurance	\$ 13,895	\$ 15,664	\$ 1,769	12.7%
84	513400 · PSPRS Cancer Insurance	\$ 2,800	\$ 2,950	\$ 150	5.4%
84	513500 · Post Employment Health Plan	\$ 69,585	\$ 72,658	\$ 3,073	4.4%
85	513600 · MERP Retiree Med Reimb	\$ 3,850	\$ 2,450	\$ (1,400)	-36.4%
85	513700 · Long Term Disability	\$ 17,288	\$ 16,408	\$ (880)	-5.1%
85	513900 · Vision Insurance	\$ 5,045	\$ 5,294	\$ 249	4.9%
Total 513000 Benefit Insurance:		\$ 1,467,563	\$ 1,693,940	\$ 226,377	15.4%
514000 Operational Allowances					
86	514100 · Longevity Enhancement Programs	\$ 154,125	\$ 112,219	\$ (41,906)	-27.2%
87	514200 · Uniform Allowance	\$ 63,750	\$ 67,150	\$ 3,400	5.3%
87	514300 · Cell Phone Allowance	\$ 12,168	\$ 13,988	\$ 1,820	15.0%
Total 514000 Operational Allowances:		\$ 230,043	\$ 193,357	\$ (36,686)	-15.9%
Total Employer Taxes & Benefits:		\$ 3,712,648	\$ 4,170,181	\$ 457,533	12.3%
Total Wages & Benefit Expenditures:		\$ 10,583,312	\$ 11,487,979	\$ 904,667	8.5%

Revenue & Expenditure Directory, Continued

FY 2015/2016 ADOPTED Annual Budget & Operational Plan Summary Continued					
Page #	Description	FY 2014/2015 ADOPTED	FY 2015/2016 ADOPTED	Variance	% of Change
Operating Expenditures					
520000 Insurance					
100	521000 · Facilities/Equipment Insurance	\$ 32,071	\$ 38,416	\$ 6,345	19.8%
101	522000 · Motor Vehicle Insurance	\$ 20,720	\$ 23,286	\$ 2,566	12.4%
101	523000 · Umbrella, Errors & Omissions	\$ 8,433	\$ 9,044	\$ 611	7.2%
Total 520000 Insurance:		\$ 61,224	\$ 70,746	\$ 9,522	15.6%
530000 Professional Services					
87	530500 · Accounting	\$ 16,850	\$ 17,350	\$ 500	3.0%
88	531000 · Bank Service Charges	\$ 16,400	\$ 9,500	\$ (6,900)	-42.1%
88	531500 · Payroll Processing	\$ 1,200	\$ 1,200	\$ -	0.0%
88	532000 · Insurance Billing	\$ 187,765	\$ 38,536	\$ (149,229)	-79.5%
101	532500 · Legal/Consulting Expenditures	\$ 45,000	\$ 50,000	\$ 5,000	11.1%
96	533000 · Election Expenditures	\$ 13,500	\$ -	\$ (13,500)	100.0%
137	534000 · Physicals/Vaccinations/Testing	\$ 59,246	\$ 17,608	\$ (41,638)	-70.3%
155	539100 · Electricity	\$ 99,494	\$ 88,668	\$ (10,826)	-10.9%
155	539200 · Natural Gas	\$ 3,504	\$ 4,440	\$ 936	26.7%
155	539300 · Water & Sewer	\$ 23,487	\$ 21,240	\$ (2,247)	-9.6%
155	539400 · Telephone	\$ 12,255	\$ 12,300	\$ 45	0.4%
155	539500 · Refuse Services	\$ 3,657	\$ 3,660	\$ 3	0.1%
Total 530000 Professional Services:		\$ 482,358	\$ 264,502	\$ (217,856)	-45.2%
540000 District Repairs & Maintenance					
156	541100 · Internal Facility R/M	\$ 7,450	\$ 6,800	\$ (650)	-8.7%
156	541200 · Outsourced Facilities Maintenance	\$ 11,500	\$ 11,125	\$ (375)	-3.3%
156	541300 · Custodial Services	\$ 4,200	\$ 4,800	\$ 600	14.3%
156	541400 · Landscaping Services	\$ 4,650	\$ 5,400	\$ 750	16.1%
156	541500 · Pest Control	\$ 5,100	\$ 4,800	\$ (300)	-5.9%
156	541600 · Fire & Security Alarm Systems	\$ 9,390	\$ 9,980	\$ 590	6.3%
158	542000 · Internal Apparatus R/M	\$ 48,000	\$ 50,100	\$ 2,100	4.4%
157	542500 · Outsourced Apparatus Maintenance	\$ 27,000	\$ 27,000	\$ -	0.0%
129	543000 · Firefighting Equipment R/M	\$ 4,500	\$ 4,500	\$ -	0.0%
134	543500 · SCBA Equipment R/M	\$ 4,766	\$ 4,278	\$ (488)	-10.2%
147	544000 · EMS/Medical Equipment R/M	\$ 6,370	\$ 13,736	\$ 7,366	115.6%
115	545000 · Computer/Systems/Equip R/M	\$ 30,000	\$ 32,874	\$ 2,874	9.6%
115	545500 · Computer Software Licensing	\$ 23,798	\$ 50,864	\$ 27,066	113.7%
158	546000 · Support Svc Equip R/M	\$ 500	\$ 500	\$ -	0.0%
138	547000 · Fitness Equipment R/M	\$ 1,650	\$ 1,650	\$ -	0.0%
Total 540000 District Repairs & Maint:		\$ 188,874	\$ 228,407	\$ 39,533	20.9%

Revenue & Expenditure Directory, Continued

FY 2015/2016 ADOPTED Annual Budget & Operational Plan Summary Continued					
Page #	Description	FY 2014/2015 ADOPTED	FY 2015/2016 ADOPTED	Variance	% of Change
550000 District Administration					
88	550500 · Memberships & Dues	\$ 8,928	\$ 9,118	\$ 190	2.1%
89	551000 · Professional Subscriptions	\$ 2,756	\$ 2,866	\$ 110	4.0%
96/101	551500 · District Outreach	\$ 9,885	\$ 10,385	\$ 500	5.1%
101	552000 · Office Supplies	\$ 11,000	\$ 12,000	\$ 1,000	9.1%
102	552500 · Office Equipment	\$ 5,000	\$ 5,000	\$ -	0.0%
102	553000 · Postage & Delivery	\$ 4,332	\$ 6,340	\$ 2,008	46.4%
102	553500 · Publishing & Printing	\$ 3,525	\$ 3,821	\$ 296	8.4%
102	554000 · Copier Expenditures	\$ 3,333	\$ 2,938	\$ (395)	-11.9%
115	554500 · Computer Hardware	\$ 10,000	\$ 10,000	\$ -	0.0%
115	555000 · Computer Software	\$ 5,000	\$ 5,000	\$ -	0.0%
102	555500 · Hiring, Testing & Recruitment	\$ 13,755	\$ 27,939	\$ 14,184	103.1%
102	559000 · Accreditation	\$ 14,770	\$ 3,350	\$ (11,420)	-77.3%
89	559500 · Contingency	\$ 350,000	\$ 350,000	\$ -	0.0%
Total 550000 District Administration:		\$ 442,284	\$ 448,757	\$ 6,473	1.5%
560000 District Operational Supplies					
103	561000 · Duty Uniforms	\$ 5,850	\$ 13,450	\$ 7,600	129.9%
156	562000 · Janitorial Supplies	\$ 8,750	\$ 9,500	\$ 750	8.6%
157	563000 · Facilities Supplies	\$ 5,625	\$ 6,750	\$ 1,125	20.0%
158	564000 · Support Svc/Shop Supplies	\$ 6,000	\$ 6,000	\$ -	0.0%
138	565000 · Safety Materials & Supplies	\$ 850	\$ 850	\$ -	0.0%
142	565500 · Emergency Management Supplies	\$ 1,210	\$ 1,210	\$ -	0.0%
115	566000 · Fire Corps Materials & Supplies	\$ 3,900	\$ 4,100	\$ 200	5.1%
115	566500 · Risk Management Materials	\$ 12,500	\$ 12,500	\$ -	0.0%
158	568000 · Fuel (Gasoline/Diesel)	\$ 95,000	\$ 95,000	\$ -	0.0%
116	569100 · Lock Box Materials	\$ 23,200	\$ 23,200	\$ -	0.0%
116	569200 · T-Shirt Materials	\$ 900	\$ 900	\$ -	0.0%
116	569300 · Smoke Alarm Materials	\$ 31,250	\$ 31,250	\$ -	0.0%
117	569400 · Prevention Services Materials	\$ 4,200	\$ 4,200	\$ -	0.0%
Total 560000 Dist Operational Supplies:		\$ 199,235	\$ 208,910	\$ 9,675	4.9%
570000 Emergency Service Operations					
129	571000 · Firefighting Equipment	\$ 7,400	\$ 6,000	\$ (1,400)	-18.9%
132	572000 · Wildland Equipment	\$ 4,314	\$ 4,264	\$ (50)	-1.2%
130	573000 · Protective Equipment	\$ 34,796	\$ 53,340	\$ 18,544	53.3%
134	574000 · SCBA Equipment	\$ 12,225	\$ 16,425	\$ 4,200	34.4%
138	575000 · Health & Safety Equipment	\$ 750	\$ 1,000	\$ 250	33.3%
Total 570000 Emergency Svc Ops:		\$ 59,485	\$ 81,029	\$ 21,544	36.2%
580000 Health & Medical Operations					
147	581000 · Ambulance Registrations	\$ 1,875	\$ 2,325	\$ 450	24.0%
147	582000 · EMS/Medical Equipment	\$ 5,745	\$ 5,785	\$ 40	0.7%
147	583000 · EMS/Medical Supplies	\$ 103,200	\$ 122,200	\$ 19,000	18.4%
147	584000 · Pharmaceutical Supplies	\$ 10,500	\$ 12,000	\$ 1,500	14.3%
Total 580000 Health & Medical Operations:		\$ 121,320	\$ 142,310	\$ 20,990	17.3%

Revenue & Expenditure Directory, Continued

FY 2015/2016 ADOPTED Annual Budget & Operational Plan Summary Continued					
Page #	Description	FY 2014/2015 ADOPTED	FY 2015/2016 ADOPTED	Variance	% of Change
590000 Communications					
160	591000 · Dispatching Services	\$ 426,778	\$ 433,727	\$ 6,949	1.6%
160	592000 · Communications Connections	\$ 28,547	\$ 31,280	\$ 2,733	9.6%
161	594000 · Radio Repair	\$ 2,000	\$ 2,231	\$ 231	11.6%
161	595000 · Communications Parts/Equipment	\$ 4,000	\$ 4,000	\$ -	0.0%
161	596000 · Network Systems	\$ 4,043	\$ 3,953	\$ (90)	-2.2%
Total 590000 Communications:		\$ 465,368	\$ 475,191	\$ 9,823	2.1%
Total Operating Expenditures:		\$ 2,020,148	\$ 1,919,852	\$ (100,296)	-5.0%
District Training & Development Expenditures					
610000 Fire Board Training					
96	611000 · Educational Expenditures	\$ 1,450	\$ 1,450	\$ -	0.0%
96	613000 · Travel Expenditures	\$ 5,120	\$ 5,120	\$ -	0.0%
Total 610000 Fire Board Training:		\$ 6,570	\$ 6,570	\$ -	0.0%
620000 Emergency Services Training					
138	622000 · Fitness & Safety Training	\$ 4,500	\$ 4,500	\$ -	0.0%
142	623000 · Educational Expenditures	\$ 33,394	\$ 41,820	\$ 8,426	25.2%
132	623500 · Wildland Training Expenditures	\$ 3,000	\$ 3,000	\$ -	0.0%
142	624000 · Training Materials	\$ 4,710	\$ 8,070	\$ 3,360	71.3%
142	625000 · Travel Expenditures	\$ 4,810	\$ 4,810	\$ -	0.0%
Total 620000 Emergency Svcs Tng:		\$ 50,414	\$ 62,200	\$ 11,786	23.4%
630000 Community Risk Reduction Training					
117	632000 · Educational Expenditures	\$ 7,174	\$ 6,205	\$ (969)	-13.5%
117	634000 · Travel Expenditures	\$ 9,131	\$ 8,706	\$ (425)	-4.7%
118	635000 · Fire Corps Training	\$ 750	\$ 750	\$ -	0.0%
Total 630000 Community Risk Reduction Training:		\$ 17,055	\$ 15,661	\$ (1,394)	-8.2%
640000 Support Services Training					
161	641000 · Educational Expenditures	\$ 950	\$ 950	\$ -	0.0%
161	643000 · Travel Expenditures	\$ 900	\$ 900	\$ -	0.0%
Total 640000 Support Services Tng:		\$ 1,850	\$ 1,850	\$ -	0.0%
650000 Health & Medical Training					
148	651000 · EMS Educational Expenditures	\$ 11,220	\$ 10,970	\$ (250)	-2.2%
148	651500 · Health/Medical Ed Expenditures	\$ 1,290	\$ 4,005	\$ 2,715	210.5%
148	652000 · EMS/Medical Training Materials	\$ 4,445	\$ 5,065	\$ 620	13.9%
149	653000 · EMS/Medical Travel Expenditures	\$ 1,940	\$ 4,981	\$ 3,041	156.8%
Total 650000 Health & Medical Training:		\$ 18,895	\$ 25,021	\$ 6,126	32.4%
660000 Administrative Training					
103	661000 · Educational Expenditures	\$ 8,210	\$ 10,960	\$ 2,750	33.5%
104	663000 · Travel Expenditures	\$ 8,782	\$ 13,282	\$ 4,500	51.2%
Total 660000 Administrative Training:		\$ 16,992	\$ 24,242	\$ 7,250	42.7%
Total District Training & Development:		\$ 111,776	\$ 135,544	\$ 23,768	21.3%
Debt Service Expenditures					
91	725000 · Lease/Purchase Principal	\$ 340,942	\$ 351,212	\$ 10,270	3.0%
92	725500 · Lease/Purchase Interest Expenditure	\$ 171,798	\$ 161,528	\$ (10,270)	-6.0%
92	729000 · Capital Projects Funding (Deprc)	\$ 19,650	\$ 19,650	\$ -	0.0%
Total 720000 Debt Service:		\$ 532,390	\$ 532,390	\$ -	0.0%
Total Combined Expenditures:		\$ 13,247,626	\$ 14,075,765	\$ 828,139	6.3%

Statistical Section

North County Fire & Medical District Assessed Value and Estimated Actual Value of Taxable Property Last Ten (10) Years

Fiscal Year Ended June 30,	Secondary Net Assessed Value	Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated
2014	\$ 339,271,938	\$2.9177	\$ 3,405,655,072	10.0%
2013	355,766,535	2.7189	3,564,904,974	10.0%
2012	388,861,955	2.4280	3,894,804,295	10.0%
2011	433,885,773	2.2555	4,318,955,713	10.0%
2010	455,991,330	1.9660	4,450,495,119	10.2%
2009	505,223,198	1.7800	4,964,405,414	10.2%
2008	458,677,185	1.6670	4,448,423,105	10.3%
2007	293,512,421	2.4080	2,788,336,307	10.5%
2006	271,327,006	2.4080	2,574,213,367	10.5%
2005	260,837,824	2.3417	2,481,682,515	10.5%

Source: Maricopa County Assessor's Office

Notes: Secondary Net Assessed (or Full Cash) Values (SNAV) are based on Estimated Actual Value with an applicable rate of 10% (ARS § 42-15004) for residential property, 16%¹ (ARS § 42-15002) for Vacant Land and 19%² (ARS § 42-15001) for non-public utility and commercial property. Public utility infrastructure is centrally assessed by the Arizona Department of Revenue. Secondary Assessed Values (Estimated Actual Values) are determined each calendar year. The tax rate of the District is determined by the approved budget applicable divided by the Secondary Assessed Value as of July 1st of the respective fiscal year.

Ref (1): Vacant Land Assessment Ratios are the following percentage of its full cash value, as applicable (ARS § 42-15002):

16.0% Through December 31, 2015
15.0% Beginning from and after December 31, 2015

Ref (2): Non-Public and Commercial Property Assessment Ratios are the following percentage of its full cash value or limited valuation, as applicable (ARS § 42-15001):

25.0% Through December 31, 2005
24.5% Through December 31, 2006
24.0% Through December 31, 2007
23.0% Through December 31, 2008
22.0% Through December 31, 2009
21.0% Through December 31, 2010
20.0% Through December 31, 2012
19.5% Through December 31, 2013
19.0% Through December 31, 2014
18.5% Through December 31, 2015
18.0% Beginning from and after December 31, 2015

**North County Fire & Medical District
Principal Property Tax Payers
Current Tax Year and Ten (10) Years Ago**

	2013 Tax Year			2004 Tax Year		
	Net Assessed Valuation	Rank	Percent of SNAV	Net Assessed Valuation	Rank	Percent of SNAV
Arizona Public Service Company	\$ 7,357,276	1	2.17%	\$ 6,746,270	1	2.59%
Sun Health Properties Inc.	6,761,017	2	1.99%	3,340,494	3	1.28%
Roskamp/Sun Health Residential	5,030,000	3	1.48%	5,018,893	2	1.92%
WSL Heritage Investors V, LLC	3,297,237	4	0.97%	-	-	- %
BNSF Railroad Company	2,311,675	5	0.68%	-	-	- %
EPCOR - Sun City West Sewer	2,237,644	6	0.66%	-	-	- %
EPCOR Sun City West Water Division*	2,217,054	7	0.65%	1,796,550	8	0.69%
Patterson Farms Inc	1,540,017	8	0.45%	1,888,600	6	0.72%
Abart Properties I, LLC	1,052,709	9	0.31%	-	-	- %
Citation Madison House Ltd	1,003,412	10	0.30%	-	-	- %
Tradition Senior Housing LLC	-	-	- %	2,675,494	4	1.03%
Pulte Home Corporation	-	-	- %	2,400,863	5	0.92%
Qwest Corporation	-	-	- %	1,828,342	7	0.70%
Southwest Gas Corporation (T&D)	-	-	- %	1,558,008	9	0.60%
Sun Health Properties	-	-	- %	1,460,266	10	0.56%

*Formerly Arizona-American Water Company

Source: Maricopa County Assessor's Office

Notes: *Secondary Net Assessed Valuation (SNAV)

**North County Fire & Medical District
Property Tax Levies and Collections
Last Ten (10) Fiscal Years**

Fiscal Year Ended June 30,	Tax Levied	Amount collected in Fiscal Year		Collected in Subsequent Years	Total Levy Collected	
		Amount	Percent		Amount	Percent
2014	\$ 9,905,503	\$ 9,834,431	99.28%	\$ 23,642 ¹	\$9,858,073	99.52%
2013	9,707,161	9,629,399	99.20%	76,570	9,705,969	99.99%
2012	9,443,497	9,311,628	98.60%	130,572	9,442,200	99.99%
2011	9,820,062	9,652,841	98.30%	164,439	9,817,280	99.97%
2010	8,964,790	8,766,705	97.79%	198,082	8,964,787	100.00%
2009	8,878,789	8,772,149	98.80%	106,637	8,878,786	100.00%
2008	7,646,158	7,562,203	98.90%	83,955	7,646,158	100.00%
2007	7,067,781	6,997,009	99.00%	70,775	7,067,784	100.00%
2006	6,543,502	6,490,470	99.19%	53,009	6,543,479	100.00%
2005	6,111,180	6,072,662	99.37%	38,518	6,111,180	100.00%

Source: Maricopa County Treasurer's Office

Notes: (1) Amounts collected are on a cash basis. Amounts reported are only for secured property, unsecured property payments are not consistently reported due to timing variances. Over 95% of unsecured property taxes are collected within 90 days.

**North County Fire & Medical District
County-Wide Demographic and Economic Statistics
Last Ten (10) Calendar Years**

Calendar Year Ended December	Population	Personal Income	Per Capita Income	Unemployment Rate	Estimated District Population
2014	N/A	\$ N/A	\$ N/A	N/A	45,000
2013	3,944,859	114,235,858,000	28,958	8.00%	45,000
2012	3,884,705	110,873,671,000	28,541	8.30%	45,000
2011	3,843,370	106,024,810,000	27,586	9.40%	45,000
2010	3,817,117	102,045,959,000	26,734	10.40%	45,000
2009	4,023,132	102,641,817,000	25,513	9.80%	45,000
2008	4,115,811	109,833,908,000	26,686	6.00%	42,500
2007	3,987,942	110,013,599,000	27,587	3.70%	40,000
2006	3,907,492	104,623,913,000	26,775	4.10%	40,000
2005	3,792,675	94,982,622,000	25,044	4.70%	40,000

Source: The source for "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source for "Population" and "Unemployment Rate" information is the State of Arizona (www.workforce.az.gov). The estimated district population is based on analysis of registered voters and other demographic information maintained by the District.

Notes: N/A indicates information is not available. Population and demographic data are difficult to ascertain because significant portions of the District are not a census designated area. The highest population concentration lies within the original thirteen square miles of the Fire District (Community of Sun City West) at approximately 2,500 population density per square mile. The original thirteen square miles of the District is also designated as an active adult community of 55 years of age and older with a median age of 76 as reported in the 2010 census. The remaining twenty-three square miles of the District are not age restricted and contain single and multi-family housing with an average population density of approximately 650 per square mile with an undetermined median age.



Wage Scale

Salaried (Exempt) Classes	Salary Range	
Fire Chief	\$ 109,563	\$ 154,166
Assistant Chief	\$ 101,180	\$ 135,591
Battalion Chief	\$ 92,416	\$ 117,949
Fire Marshal	\$ 90,871	\$ 115,977
Nurse Practitioner	\$ 90,871	\$ 115,977
Accounting Supervisor	\$ 65,685	\$ 88,024
Health/Medical Coordinator	\$ 60,591	\$ 81,197
Administrative Coordinator	\$ 59,578	\$ 79,840
Support Services Coordinator	\$ 53,686	\$ 75,542
Billing Supervisor	\$ 51,230	\$ 72,086
Human Resource Generalist	\$ 48,774	\$ 68,630
Information Technology Specialist	\$ 48,774	\$ 68,630
Administrative Classes	Hourly Range	
Community Outreach Specialist	\$ 21.74	\$ 30.60
Fire Inspector	\$ 20.71	\$ 29.15
Payroll/Benefits Specialist	\$ 18.56	\$ 26.10
Support Services Technician	\$ 17.80	\$ 25.04
Administrative Assistant	\$ 15.74	\$ 22.17
Billing Specialist	\$ 15.48	\$ 21.78
Shift Sworn Classes	Hourly Range	
Captain - EMCT	\$ 24.91	\$ 28.84
Engineer - EMCT	\$ 21.50	\$ 24.90
Firefighter - EMCT	\$ 15.59	\$ 22.30
Firefighter - Recruit (40 Hour/Week Position)	\$ 21.35	\$ 21.35
Shift Non-Sworn Classes	Hourly Range	
Certified Emergency Paramedic	\$ 13.34	\$ 19.08
Certified Emergency Paramedic - Part Time	\$ 15.50	\$ 21.81
Emergency Medical Care Technician	\$ 10.78	\$ 14.45
Emergency Medical Care Technician - Part Time	\$ 11.75	\$ 16.54

Current Specialty Pays:

- **Paramedic Incentive:** Non-Exempt Shift Sworn positions, are paid an additional \$2.35 per hour if they are currently working in a Paramedic position.
- **Helicopter Air-Medical & Logistics Operations (HALO) Incentive:** Non-Exempt Shift Sworn positions are paid an additional \$1.72 per hour while working in the HALO position.
- **Program Manager Incentive:** Approved Program Managers are eligible to receive an additional \$50.00 per pay period. There are currently three approved Program Managers positions in the District: Health & Safety Program Manager; Emergency Medical Services Program Manager; and Station Supplies/Facilities Maintenance Program Manager.

Budget Posting Summary

Arizona Revised Statutes § 48-805.02 requires Districts to post the proposed budget summary on the District's website and in a minimum of three public places at least twenty days prior to a public hearing called by the Governing Board to adopt the final budget. Complete copies of the budget document were made available to members of the public upon written request to the District's Administrative Offices. Following the public hearing, held on Thursday, June 18, 2015, the Governing Board adopted the budget. Within seven days of adoption, the complete budget was published to the District's website and will be maintained there for a period of sixty months.

A condensed version of the District Fiscal Year 2015/2016 Proposed Annual Budget & Operational Plan was posted at the District's normal posting locations as listed below:

- **District Website:** www.scwfire.org (Condensed & Detailed Versions)
- **Administration:** 18818 N Spanish Garden Drive, Sun City West
- **Station 101:** 19001 N Camino Del Sol, Sun City West
- **Station 102:** 20226 Stardust Boulevard, Sun City West
- **Station 103:** 13431 W Deer Valley Drive, Sun City West
- **SCW Recreation Center:** 19803 R.H. Johnson Boulevard, Sun City West

The official 20-day posting period was identified as:

- **Saturday, May 23, 2015 through Thursday, June 11, 2015**

The detailed proposed budget document was made available for on-site inspection and comment, throughout the official posting period during normal business hours, at the following locations:

- **Administration:** 18818 N Spanish Garden Drive, Sun City West
- **R.H. Johnson Library:** 13801 W Meeker Boulevard, Sun City West

The specifics of the proposed budget were reviewed, in detail at the normally scheduled Governing Board Meeting during the Public Hearing prior to the adoption of the final budget on Thursday, June 18, 2015. Upon final adoption of the Fiscal Year 2015/2016 Budget & Operational Plan, a condensed budget summary and a detailed budget document were submitted to the Maricopa County Board of Supervisor's Office as required under state Statute.



Budget Posting Summary, Continued

North County Fire & Medical District
Fiscal Year 2015/2016 ADOPTED Annual Budget & Operational Plan
July 1, 2015 Through June 30, 2016

General Fund Revenues:

Tax Revenue	\$ 10,566,435
Fire District Assistance Tax	\$ 400,000
Ambulance Insurance Billing Revenue	\$ 2,499,594
Program Revenues	\$ 146,599
Miscellaneous Revenues	\$ 463,137
Total General Fund Revenues:	\$ 14,075,765

General Operations Expenditures:

Wages & Benefits	\$ 11,487,979
Operations	\$ 1,569,852
Training & Development	\$ 135,544
Contingencies	\$ 350,000
Total General Operations Expenditures:	\$ 13,543,375

Debt Service Expenditures:

Debt Services Expenditures	\$ 532,390
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Total Combined General Ops, Debt Service Expenditures:	\$ 14,075,765
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Public Budget Hearing:

Copies of the budget were made available upon request through the District Administrative Offices by calling the phone number listed below or by visiting the District Website at www.scwfire.org. The Proposed Budget was adopted on Thursday, June 18, 2015 during a Regular Board Meeting. In accordance with the A.R.S. § 48-805(A)2, the 20-Day posting period began on Saturday, May 23 and ended on Thursday, June 11, 2015. The Public Budget Hearing and final adoption was held on Thursday, June 18, 2015 at 9:00 a.m. at the District's Administrative Offices located at:

North County Fire & Medical District, Administrative Office
 18818 North Spanish Garden Drive
 Sun City West, Arizona 85375
 Phone Number: (623) 584-3500

David Wilson

David Wilson, Board Chairman



Dusty Rhodes

Dusty Rhodes, Board Clerk

Adoption Resolution

NORTH COUNTY FIRE & MEDICAL DISTRICT BOARD OF DIRECTORS RESOLUTION #15-0618-1 (FISCAL YEAR 2015-2016 BUDGET ADOPTION)

A RESOLUTION OF THE ELECTED OFFICIALS OF NORTH COUNTY FIRE & MEDICAL DISTRICT ADOPTING AN OPERATING BUDGET FOR FISCAL YEAR 2015/2016 IN THE AMOUNT OF \$14,075,765; TO ENCUMBER SUFFICIENT FUNDS TO COVER OUTSTANDING ITEMS (LIABILITIES, PURCHASE ORDERS, INVOICES, ETC.) FROM THE PREVIOUS FISCAL YEAR; AND TO COMMIT ANY REMAINING REVENUES OVER EXPENDITURES TO BE TRANSFERRED TO THE DISTRICT'S CAPITAL RESERVE FUND IN SUPPORT OF THE DISTRICT'S CAPITAL IMPROVEMENT PLAN (CIP).

WHEREAS, Arizona Revised Statutes, Title 48 require the North County Fire & Medical District to adopt an annual operating budget, and;

WHEREAS, North County Fire & Medical District has posted and published its proposed annual operating budget, and;

WHEREAS, a Public Hearing was held in compliance with State Law on the Proposed Fiscal Year 2015/2016 Operating Budget containing funding for continued emergency fire and ambulance services, salaries, wages and benefits for District employees, general operating expenditures, continued training expenditures, and debt service;

RESOLVED at a duly noticed public meeting of the Governing Board of North County Fire & Medical District to adopt the Fiscal Year 2015/2016 Annual Operating Budget in the amount of \$14,075,765 (attached); to encumber sufficient funds to cover outstanding items (liabilities, purchase orders, invoices, etc.) from the previous fiscal year; and to commit any remaining revenues over expenditures to be transferred to the District's Capital Reserve Fund in support of the District's Capital Improvement Plan (CIP); on Thursday, June 18, 2015 by a majority of the Governing Board members.

APPROVED:

ATTEST:



David Wilson, Board Chairman





Dusty Rhodes, Board Clerk

Certification of Budget Adoption

NORTH COUNTY FIRE & MEDICAL DISTRICT
Certification of Budget Adoption



The attached budget in the amount of \$14,075,765 was approved and adopted under Resolution #15-0618-1, by a majority vote of North County Fire & Medical District Board of Directors at a duly noticed Regular Board Meeting held at 9:00a.m. on June 18, 2015 at the Administrative Offices located at 18818 N Spanish Garden Drive, Sun City West, Arizona 85375.

On behalf of North County Fire & Medical District, we certify this is a true and accurate estimate of revenues and expenditures of the amount necessary to support District operations for the 2015/2016 Fiscal Year, and request Maricopa County to levy the amount of \$10,566,435 as set forth in the attached Budget.

We also certify that in accordance with ARS § 48-805.02.D-1(a), the District has not incurred any debt or liability in excess of taxes levied and to be collected and the money actually available and unencumbered at that time in the District's General Fund, except for those liabilities as prescribed in section 48-805, subsection B, paragraph 2 and sections 48-806 and 48-807. We further certify that in accordance with ARS § 48-805.02.D-1(b), that the district complies fully with subsection F of this section.

APPROVED:

David Wilson
David Wilson, Board Chairman

Date: 6/18/2015

ATTESTED:

Dusty Rhodes
Dusty Rhodes, Board Clerk

Date: 6/18/15

Glossary of Terms

Account	A term used to identify an individual asset, liability, expenditure control, revenue control, or fund balance.
Accrual Basis of Accounting	The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at the time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at the time or not).
Accreditation (CFAI)	A comprehensive system of fire and emergency service evaluation conducted by unbiased outside expert evaluators which assists fire departments and districts in achieving organizational and professional excellence.
Alarm	A call received by the Dispatch Center which is then relayed to the appropriate station for emergency response.
ALS	Advanced Life Support. Emergency medical care that may include all basic life support actions, plus invasive medical procedures, including: IV therapy, administration of anti-arrhythmic and other specified medications and solutions. Highest level of pre-hospital care.
Appurtenances	A term for what belongs to, or goes with something else, with the appurtenance being less significant than what it belongs to. Examples of appurtenances include telephone systems, carpets and flooring or fitness equipment belonging to each station. Replacement costs may be significant and are planned for replacement in the CIP and not the annual budget. Appurtenances are not depreciable by themselves and would not increase the value of the facility asset when replaced.
ASRS	Arizona State Retirement System (Non-sworn employee pension plan).
Assessed Valuation	(AV) The total taxable value placed on real estate and other property as a basis for levying taxes.
Assets	Property that is owned by the District which has monetary value.
BC	Battalion Chief
Battalion Chief	An operations manager with rank above Captain. Directly responsible for the supervision of and daily operational readiness of their assigned shift. Responds to and takes command of emergencies. Also, directly supervises a number of assigned stations.
BLS	Basic Life Support. Emergency medical care generally limited to non-invasive procedures, such as airway maintenance, breathing support, CPR, hemorrhage control, splinting of suspected fractures, management of spinal injury, and protection and transport of the patient in accordance with accepted procedures. BLS providers with special training may also use semiautomatic defibrillators for cardiac defibrillation.
Bond	A written promise to pay a specified sum of money (called principal or face value) at a specified future date (called maturity date) along with periodic interest paid at a specified percentage. The difference between a note and a bond is the latter usually runs for a longer period of time and requires greater legal formality.

Bonded Debt	The portion of indebtedness represented by outstanding bonds.
Brush Truck	Four wheel drive trucks with small pumps and water supply capabilities that are specifically designed for wildland-urban interface fires.
BSO	Battalion Safety Officer.
Budget	A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates).
CAAS	Commission on Accreditation of Ambulance Services.
Capital Assets	Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.
Captain	Rank above Engineer. Responsible for the overall administration of his/her assigned station including operational readiness, personnel supervision, and the station's budget.
CCO (Chest Compression Only)	A method of cardiopulmonary resuscitation (see CPR) which utilizes chest compressions only (hands only).
CEP	Certified Emergency Paramedic.
CERT	Citizens Emergency Response Team.
Chart of Accounts	The classification system used by the District to organize the accounting for various funds.
CIP	Capital Improvement Plan.
Company	A work unit comprised of a piece of apparatus and its assigned crew.
CPAT	Candidate Physical Ability Test.
CPR (Cardio-pulmonary Resuscitation)	An emergency procedure consisting of external cardiac massage and artificial respiration; attempts to restore circulation of the blood and prevent death or brain damage due to lack of oxygen.
CPSE	Center for Public Safety Excellence (formerly CFAI).
Dispatch	The Regional Dispatch Center is responsible for receiving emergency and non-emergency calls and for sending the appropriate apparatus to respond to the call.
DROP	Deferred Retirement Option Plan. A retirement option within the PSPRS program.
DSO	District Safety Officer.
EBLA	The Employee Benefit Liability Account (EBLA) is a designated account that is classified as Committed Funds within the General Fund Balance. This account was created to support the annual Employee Benefit Liability associated with compensated absences, including accrued Sick / Vacation leave, Paid Time Off (PTO), and Sick Leave Buy-Back Programs.

EMS	Emergency Medical Services.
EMCT	Emergency Medical Care Technician.
Engine	A piece of apparatus which carries water, pumps water, and carries ladders, hose and medical supplies. All District engines also provide ALS emergency medical capabilities.
Engineer	Rank above Firefighter. In addition to performing all the assigned duties of a firefighter, an Engineer maintains and drives the equipment and apparatus.
EOC	Emergency Operations Center. Assembly of incident management staff responsible for directing and coordinating operations of one or more public service agencies in a catastrophic emergency, whether natural or manmade (i.e. flood, windstorm).
FEMA	Federal Emergency Management Agency.
Firefighter	Performs firefighting and rescue operations for combating, extinguishing and prevention of fires as well as for saving life and property. All District firefighters are also EMCT's or paramedics.
Fiscal Year	A twelve month period of time to which the annual budget applies. The District Fiscal Year runs from July 1 st through June 30 th .
Fixed Assets	Assets of a long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
Fractile	A value which divides a set of data into equal proportions.
GAAFR	Governmental Accounting, Auditing, and Financial Reporting Manual, Using the GASB 34 Model, produced by the Government Finance Officers Association.
GAAP	Generally Accepted Accounting Principles. A widely accepted set of rules, conventions, standards, and procedures for reporting financial information, as established by the Financial Accounting Standards Board.
GASB	Government Accounting Standards Board. A major organization to develop generally accepted accounting principles (GAAP) for use by governmental entities in reporting financial information.
GASB 34	A statement issued by GASB and titled "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". This statement changes the governmental financial reporting model, requiring accrual accounting for all activities to include recording and depreciating all capital assets.
GFOA	Government Finance Officers Association
Hazardous Material	Any substance or matter that is likely to inflict injury or harm or impose great or continued risk unless dealt with in a manner prescribed by state and federal regulations.
HSA	Health Savings Account.
HRIS	Human Resource Information System.
IAFC	International Association of Fire Chiefs.

IAFF	International Association of Firefighters.
Incident	An event involving a fire, medical emergency, hazardous material spill or release/potential release of a hazardous material.
Interface	The area where native vegetation and manmade structures meet.
Internet	An electronic communications network that connects computer networks and organizational computer facilities around the world.
Intranet	Internal communications network based upon Internet technology used for departmental exchanges of information.
Ladder	A piece of apparatus that carries a full complement of ground ladders in addition to an aerial ladder.
LT	Ladder Tender.
MCSO	Maricopa County Sheriff's Office.
MSDS	Material Safety Data Sheet.
Modified Accrual Basis of Accounting	The basis of accounting under which expenditures are recorded when goods or services are actually received, rather than when the invoices are paid. The exception on this general rule is interest on general long-term debt, which is recognized when due. Revenues are recorded in the accounting period in which they become measurable and available.
NCFMD	North County Fire & Medical District.
NFPA	National Fire Protection Association.
NIOSH	National Institute of Safety and Health.
OSHA	Occupational Safety and Health Administration.
Paramedic	The highest level of training an EMCT can reach in the State of Arizona.
PORA	Property Owners and Residents Association.
PSPRS	Public Safety Personnel Retirement System (sworn employee pension plan).
Response	Actions taken by the District in response to a citizen's request for services.
RMS	Records Management System.
Rescue	Any kind of incident that requires specialized training or equipment that is utilized to provide assistance to a victim(s), i.e. trench collapse, water-related accidents, hazardous materials spills.
SCBA	Self-Contained Breathing Apparatus.
SCWFD	Sun City West Fire District.
Tender	A piece of apparatus that carries water to supply an engine in a rural area.

TRT Technical Rescue Team.

Wildland Area An area in which development is essentially non-existent except for roads, railroads, power lines and similar transportation facilities.

WMD Weapons of Mass Destruction.

