



Budget Workshop Minutes for April 6, 2022

1. CALL TO ORDER

Board Chairman Jim Timney called the Budget Workshop Meeting to order on Wednesday April 6, 2022, 2:10 pm at Station 32, 8905 N Koch Field Road, Flagstaff Arizona.

2. ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM

Members Present: Board Chairman Jim Timney, Board Clerk Robb Faus, Board Member Rick Parker, Board Member Mike Milich, and Board Member Jim Daskocil

Members Present via Zoom: None

Members Absent: None

Administration: Administrative Officer Deanna Reed, Fire Chief Mark Gaillard, Deputy Chief Mark Wilson, BC Chris Fennel, and Administrative Assistant II Tammy Schiefer

Public: None

Public Via Zoom: Mike Allen, Brandon Swatzell

3. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA-Recited

4. Board Budget Policies Review

Chief Gaillard: Thanked everyone in development of the draft of the Chief's Budget and looking for feedback from the Fire Board today. We talked about financial restraints after passing this year's budget which led to the pilot of the Eastside Restructure Project. We will present a 5 year look, not a one year view and how it is important to obtain a sustainable fire district by forecasting.

Chief Wilson: Thanked Casey and Deanna for their work in developing the information to be seen today and reminded the board that one of the goals for this year's budget was to have a funded compensation packet. All questions and comments are welcomed.

Presented the history of SFMD budget beginning with July's fiscal realities, the August Workshop on possible eastside restructure and the COPs to create some relief to these fiscal realities.

Review of the budget timeline-Total suppression FTE change to 37 and how crucial this decision was to our bottom line, and in April, the board will have the opportunity to approve or sit on the Chief's budget.

Presentation of financial policies. Policy 501 was to change the budget stabilizations funds and to establish a new goal. The Emergency Reserves goal of 5% and how it was met, and Westside reserve that are held for the board's discretion and can be changed at any time.

Presented the changes of Policy 503 for changes to a step plan and how a promotional road map is cleaner than a 7% promotional range.

Robb Faus: Is this an annual assessment?

Chief Wilson: Based on their anniversary or promotion date for their merit, however, we are proposing that in November to initiate their step increase based on their merit assessment. Promotional Road Map discussion. Explained how the map is cleaner and everyone knows what they will be receiving prior to promotion. It keeps the pay step plan clean and avoids those who may fall between steps if promotions are based on a percentage. Explained the definition of a temporary assignment compared to acting pay.

Board Member Daskocil: What would be the percentage between a Step 3 engineer to a Step 2 Captain when promoted.

Chief Wilson: There would be a little bit of a variation depending on what step they are on. Could have a step 2 or 3 engineer who would both move to a step 2 Captain and there would be a higher variation for a step 2 than 3. More information will be given on the pay plan presentation. Policy 106 Temporary Duty Assignment. The recommended changes are temporary assignment is greater than 60 days and would follow the promotional road map. We are going to make sure that it is more beneficial to accept a temporary assignment than to act.

Board Member Daskocil: What is the difference between temporary and acting time?

Chief Wilson: Acting is basically day to day with different personnel filling the shift each day whereas temporary assignment is the same person filling the opening everyday for 60 days or more. It is beneficial to the crew, so instead of having a revolving door of actors, you have the same person for continuity of the crew.

Board Chairman Timney: Does this include people on the promotional list to be considered for the Temporary Promotion?

Chief Wilson: Yes , whoever is on the promotional list will be looked at first, however it depends on the time, if someone has vacation days scheduled then they may deny as they feel it doesn't make sense.

Board Member Daskocil: How is the promotional step plan processed?

Chief Wilson: We presented a change in the payroll process to include a 4 step pay process that is reviewed by a Deputy Chief, Administrative Officer, a member from labor and the employee. It does not happen until everyone has reviewed and signed off on the pay increase. Not just for temporary promotions, but all pay adjustments. The temporary promotion will be given a sunset date. Presentation of the board's general goals and strategic board goals.

5. **Labor's Recommendations**

Casey Robinson of the Local 1505 presented their goals to the board that they would like to see on this next budget. Most of our goals were already being met with the next year's proposed budget. Moving forward our top 5 have met so the slide is no longer valid, and their top goal is the continuation eastside restructure for 3 personal ALS.

Chief Wilson: Our budget was developed to meet the bottom three, it is in the proposal. If this proposed budget would be approved by the board, then the labor's bottom three goals would be met. These goals are to be maintained and continued.

Board Member Daskocil: Explain cancer initiative?

Chief Wilson: Different methods they can test with the current PSPRS doctor with different markers to detect cancer, and the results are to minimize risks and to catch it early.

6. Proposed Compensation Step Plan

Chief Wilson: Review of the August document that was presented to the board at our August 2021 board meeting, focus on the bottom on page 1. Starting with strategic goals; if we want to maintain 3 persons staffing on all units, ALS on units, a better compensation funded plan and capital replacement plan. If we are to complete these goals, we would be at a \$830,000 deficient in maintaining all 4 stations. This is what drove the eastside restructure discussion. Discussion on budget realities based on a 5% cap with a 3.25 mil rate.

Administrative Reed: Presented the increase of medical, dental, vision and life insurance and the percentage and cost to Summit Fire and Medical with maintaining the board's goal of no increase in employee out of pocket. She explained the increase in behavioral health and the total increase in the budget due to our new compensation step plan.

Chief Gaillard: The mental health service we provide to our employees, which many fire departments are looking at to model. Behavioral and Mental health is a public safety goal that includes all departments including cops. We are able to provide an annual mental health physical, like their annual physical. They also provide coaching, teaching, and training in the stations. The increase what the company needs to step up the program, their first contract was based on what they thought, however after two years it was determined that they need additional staff to support the needs of the District.

Board Member Milich: Describe to me what this means to each employee.

BC Fennell: The hardest part was to get them to go in to meet with them to break the ice, After the first evaluations many people scheduled follow up appointments. Now year two, we have a whole lot more people who come in for follow up. The value is they are not carrying baggage, they feel better, and things are taken care of at a low level. They see that the volume has gone up with Summit. Their goal is to get a provider who will just see only firefighters 3-5 years down the road. This will open up more opportunities for our people to be seen in a timely manner. Currently every Tuesday mornings are reserved to us or if there was a dramatic event, they are available within 24 via phone call or 48 hours in the office to work with that crew (s).

Chief Wilson: If you read any articles there is a debate as to whether cancer, heart attack or mental health is the number one health concern for public safety members. We believe they all are based on the individual; we believe the \$37,000 increase is real money for our line that is out there. Mental health, mental retirement or other mental disorders like PTSD is costing other departments hundreds of thousands. This is preventative and keeps us in the right place. The total cost is \$57,000.

Chief Gaillard: Another program to inform you is that we are working with a doctoral candidate from NAU his study is Physical Therapy Enhancements for Mental Resilience. In other words, he is trying to make us stronger firefighters as well as not being reactive. We want to keep our people happy during their career, we see a lot of people leaving across the board, but we understand that this has to do with the changing types of calls we go on, the human tragedy they have to observe. We believe that this is program worth the cost, and we have talked to them (Redemption) as more departments get on board that they will pass the savings on to us.

Board Member Milich: Do we have a PT requirement for crews on duty?

Chief Wilson: We do, they are required to one hour of physical agility to prevent a cardiac event.

Board Clerk Faus: How variable has it been in the past in reference to the percentage for the health benefits?

Chief Wilson: The last couple years were on average 6%, we saw several different rates across the board, some were 4%, some were fixed, some were 6% and some were more.

Board Clerk Faus: Redemption, do we see this to continue to increase as we have more people using it?

BC Fennell: The meeting that we had with them is that this is probably the worst case scenario for them. We are not anticipating it to go up next year.

Board Clerk Faus: How long is the doctoral candidate with us?

BC Fennell: In May, we will do our final evaluation. We have been broken down in 3 quarters and we received physical and mental exercises that we have to complete. He checks in to make sure we are following the perimeters set.

Administrative Reed presented the fund balances with highlights on the Capital Account and explanation on why there is \$365,000 in the COP fund. The budget stabilization will be about \$848,00 this year due to the July 1, 2022, COP payment.

Chief Wilson: The OWA account is revenue from call out. We projected in our budget of about \$100,000. We anticipate \$150,000 will be need for seed money from July 1 to September when we get our lowest tax funding during this time, but it is our highest call out time. This normally hits our budget stabilization, and it became all mixed together. What we did strategically was to leave at least \$150,000 in this account as seed money to cover from July through September until the State reimburses us, so we do not have to use our budget stabilization fund like we did last year in September. Whatever we save over that \$150,000 we will put back into our budget stabilization.

Chief Gaillard: Regarding our Emergency Fund a 5% goal is not an aggressive goal. General accounting perspective is about 15%. This is included in a restricted or unrestricted, you don't have anything here on these funds that are restricted. The only restricted fund by board action is the Westside Capital Account that was restricted by board action. I wanted to bring to your attention that we are doing good work at building these accounts, if you consider all your unrestricted accounts.

Chief Wilson: The next slide shows the COPS debt. When we did this, it was explained that years one through five will be our biggest jumps in payments. You can see why we put \$365,000 in this account to help with the \$467,000 jump for next year and then as you look through out the chart the jump is only \$100,000 between \$467,00 and \$540,000 until you get to year 2026 when the payment levels out. We initially put a \$100,000 to soften that jump. This keeps a sustainable 5 year look.

Chief Gaillard: Just a reminder that prior to the COPS had we remained with the PSPRS plan, all those numbers would be substantially higher. We have saved the taxpayer hundreds of thousands with this program.

Chief Wilson: In the end we will have saved \$3,000,000, realistically if we stayed with PSPRS each of those numbers would be 1-2thousand dollars more than what we are showing you now. We would be playing catch up every year. Thanks to the board decision to move towards the COPS. We are now going to look at our new pay compensation plan, there is good news and bad news, the bad news we are stilled the lowest paid fire district in the area, the good news is that we are moving in a really right direction. We will address equity per our policy 501, compression adjustment and this was a huge success by the labor team. They had to look at the equity and compression and work with their team to get an agreed upon structured process. One of the board goals was to make us a GFR competitive fire districts. Chief Wilson continued to present the new pay plan explaining how they made their adjustments to make us competitive within the parameters given by our budget restrictions. Highlights is that labor made a real adjustment between ranks as it should be instead of the small increases we are currently using.

Chief Gaillard: Labor did a good job of creating this step plan and I just wanted to point out that as you can see as the step continue the percentage drops down to 4.5% and remains as it should. This step plan rather than a salary range was so that if we take a look at who our competition is for employers, the firefighter can now look at the step plan and say here is where I am at and here is where I will be going. This was the labor group's goal was to help with attrition, this was super smart on their part instead of making it a flat 5% across the board.

Board Clerk Faus: What I am seeing is that the labor goal was to make us competitive salary quicker so that they will stay? How do we reward longevity?

Chief Gaillard: If a person chooses stays at his rank for 10 years, he will see what his top out salary will be, that in itself is something he could not do in the past. We mastered this so that at some point in time we can look at longevity. Right now, just the predictability and funding of this plan gives people more choices than previous in their career.

Board Clerk Faus: I feel it is important to look at duration service.

Chief Gaillard: Many employers do this, and we have the ability to benchmark to see how others are treating employees who have gone through the ranks at their top pay, what type of longevity program they, and then we could do that. Right now ,the goal has been to create a good competitive structure. As the plan matures and our workforce matures with it, we can then work with them for longevity programs.

Casey Robinson: The biggest thing we heard even from one of our senior officers was wow that is what I'm going to make in four years, thank you. The certainly that I will make more money. If you look at the top out pay for captains, it is something he has not had his entire career.

Board Clerk Faus: The part to that is if you don't like the step 10 firefighter pay then test to promote.

Chief Wilson: We are linking this to promotional path and rank for the region. We are looking at what a 10 year employee should be making for his rank when he tops out for the region. If the region is no longer at this, we are no longer just looking at Jimmy who has been here for 5 years, we will be looking at the whole organization across all ranks for the region. This is how this was set up so that it doesn't become individualize, it becomes organizational. You should be getting paid at a fair, solid, and equitable amount for the region. Another thing I would like to point out is that the firefighter is where we are having a most attrition issues. They are getting a 7.5% and the 40 hours employees are getting a 5%, 5% and then 4.5% like the rest of the employees. This was done as our historical attrition was in the operational staff. We have not finalized the promotional roadmap, but to hypothetically answer Board Member Dorskocil' earlier question regarding if it is this than that what the percentage would be, an example would be for a step 4 engineer might promote to step 2 captain, then that individual will get a \$3,000 raise, but what that allows is they now have 8 more steps until they top out. There will always be a high or low in the promotional development and it may foster some of the younger more aggressive members to promote earlier and therefore they may only promote to a step 1.

Board member Milich: Assuming we adopt this, how will the members know what slot the employees will fall on this chart?

Chief Wilson: We are so glad that you brought this up. On our next slide I apologies it is worse than the one you just saw, but it is a big deal. This slide is labors compensation analysis, every single member was put on this spreadsheet and then they plugged in those numbers and there is a couple of color codes I want to point out. The yellow is for people who are currently in the drop, and this is when there 5 years, let pause that the state legislation is looking at approving to change the drop from 5 to 7 years, but as it sits today this is where their 5 years drop day ends. It shows where they will go to in November and where they will be when they top out. There is some light blue and this is where the compression was addressed. They put them at a step that met the compression and still remained within given funding for year one. Most are in year one, there are some in year two to address those equity and compression issues. As you can see the percentages are from high to low, however, the compression puts them at a level with those at the same rank. Labor did a ton of work so that in November if the board adopts this, they receive their merit raise if they met the requirements. They will get their step increase and will know what it is from here forward.

Chief Gaillard explained how with the pay range scale you can get a year 2 employee making more than a year 3 employee. The compression issue is being addressed only in the beginning and as soon as everyone is in their proper steps this should not have to be addressed.

Board Member Parker: Who decides if they get their merit increase?

Chief Gaillard: Chief Palm is fixing the complicated tool that I created for both Summit Fire District and the City of Flagstaff for performance evaluations. A performance evaluation will be done by the supervisor and approved by the manager. The Captain and the BC however, we can have more oversight, the BC has the 30,000 ft view in these things, and they can review to see that it meets our standards.

Board Member Parker: Is it observation or documentation?

Chief Gaillard: There is documentation in electronic form, and they will be evaluated on our standards and expectations for each rank.

Board Member Parker: At the end of the evaluation period Joe does not meet the evaluations standards and Joe says I didn't get it because this captain doesn't like me.

Chief Gaillard: Yes, to all of this, this is the realities of fire departments, the managers are trained and responsibilities to handle this. You will always have that guy who will say so and so doesn't work as hard as me. By spending time on the expectation piece and spending time with the managers on what looks right for a firefighter, we hope this will take this concern off the table. We are using best practices standards for developing expectations. The real reason someone not getting a step increase is due to a disciplinary action somewhere in their file which would cause that. There will always be two layers of approval or more for the ranks, Captains will evaluate the Firefighters and Engineers and the BC will manage the performance evaluations. Captains will be evaluated by the BC and the DC will manage the performance evaluations. BC will be evaluated by the DC and managed by the Fire Chief.

Board Member Milich: To get the step increase do they have to meet the standard or exceed the standard.

Chief Wilson: Per policy it is to meet or exceed the standards.

Board Member Milich: I just want to make sure there is a system in place so that the employee does not get blindsided during his annual performance review.

Chief Wilson: I will add verbiage to Policy 500 to clarify that it is meet or exceeds the standards.

Chief Gaillard: That is a bad supervisor, and we are not teaching our supervisors to wait to address an issue that happened 6 months ago. There is coaching and training with the supervisor, the idea is to grow the firefighter.

Board Member Milich: Is there anyone who is unhappy with it?

Casey Robinson: We had a 98% pass rate on this plan.

Board Chairman Timney: Evaluations are validated by two layers of management for each rank.

Board Member Parker: We work with labor, and I hope that labor will be involved if there is a problem with the performance evaluations.

Casey Robinson: Yes, we will step in if this happens.

Board Clerk Faus: There will be a documentation trail if someone doesn't get their step because if there is not, there would be a grievance.

Chief Gaillard: We hire really good people as other agencies like to hire them from us.

Chief Wilson: You would have to work really hard to not get it and it would not be a surprise. There are check and balances so if the Captain is not addressing an issue, the BC sees he address the issue with Captain and makes sure it happens prior to the evaluations.

Board Member Daskocil: Is there some 6 month evaluation before their annual?

Chief Wilson: The captains are doing one on one with their crew members at least monthly, so any concerns are documented, and corrective measure are planned. These one on one should be used as part of the performance evaluations. Nobody should set down with their supervisors 2 weeks before their annual performance and be surprised by what their supervisor has stated.

7. Proposed 5-year Chief's Budget

Chief Wilson: There are four different slides with corresponding papers to review in detail, however the last one is the Chief's Recommended Proposed Budget. On page two on the first proposed budget, you will see that the mil rate is a flat 3.25 tax for the next 5 years. Nothing changes on the first page, what differs is the budget stabilization on each page 2. Overall review of each year is that the budget stabilization does not start to grow until 2026-2027 is only at \$1 million. Please use this as a comparison as we move onto the next budget.

Chief Gaillard: What assumptions did you make in respect to revenue during this time as we see that the taxation level is flat?

Chief Wilson: Looking at the variations on page 1, there is a 5% increase in taxation which is a known, there is an 8% inflationary increase in next years budget and 6% for the next four years, it assumes a 3% on the PSPRS. This is the exact same assumptions on all these budgets. The overview of next budget is next fiscal year 2022-2023 the mil rate 3.25 and 3.3375 mil rate for the remaining four years. The budget stabilization grows approximately \$200,000 per year or more to where our stabilization is \$1.8 million at the end of 5 years, there were not changes made to the top of this budget they are the same assumptions as the previous proposed budget. Overview of the final one for reference we move it incrementally to the cap max. It starts with mil rate of 3.25, then 3.375, and 3.5 for the remaining 3 years. At the end of five years our budget stabilization is at \$2.5 million. Any questions regarding any of these budgets before we move onto the Chief's Recommended Proposed Budget? All of these budgets and the one recommended have a mil rate of 3.25 for this coming fiscal year, this was done strategically as we have a potential tax initiative on the November ballot. Casey, have you received confirmation from IAFF?

Casey Robinson: I have not heard confirmation from IAFF; however, they already have 400,000 signatures.

Board Chairman Timney: What are the total signatures needed to place it on the ballot?

Casey Robinson: 237,000

Chief Wilson: This looks like it will be on the November ballot. We recommend that we leave the current mil rate in place, so we don't burden the taxpayers twice while we await the outcome of the initiative in November.

Chief Gaillard: Next year you have the ability to raise, lower or remain the same mil rate based on the outcome if the initiative passes or fails. The direction from the board would be to increase the mil rate in year two on the realities of today so as not make that year so tight like it has been. We found a way to present a balance budget for next year and hope for an amazing outcome on the election.

Chief Wilson: We are going to work off the realities of today. Overview of the Chief's Recommended Proposed Budget is fiscal year 2022-2023 leave the mil rate at 3.25, the next four years increase to 3.375. When the budget stabilization is over the proposed policy goal of \$1,200,000, any additional funds are moved to capital expense. This will meet your other goal for a capital replacement plan. You can see how this grows in the last three years. In programs we funded an additional \$100,00 for some known programmatic needs and then it stays flat. The reason is that this is our second year of the tier 1&2 program, we feel that since it is strategic now, we can sustain this amount over the next 5 years. Our recommendation to the board is to increase the mil rate to 3.375 in year two if the initiative is not successful.

Chief Gaillard: You are not bound to this mil rate in year two, but we do have to adopt a two-year budget per legislation. If the initiative passes, you will have flexibility you never had before with the budget.

Chief Wilson: On the next is the median tax comparisons with various mil rates. This is based on the Fire Chief's Recommended Proposed Budget as to what it means to the taxpayers in the District, assuming the numbers of lower value property rate of \$350,000 if the board decides to increase the mil rate to 3.375 the increase to the taxpayer is \$43.75. The slide was discussed regarding assessment rates and increases with the understanding this is all a moot point if the initiative passes. Are there any questions regarding the Fire Chief's Recommended Proposed Budget or did we miss anything in this budget?

Board Member Daskocil: We also need to take into the fact of the assessed value increases so the taxpayers' liability will be going up a lot, not just counting us but others so the taxpayers will be paying a whole lot more money.

Chief Gaillard: There is also built into this option the 5% revenue limited growth, is this what you are asking? If property values go up, we can only receive a maximum of 5%. Increased value on top increase rate in year two, it does increase to new 3.375 in addition to the increase limited growth.

Board Member Parker: We will be able to look at those next year and adjust accordingly.

Chief Wilson: You are 100% correct, we are not locked into year two and next year we come right back to it.

Casey Robinson: As a SFMD taxpayer and employee he recommends that we look at the mil rate increase. As everything else has increased, if we don't increase, we are falling behind again. I'm not the Chief or the Board, but I would go 3.5 next year for the cost of doing business. Most people however do not see both ends.

Board Chairman Timney: Thank you for addressing this as you are right most people see it as money going out. Should we at least plan for the 3.375 in two years or are there any other options? I don't think we can count on assessed valuation to continue to go up, we saw that 10 years ago, it will adjust, and we need to be prepared for that. I think 3.375 is a fair number.

Board Member Parker: If we increase the mil rate this year and the college is looking at an increase everything is going to be looked at under the microscope this year. If we can maintain 3.25 for this coming year, we can go back and adjust dependent on the outcomes, but if we raise this year, we may lose the vote that will be on the ballot.

Board Chairman Timney: If this initiative passes the funds collected are for all the state fire districts and we are not just directly impacting us. It would be nice to see what the actual amounts would be if it passes. It is not a direct tax on our residents only, it is statewide.

Chief Gaillard: The board would be viewed as conservative with this budget by holding the mil rate and providing a fiscally conservative, and structurally sound budget, tight but manageable with an optimistic view that the people will have the opportunity to tell us if they want to help the fire district out from this oppressive tax restraints. I like the idea of being flat next year with the context of fiscal realities brought into focus, whether we get the initiative or not. The limited value tax is to eliminate giant swings as well as protection from when the market adjusts. The next slide is information received from our team, labor group and IAFF what could the possible impact be if this sales tax initiative passes. \$3.1 million dollars annually just for Summit. This is a potential game changer. What position does it put the board in next year, we do not expect a long implementation period, we would anticipate several options year two on for the budget you are considering now.

The discussion on how to provide the right type of service from the right location was addressed, or the right model will be three stations on this side, the board will need to make this decision and we as the administration will make no assumptions on what this decision will be. The data out of pilot is that it is meeting the right type of service and the benchmarking is good and the consultant report gave a better model if you had the ability to build a fire station at a better location with a better distribution roughly at Silver Saddle & 89. I'm going to ask the question as to what that right service level would be. If this initiative passes you have the ability to say we want a new station, you have the ability to say open up the other station, I will not presupposed what the means to the board. Chief Wilson has plans regarding capital equipment replacements, second set of turnouts, debt services this will help him out, but right now we have a 5 year funded compensation plan, he does not have a 5 year capital replacement plan. This is kind of the funding to put this into place, so the board isn't dealing with giant peaks and valleys when it comes to capital replacements, this kind of money creates opportunities for lowering the mil rate as a return to the taxpayer as well. I encourage all of you that if this initiative passes that you a lot more options and solutions.

There is a lot for the board to consider regarding the decision on how to best place \$3.1 million.

Board Chairman Timney: My only concern with this sales tax initiative is that the school district did this some years ago and as a result of the increase funds, the state kept funds they were supposed to distribute. My concern is that the legislation may pull something like that. We will know ahead of time but not a lot of ahead time. This state has been known to do that.

Board Member Parker: If passes I hope we will be able to take care of the firefighters, and their equipment.

Chief Wilson: There are a lot of options, and we hope we can open that box.

Board Member Milich: Will you remind me what that increase will be?

Chief Wilson: One tenth.

Casey Robinson: One penny on every \$10 spent.

Board Chairman Timney: This is for fire districts only and not municipalities.

Chief Gaillard: Please give us your thoughts as to what you feel should be the proposed budget moving forward.

Board Clerk Faus: We need to be above board as to what are strategy is for the long term and letting folks know we may very well go up on the rate to kind of stimulate them to vote for the tax initiative.

Board Member Milich: How far can we go to advocate this new sales tax initiative?

Chief Gaillard: You can go as far as you like, we as the district can only educate not advocate. The district can say if this than that. If this goes through this is the indications for the district just factual information which we will provide to our residents. As an elected member of the board and as citizen you can advocate. The next slide is the Debt Services Proposed Budget which Administrative Reed will address, however an option that has not been mentioned is if the sales initiative passes could funds be used towards our current debt services.

Administrative Officer Reed presented the Debt Services Budget indicating a reduction in the bond rate from \$0.2080 to \$0.1951.

Chief Wilson: This reduces the taxpayers rate on the Bond and if you look at the mil rate increase of 3.375 for the next year this almost brings the rate back to what they are paying this year so the mil rate increase will not be a full burden to the taxpayer. The next slides are a wrap up of are we meeting with the boards general and strategic goals. Questions or comments.

Board Member Milich: I am happy with the compensation plan; I think this will go a long way with retention. I commend you for doing this, it is great job by the labor. I am good with the recommended budget as it is proven, reasonable and conservative.

Board Chairman Timney: I am good with that as well as it puts us on a steady track that we have not been on in a long time and the Labor has been for that push. Casey, you know I've always

been there for you guys. I like the budget, I'm good with it, it's the best I've seen with future planning involved. Even if things fall flat and the initiative does not go our way, we have an option we can work within that option, and it won't be a surprised.

Board Member Dorskocil: Great presentation, thank you to everybody. With the climate of the district with the talk of closing a station, do we want to go with the fourth proposal to increase the second year or leave it flat for now to ease the residents that they are not getting their station and now in year two their taxes will increase. Is that something we want to stir up and if we have to raise it the following year, we will. Would it be a better reception to the district if we proceed without putting it in there?

Chief Gaillard: I hear what you are saying it is the optics we should be looking at. I believe most people will look at this after the budget has been adopted and the tax bill hits. The second year piece is something that most of our folks will not be aware of, it is improved optics if it is a flat 3.25 but the best thing, we have put in front of you is this 5 year plan. If the initiative does not work out, then we are in this sandbox for us to consider changing the mil rate or on the other side of it we have the option of lowering the tax rate.

Board Clerk Faus: I see what Board Member Dorskocil is saying and I do not want to put our taxpayers on a roller-coaster, just preparing them for the potential of doing that would be forthright?

Board Chairman Timney: It is also our option if the tax initiative passes, we can stay at the 3.25 if we get the proposed funding for it.

Board Member Parker: There are a lot of things we don't know about the future; housing market can increase or level off. I like your proposed budget as it based on today's known realities with a 5 year forecast. If the legislative passes, I think we are good, we just have to be really careful about how we spend it, so we don't get back to where we are right now.

Board Chairman Timney, Board Member Parker, and Board Member Milich would prefer the administration to present the Chief's Recommended Proposed Budget for 2022-2023 with the 3.375 increase in the mil rate in the second year.

Board Clerk Faus and Board Member Faus would prefer the flat 3.25 mil rate.

All board members opted for the 5 year proposed budget presentation for the April 20, 2022 meeting.

8. Adjournment

Board Member Milich motioned to adjourn meeting; Board Member Parker seconded the motion.

Vote conducted. MOTION CARRIED unanimously by those present.

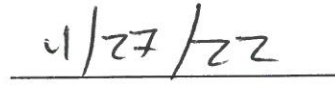
AYES: Timney, Milich, Faus, Parker, Dorskocil

NAYES: None

Board Meeting Adjourned at 5:00 p.m.



Board Clerk

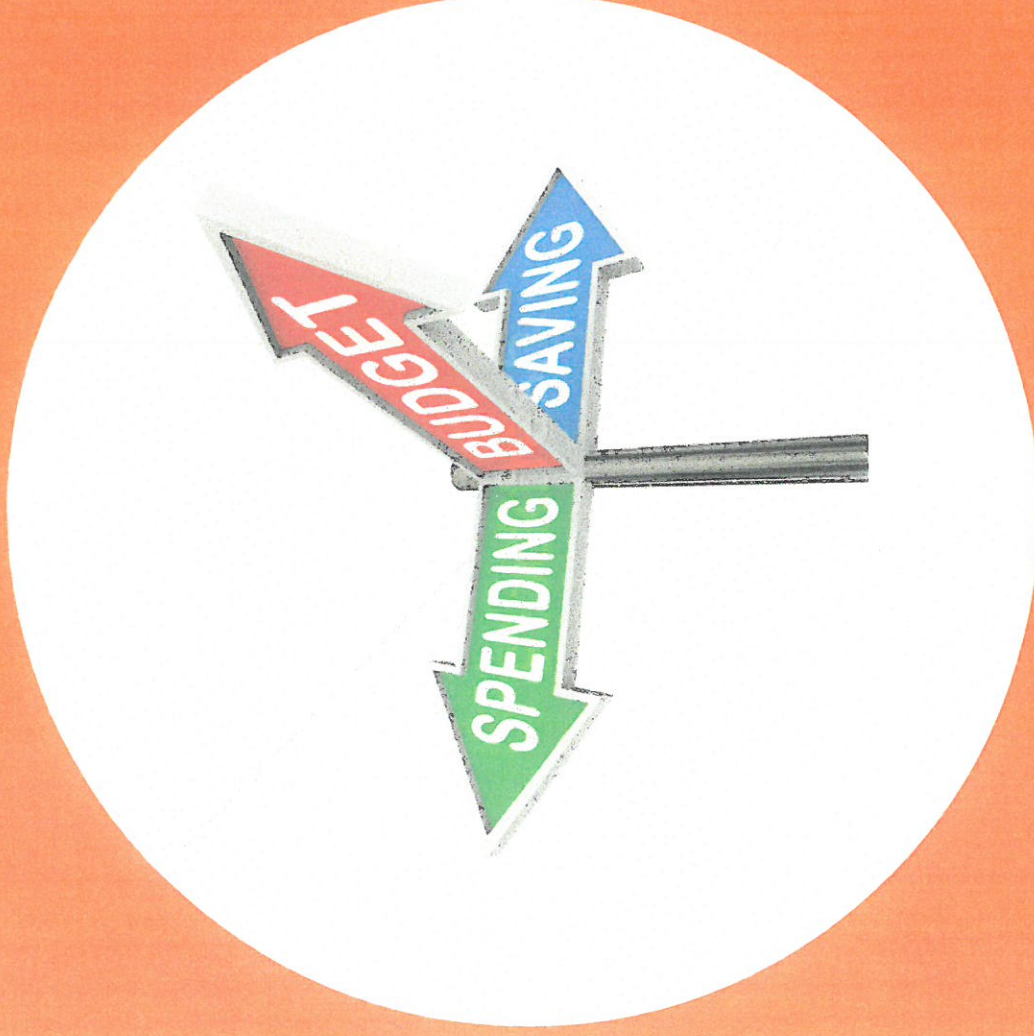


Date

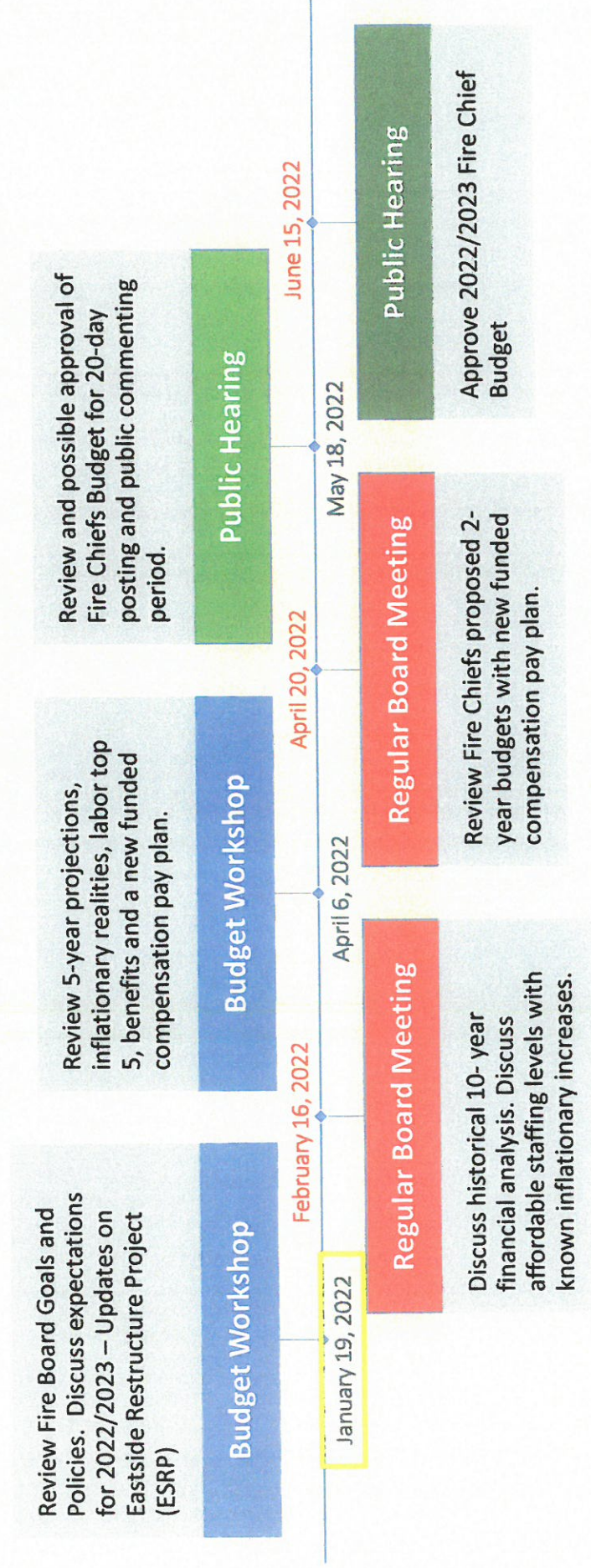
APPROVED

Summit Fire and Medical District

April 6, 2022, Workshop



Summit Fire and Medical District Budget Process



Compensation Policy Review

4-6-22

- [501 Financial Policy for Fire Board Draft 4-6-22](#)
- [503 Compensation Draft](#)
- [106 Temporary-Acting Appointments-Draft](#)

Summit Fire and Medical District		Page 1 of 1	
Volume: 1	Section: Fire Board		Number: 501
Subject: Fire Board Financial Policy FY 22-23			
Date Issued:6/15/2016 Updated: 4/6/2022		Originator: Summit Fire Board	

PURPOSE

Diversify and improve revenue sources, create efficiencies that improve and sustain the capabilities of the District. Improve the resources of the District both human and capital.

POLICY

General budget policies

- Operating expenses should be funded by operating revenue
- All positions at the District shall be budgeted

Budget Stabilization

- Budget stabilization account is created and funded at ~~\$1,300,000~~ \$840,000 for FY 22-23.
- Fire Boards goal is ~~\$1,350,000~~ \$1,200,000

Emergency Reserve

- Emergency reserve account created and funded at ~~\$150,000~~ 3.25% in Fiscal Year 2020/2021
- Fire Boards goal is funded at 5%

Westside Capital Reserve

- Proceeds from sale of prior Station #36 held in reserve at boards discretion

Debt Policy

- Develop alternative funding for debt
- Attain intergenerational equity whereby the recipients of the use of capital funds share in the cost of the investment over the life of the debt.

Policy Administration

- The Board retains the authority to revise policy at any time

Summit Fire and Medical District		Page 1 of 2	
Volume: 1	Section: 500 Fire Board Policy	Number: 503	
Subject: Compensation			
Date Issued: September 15, 2021 4/6/2022		Originator: Administration	

PURPOSE

Summit Fire and Medical District (SFMD) Fire Board salary range structure policy is designed to increase the competitiveness, appropriateness, integrity and consistency in SFMD salary plan.

POLICY

This policy addresses the method of revising the pay structure and managing employee movement through the range to maintain a structure that is internally equitable and externally competitive. This policy will be revisited annually, by the Fire Board.

PROCEDURE

During the preparation of the new fiscal year, the SFMD Fire Board will consider the following:

- **Market adjustments** to the salary schedule. A market adjustment increases the market rates of the pay plan and thus moves the entire pay structure's minimum, market and maximum rates. SFMD Fire Board and Administration will evaluate the need for a market adjustment to the pay structure annually to ensure it remains competitive in the market area. The market range represents the general average of what other departments are paying for similar jobs in the Coconino County area. Market adjustments are not connection to job performance, employees whose existing pay rate has not advanced beyond the new minimum will get an automatic pay raise.
- **Merit adjustments (Tied to Steps)** for those employees who are consistently exceeding job standards and expectations or for special cases where employees provided specific extra performance during the past year while continuing to meet overall expectation. The Merit system encourages good performance and behaviors by rewarding it. While length of service often results in increased job knowledge and capability, SFMD will focus on four components; strong supervisors; clear job performance standards; fair appraisal of employee performance and behavior; and planning and budget to support the merit program. The pay for performance philosophy provides an opportunity for every employee to receive increases based on individual performance. Increase amounts (steps) will be determined based on the approved compensation pay plan along with allocated and budgeted funds for performance increases.
- **Cost of Living** increases are an across the board increase for all employees. This increase is not based on market adjustments or merit adjustments. Cost of living allowances are based upon the National Consumer Price Index (CPI). It is an adjustment that can be given at the Fire Boards discretion and is not connected to job performance.

- **Equity Adjustment** a salary changes outside of normal salary programs (promotions, reclassifications, merits, etc.) to remedy salary issues such as internal salary compression and or retention consideration. Equity adjustments are not granted to reward performance.

Promotions and Temporary Assignments - Promotional Compensation Road Map

A promotion is typically defined as movement from one level in the organization to the next; usually results in movement to a job with significantly different job content, accountability, and responsibility. When an employee is promoted to a position within a higher classification, the employee's pay shall be adjusted to the closest step in the new pay range that represents at least 7% higher than was being received in the previous position. However, in no case shall this exceed the maximum rate of the new class. A new anniversary date for the promotional increase will be established.

next; the promotional road map provides clear direction on "if this, then that", which allows members at any rank or step to identify what step they would move to within a new rank.

Temporary Assignments as described in **Policy 106**; will recognize the **same promotional compensation road map** 7% increase to their salary. Once the temporary promotion is due to be discontinued the promotional pay adjustment will be **removed**. deducted from future paychecks. See Policy 106

Alternative Awards

The purpose of an alternative reward program differs from the goals and objectives of other aspects of total compensation. Salary is payment for doing the job; benefits are designed to protect the employee's wellbeing and alternative rewards, or incentives can direct, motivate and reward the achievement of specific performance goals. Alternative rewards do not need to be expensive or provide any cost liability to SFMD. When monetary recognition is awarded it is offered as a one-time check.

- **Spot Awards** – This program is designed for those employees who have gone "above and beyond the call of duty." It is used to recognize one-time achievement, rather than sustained performance over a period of time. A common award for this type of program is an "on-the-spot" reward for \$25 or \$50. Spot Awards must be requested by a department head to the Fire Chief. The Fire Board will approve a set amount that can be used at the Fire Chief discretion.
- **Noteworthy Performance Awards** – This program focuses on exemplary or noteworthy performance which is more than "above and beyond the call of duty." Job performance qualifying for this award must be documented and reviewed by the Fire Board. The performance to be recognized will vary but should be performance beyond the employee's usual job description and/or extraordinary effort on their own initiative. Noteworthy Performances must be requested by a department head to the Fire Chief and submitted to SFMD's Fire Board for approval. Noteworthy Performance Awards will be award at a Fire Board Meeting by the Fire Board.

TEMPORARY/ACTING APPOINTMENTS

SECTION: 100 Rules & Regulations	NUMBER: HR 106 DRAFT
DRAFT:	FIRE BOARD ADOPTED: 12/20/2011 Revised: 4-6-2022
SUBJECT: Temporary/Acting Appointments	ORIGINATOR: Human Resource Strategies Revised: SFMD Administration and Labor Management
	1 PAGE OF 2

I. PURPOSE

To provide a method to fill a short-term employment need and to adequately compensate an employee who is acting in a different capacity than that for which the employee is normally compensated.

II. SCOPE

This policy applies to all employees, with the exception of the Fire Chief.

III. POLICY

In order to meet a non-regular employment need, an employee may be appointed to a position of higher rank on an acting basis or to a temporary assignment. In such event, the employee's pay shall be adjusted as set forth in the guidelines below.

IV. GUIDELINES

- A. In the event of a short-term employment need, acting or temporary appointments are to be made by the Fire Chief or his designated representative. In the case of a vacancy in the Fire Chief's position, the Board of Directors shall make the appointment.
- B. In the event of a need to fill a non-regular position or to meet a special project need, the Fire Chief or his designated representative may appoint an employee to a *temporary assignment*. Any adjustments to the employee's pay shall be at the discretion of the Fire Chief.
- C. *Acting appointments* shall be made from an existing eligibility list. If such a list is unavailable, the appointment shall be made from other qualified individuals from a different rank, as determined by the Fire Chief or his designated representative. Shift vacancies shall not automatically require

that an employee be designated in the acting role. Such determination shall be made by the BC, or Fire Chief or his designated representative.

- D. In the event an employee is off duty or serving in a temporary appointment (**greater than 60 days**), the Fire Chief or designated appointing authority may authorize another employee to serve in ~~an acting or a temporary~~ appointment role. **Acting Temporary** appointment roles shall apply only to suppression positions.
- E. Unless otherwise designated, any employee serving in a temporary or acting appointment shall have all the authority and responsibilities for the assumed position.
- F. In the event that an individual fills an Acting Captain assignment, he shall be compensated an additional **two dollars per hour** for every hour served. In the event that an individual fills any other acting assignment, compensation adjustment shall be at the discretion of the Fire Chief.
- G. The length of the appointment shall be specified at the time of the appointment and shall not be for more than 12 months, unless renewed by the Fire Chief. The length of the appointment may be adjusted according to operating needs. The Fire Chief shall advise the Board of Directors of such extension.
- H. Upon completion of the designated time of appointment, the individual shall:
 - 1. Be returned to the previous position and salary, or
 - 2. Have the temporary or acting appointment extended for another specified time period, or
 - 3. Via the promotional ~~process~~ **road map**, be promoted to the position in which he has been performing. In such event, the time of service in the acting or temporary position shall not be applied to the required promotional probationary period or seniority within the rank.

General Board Goals

1. Diversify and improve revenue streams.
2. Create efficiencies that improve and sustain the capabilities of the District
3. Improve the resources of the District both human and capital.
4. Establish a sustainable and functional fire station in the Fort Valley / 180 corridor of the District.

Strategic Board Goals

1. Staying mission focused - ensure exceptional customer service.
2. Be fiscally sustainable without raising mil levy (taxes)
 - a) *Decrease operational costs*
 - b) *Fund capital replacement plan*
 - c) *Offer competitive employee compensation plan and benefit package*
3. Staff all stations with 3-person ALS engines
4. Reduce Attrition Levels

Labor Top 2 - MOU

1. Increase in Medic Pay
2. Continue Eastside Restructure with 3 person ALS/Engine

Labor Goals Achieved by Proposed Budget

1. Comprehensive Pay Plan
2. Tuition Reimbursement
3. No increases to dependent healthcare coverage

Continued Proposed Funding

1. Employee Benefits Package
2. Tuition Reimbursement
3. Behavioral Health through Redemption Counseling
4. Cancer Initiatives

Costs vs Funding August 2021, Workshop Review

Goals v. Funding Meeting 08-2021

August Work Session – Goals v. Funding Meeting

Board Goals:

Overarching 4 goals:

1. Diversify and Improve revenue streams
2. Create efficiencies that improve and sustain the capabilities of the District
3. Improve the resources of the District both human and capital
4. Establish a sustainable & functional station in the Fort Valley /180 corridor

Additional goals (funding levels):

- 3 – person staffing on all units (*Partially funded – 2 of 4*)
- ALS on all units (*Partially funded – 3 of 4*)
- Increased pay to stay within local Districts (*Partially funded, 2.5% in Dec. FY22*)
- Increase benefit coverage (*Currently funded in Chief's budgets*)
- Tuition reimbursement (*Currently funded at \$10k*)
- Established Emergency fund (*Currently funded at \$150k*)
- Capital fund to support District needs (*Not funded to appropriate levels, current - \$25k per year + Prop 207 funds + Delinquent Tax funds*)

Labors Top 5 (funding levels):

1. Raises – Change to a funded step plan (*2.5 % in Dec of FY22 for 3-4 years*)
2. Cover family healthcare (*Currently funded in Chief's budget*)
3. When giving COLA's use National Level for Cost of Living (*Not funded*)
4. Restructure Fire District to support pay & capital needs (*Board Discussion*)
5. Education / Tuition Reimbursement (*Currently funded at \$10k*)

Additional Goals (funding levels):

1. 3 – person staffing on all units (*Partially funded – 2 of 4*)
2. ALS on all units (*Partially funded – 3 of 4*)
3. Better compensation & funded step pay plan (*Partially funded*)
4. Capital replacement planning (*Partially funded*)

Estimated Funding we are short to meet goals - (\$830,000):

- \$480k per year to increase staffing by 6 – (3 – per unit + ALS & 2nd off)
- \$350k per year to fund pay plan /COLA's + \$200k to Capital replacement

August Work Session – Goals v. Funding Meeting

Current adopted MOU (07/2021-23) overview:

- Min Staffing = 11 (includes BC)
- 2 - 3 person Engines and 2 – 2 person units
- 2 - ALS on E. Side and 1 - ALS on W. Side
- Full Staffing = 42 (14 – per shift including BC)
- 1 person off on scheduled leave

Current Staffing Levels:

- Down 3 (Vargo, Yount, Hill)
- Testing with FFD – 5 (McQuaid, Daulton, Flood, Maynard, DeGollier)
- 1-2 others testing outside GFR, with one on a hiring list

Operational Impacts to maintain 4 stations within MOU (current level of service):

- ***Down 3 – due to attrition (current & anticipated)***
 - Down 1 per shift (attrition) makes for 39 available today (13 per shift)
 - 1 off on scheduled leave estimated at 90% of days
 - 1 off on unscheduled leave (FMLA, LD, Workers Comp, SL) estimated at 90%
 - At min staffing 90% of days
 - Mandatory recalls on the increase
 - Difficulty in staffing to min levels increasing
 - OT costs increased
 - Salary savings available to cover OT (once leave payouts covered)
- ***Down 6 – due to attrition (likely)***
 - Down 2 per shift (attrition) makes 36 available (12 per shift)
 - 1 off on scheduled leave estimated at 90% of days
 - 1 off on unscheduled leave (FMLA, LD, Workers Comp, SL) estimated at 90%
 - Below min staffing 90% of days
 - Mandatory recalls significantly increased
 - OT costs increased significantly
 - Brown out of units/stations due to inability to staff with OT
 - Brown out of units due to inability to staff due to lack of funding

August Work Session – Goals v. Funding Meeting

Options to further support Goals v. Funding Levels:

1. Bond Discussion for Capital replacement in FY-24?
 - a. Current GO Bond paid for until 2036 (20-yr bond)
 - b. FY23 GO Bond rate drops by .042 (.2155 to .1735 - 5 year payback completed = \$50k < per year to \$242k – down from \$293k in FY19-23) - Highest rate was .2485 in 2019
 - c. Have identified capital needs of up to \$2.5m in FY 24
 - d. Estimated Increased bond rate to .35 in FY24 (+.10 from FY18)
2. Increase Mill rate to match adopted new AZ rates (estimated up to \$350k increase to annual budget)
 - e. Estimated Commercial loss to next FY **????**
 - f. \$3.37 in FY22 = \$165k annual increase to budget
 - g. \$3.50 in FY23 and beyond = \$350k annual increase to budget
3. Increase / Improve Revenue Streams (estimated funds = \$50-100k per yr)
 - h. Prop 207 – Currently unknown - \$50k annual increase to budget
 - i. HALO – Working on contract (\$50k estimated now)
 - j. PSPRS Loan Restructure option – estimated \$2m savings to the taxpayers (Senate Bill - S1298) vs. Current model
4. East Side Restructure (estimated = \$480k annual increase to budget)
 - Budget -1 FTE (XO) plus drop six (6) from line through attrition
 - Reduce East side coverage from 3 to 2 stations
 - Reduce to 10 per shift min
 - 3-person staffing at 3 stations
 - ALS x3 stations
 - 4 Captains – (overstaffed by 1 - cover vacancy at Capt or BC)
 - Drop to 3 Captains through attrition
 - 4 Engineers (overstaffed by 1 - cover vacancy or WT-31)
 - Drop to 3 Engineers through attrition
 - 36 total line personnel
 - SFMD Community Meetings (how many and Sept/Oct)

August Work Session – Goals v. Funding Meeting

Options Continued:

5. Stay status quo – remain at current adopted Chief's budget and MOU staffing levels.
 - k. Unable to meet staffing and Capital planning goals
 - l. Market based pay is limited to 2.5% merits in Dec FY22
 - m. Current budget is funded for 5 years

Staff Recommendations:

- **No on 1**
 - a) *Take on more Debt through another bond and increase costs passed on to taxpayers and feel there are better immediate options to consider. Requires District Vote and funding*
- **No on 2**
 - a) *Provides funding increase, but at taxpayer expense*
 - b) *We continue to max out to cover operating costs/needs*
 - c) *Should attempt to cover the loss in commercial revenue through other methods and not pass it directly to taxpayers.*
- **Yes on 3 (still some unknowns) - A small funding source**
 - a) *Prop 207 happening and approved to Capital fund (for now), funding is variable year to year*
 - b) *Working on contract with HALO, logistics need worked out for any partnership and sharing of resources*
 - c) *Working with Stifel to discuss Certificate of Participation options for PSPRS unfunded refinancing and will bring to the board*
 - d) *A Certificate of Participation decision can be made by board with no need to take to vote within community*
 - e) *Working out impacts to carrying additional COP debt vs. Unfunded.*

August Work Session – Goals v. Funding Meeting

- **Yes on 4 (with careful analysis and data to support best options)**
 - a) Gives the District a more stable budget for future planning and unexpected hits (Transwestern, Navajo nation, greater than 5% increase in cost of doing business, etc.)
 - b) Ability to meet staffing goals (3-person and ALS x3)
 - c) Eliminates 2-person BLS staffing model options
 - d) Allows for true Capital Replacement planning
 - e) Allows for a market funded pay plan with 5% increases for 5 years.
 - f) Puts COLA's as a real annual discussion
 - g) Could assist in turnover numbers
 - h) Increases FF safety on working incidents
 - i) Labor supports and approached Administration with initial requests
 - j) Decreases service level on the E. Side by reducing from 3 stations to 2
 - k) Could allow for a decrease mill rate discussion
 - l) Station analysis to be performed to determine immediate and long-term station location
 - m) Call volume is not high compared to other local Districts with two station coverages (Highlands)
 - n) Retain all property until a larger plan is in place and the analysis completed.
 - o) Shop stays in services regardless of station selection
 - p) Give better funding for program and equipment replacement
 - q) Puts us in a better financial spot for JMA discussions with City
 - r) Smaller decision window due to staffing levels and OT costs
- **No on 5**
 - a) Keeps us at 2-person staffing models x two stations
 - b) Keeps us at 3 ALS and one BLS unit model
 - c) Doesn't allow for adequate Capital planning to be secured
 - d) Pay plans funded, but below market and no COLA's
 - e) Turnover is hard to curb (due to a-d)
 - f) Mandatory OT is on the increase
 - g) Limited funding for program and equipment needs
 - h) Fully funded as budgeted for next 5 years

August Work Session – Goals v. Funding Meeting

Budgetary Realities and Expectations @ a 5% cap & \$3.25 Mil Rate

Known Increases

- Increased Insurance costs (80%)
- 8.5% general inflationary cost increase
- Behavioral Health increases
- Increased but balanced PSPRS debt
- Need for a funded 2-5 year pay plan
- Capital Replacement needs
- COVID Impacts

Increase Costs in Benefits FY 22-23

- Projected increase in Health, Dental, Vision and Life for individuals, spouse, family coverage with no increases in employee out of pocket is 13.5% or \$47,713 this year.
- Behavioral Health Redemption Counseling \$37,000
- Compensation Pay Plan - \$135,000


Fund Balances FY 22/23

As of March 30, 2022

•Capital	\$138,677
•COPS (Debt Service)	\$365,000
•Emergency	\$161,361
•OWA	\$258,392
•Westside Capital	\$420,415
•Budget Stabilization	\$845,000 (July 1)

COP Payment Schedule

10-year payment look



• 07/01/2022	\$265,016
• 07/01/2023	\$467,458
• 07/01/2024	\$540,458
• 07/01/2025	\$606,395
• 07/01/2026	\$634,680
• 07/01/2027	\$646,080
• 07/01/2027	\$641,180
• 07/01/2028	\$645,260
• 07/01/2029	\$643,040
• 07/01/2030	\$650,080

Proposed Compensation Plan

- [New Compensation Plan](#)
- Increase to base pay across all ranks
- Compression adjustments
- In line with GFR partners (see Firefighter example on bottom of New Plan)
- [Labors' Results of Compensation Analysis](#)

Summit Fire and Medical District Pay Plan

Base rate increase of 5.5% for FF, 15% for ENG, 10.5% for CAPT, 12% for BC

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
Firefighter	\$43,216.38	\$46,457.60	\$49,012.77	\$51,218.35	\$53,523.17	\$55,931.72	\$58,448.64	\$61,078.83	\$63,827.38	\$66,699.61
	7.5%	5.5%	5.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Engineer	\$49,799.77	\$53,534.76	\$56,479.17	\$59,020.73	\$61,676.66	\$64,452.11	\$67,352.46	\$70,383.32	\$73,550.57	\$76,860.34
	7.5%	5.5%	5.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Captain	\$57,851.23	\$62,190.07	\$65,610.52	\$68,562.99	\$71,648.33	\$74,872.50	\$78,241.77	\$81,762.65	\$85,441.97	\$89,286.85
	7.5%	5.5%	5.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
BC	\$72,846.14	\$78,309.60	\$82,616.63	\$86,334.38	\$90,219.43	\$94,279.30	\$98,521.87	\$102,955.36	\$107,588.35	\$112,429.82
	7.5%	5.5%	5.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Mechanic Supervisor	\$55,548.63	\$58,326.06	\$61,242.36	\$63,998.27	\$66,878.19	\$69,887.71	\$73,032.66	\$76,319.13	\$79,753.49	\$83,342.40
	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Mechanic II	\$46,279.64	\$48,593.62	\$51,023.30	\$53,319.35	\$55,718.72	\$58,226.07	\$60,846.24	\$63,584.32	\$66,445.61	\$69,435.67
	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Mechanic	\$37,977.00	\$39,875.85	\$41,869.64	\$43,753.78	\$45,722.70	\$47,780.22	\$49,930.33	\$52,177.19	\$54,525.17	\$56,978.80
	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Administrative Assistant	\$37,446.41	\$39,318.73	\$41,284.67	\$43,142.48	\$45,083.89	\$47,112.66	\$49,232.73	\$51,448.21	\$53,763.38	\$56,182.73
	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Administrative Assistant II	\$41,191.05	\$43,250.60	\$45,413.13	\$47,456.72	\$49,592.28	\$51,823.93	\$54,156.01	\$56,593.03	\$59,139.71	\$61,801.00
	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Administrative Officer	\$58,697.10	\$61,631.96	\$64,713.55	\$67,625.66	\$70,668.82	\$73,848.91	\$77,172.12	\$80,644.86	\$84,273.88	\$88,066.20
	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%

Paramedic Pay \$5750.00

	0.053 Old Base	Increase\$	New Base
FF	\$40,963.39	\$2,252.99	\$43,216.38
Eng	\$43,304.15	\$6,495.62	\$49,799.77
Cpt	\$52,354.05	\$5,497.18	\$57,851.23
BC	\$65,041.20	\$7,804.94	\$72,846.14

GFR Comparisons

	Highland Base	SFMD Base	Flagstaff Base	Highland Top	SFMD Top	Flagstaff Top
Firefighter	\$45,172.40	\$43,216.38	\$50,872.64	\$61,485.60	\$66,699.61	\$70,907.20
Engineer	\$53,231.60	\$49,799.77	\$60,744.32	\$70,634.80	\$76,860.34	\$78,391.04
Captain	\$63,889.60	\$57,851.23	\$70,062.72	\$84,826.00	\$89,286.85	\$90,417.60
BC	\$78,549.00	\$72,846.14	\$88,816.00	\$104,293.67	\$112,429.82	\$119,945.28

5 - Year Proposed Budgets with Various Mil Rates

5-year Proposed Budget Mil 3.25

5-year Proposed Budget Mil 3.375

5-year Proposed Budget Mil 3.5

5-year Chief's Recommended Budget

Proposed 5 Year Projections

Expenditures by Category	Adopted Budget 2021/2022	Proposed Budget 2022/2023	Proposed Budget 2023/2024	Proposed Budget 2024/2025	Proposed Budget 2025/2026	Proposed Budget 2026/2027
		NO OWA				
Payroll	\$2,758,327	\$2,846,216	\$2,936,859	\$3,052,121	\$3,078,340	\$3,279,559
Pensions	\$1,108,908	\$401,549	\$413,595	\$426,003	\$438,783	\$451,946
Payroll Expenses	\$191,301	\$298,824	\$314,259	\$336,542	\$356,735	\$378,139
Personnel Insurance	\$307,464	\$355,177	\$376,488	\$399,077	\$423,022	\$448,403
Total Personnel Services	\$4,366,000	\$3,901,766	\$4,041,202	\$4,213,743	\$4,296,879	\$4,558,047
COP Payment	\$265,016	\$467,458	\$540,458	\$606,395	\$634,680	\$646,080
Contractual	\$549,498	\$673,361	\$713,763	\$756,589	\$801,984	\$850,103
Programs	\$1,210,138	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198
Grants	\$725,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000
Total Expenditures	\$7,115,652	\$6,935,784	\$7,188,621	\$7,469,925	\$7,626,741	\$7,947,428
Expenditures by Program						
Operational Costs/Tiers	\$167,300	\$278,198	\$278,198	\$278,198	\$278,198	\$278,198
Training	\$40,740	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500
Wildland	\$10,498	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Wildland Call Out	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Fleet/Facilities	\$91,600	\$93,500	\$93,500	\$93,500	\$93,500	\$93,500
	\$1,210,138	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198
Source of Funding						
Budget Stabilization Fund	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
West Side Capital Fund	\$418,044	\$422,224	\$426,446	\$430,711	\$435,018	\$439,368
Emergency Fund	\$150,000	\$161,347	\$162,960	\$164,590	\$166,236	\$167,898
Capital Fund	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000
Wildland Call Out Fund	\$117,000	\$0	\$0	\$0	\$0	\$0

Proposed 5 Year Projections						
Expenditures by Category	Adopted Budget 2021/2022	Proposed Budget 2022/2023	Proposed Budget 2023/2024	Proposed Budget 2024/2025	Proposed Budget 2025/2026	Proposed Budget 2026/2027
		NO OWA				
			No Sales Tax Initiative			
		3.25	3.25	3.25	3.25	3.25
	\$141,821,719	\$149,905,060	\$157,400,313	\$165,270,329	\$173,533,845	\$182,210,537
Tax Revenues	\$4,609,206	\$4,871,914	\$5,115,510	\$5,371,286	\$5,639,850	\$5,921,842
FDAT	\$360,000	\$360,000	\$363,600	\$367,236	\$370,908	\$374,617
Misc. Income	\$100,000	\$156,000	\$163,800	\$171,990	\$180,590	\$189,619
Grant Funding	\$785,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000
Wildfire Income	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Total Revenue	\$6,854,206	\$6,937,914	\$7,192,910	\$7,460,512	\$7,741,348	\$8,036,079
Budget Stabilization Fund	\$1,100,000	\$838,554	\$840,685	\$844,974	\$835,561	\$950,168
Total Income	\$7,954,206	\$7,776,468	\$8,033,595	\$8,305,486	\$8,576,909	\$8,986,246
Total Expenses	\$7,115,652	\$6,935,784	\$7,188,621	\$7,469,925	\$7,626,741	\$7,947,428
Budget Stabilization	\$838,554	\$840,685	\$844,974	\$835,561	\$950,168	\$1,038,818

Proposed 5 Year Projections						
Expenditures by Category	Adopted Budget 2021/2022	Proposed Budget 2022/2023	Proposed Budget 2023/2024	Proposed Budget 2024/2025	Proposed Budget 2025/2026	Proposed Budget 2026/2027
Payroll	\$2,758,327	\$2,846,216	\$2,936,859	\$3,052,121	\$3,078,340	\$3,279,559
Pensions	\$1,108,908	\$401,549	\$413,595	\$426,003	\$438,783	\$451,946
Payroll Expenses	\$191,301	\$298,824	\$314,259	\$336,542	\$356,735	\$378,139
Personnel Insurance	\$307,464	\$355,177	\$376,488	\$399,077	\$423,022	\$448,403
Total Personnel Services	\$4,366,000	\$3,901,766	\$4,041,202	\$4,213,743	\$4,296,879	\$4,558,047
COP Payment	\$265,016	\$467,458	\$540,458	\$606,395	\$634,680	\$646,080
Contractual	\$549,498	\$673,361	\$713,763	\$756,589	\$801,984	\$850,103
Programs	\$1,210,138	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198
Grants	\$725,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000
Total Expenditures	\$7,115,652	\$6,935,784	\$7,188,621	\$7,469,925	\$7,626,741	\$7,947,428
Expenditures by Program						
Operational Costs/Tiers	\$167,300	\$278,198	\$278,198	\$278,198	\$278,198	\$278,198
Training	\$40,740	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500
Wildland	\$10,498	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Wildland Call Out	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Fleet/Facilities	\$91,600	\$93,500	\$93,500	\$93,500	\$93,500	\$93,500
	\$1,210,138	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198
Source of Funding						
Budget Stabilization Fund	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
West Side Capital Fund	\$418,044	\$422,224	\$426,446	\$430,711	\$435,018	\$439,368
Emergency Fund	\$150,000	\$161,347	\$162,960	\$164,590	\$166,236	\$167,898
Capital Fund	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000
Wildland Call Out Fund	\$117,000	\$0	\$0	\$0	\$0	\$0

Proposed 5 Year Projections

Expenditures by Category	Adopted Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Payroll	\$2,758,327	\$2,846,216	\$2,936,859	\$3,052,121	\$3,078,340	\$3,279,559
Pensions	\$1,108,908	\$401,549	\$413,595	\$426,003	\$438,783	\$451,946
Payroll Expenses	\$191,301	\$298,824	\$314,259	\$336,542	\$356,735	\$378,139
Personnel Insurance	\$307,464	\$355,177	\$376,488	\$399,077	\$423,022	\$448,403
Total Personnel Services	\$4,366,000	\$3,901,766	\$4,041,202	\$4,213,743	\$4,296,879	\$4,558,047
COP Payment	\$265,016	\$467,458	\$540,458	\$606,395	\$634,680	\$646,080
Contractual	\$549,498	\$673,361	\$713,763	\$756,589	\$801,984	\$850,103
Programs	\$1,210,138	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198
Grants	\$725,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000
Total Expenditures	\$7,115,652	\$6,935,784	\$7,188,621	\$7,469,925	\$7,626,741	\$7,947,428
Expenditures by Program						
Operational Costs/Tiers	\$167,300	\$278,198	\$278,198	\$278,198	\$278,198	\$278,198
Training	\$40,740	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500
Wildland	\$10,498	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Wildland Call Out	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Fleet/Facilities	\$91,600	\$93,500	\$93,500	\$93,500	\$93,500	\$93,500
	\$1,210,138	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198
Source of Funding						
Budget Stabilization Fund	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
West Side Capital Fund	\$418,044	\$422,224	\$426,446	\$430,711	\$435,018	\$439,368
Emergency Fund	\$150,000	\$161,347	\$162,960	\$164,590	\$166,236	\$167,898
Capital Fund	\$50,000	\$100,000	\$150,000	\$200,000	\$250,000	\$300,000
Wildland Call Out Fund	\$117,000	\$0	\$0	\$0	\$0	\$0

Proposed 5 Year Projections

Expenditures by Category	Adopted Budget 2021/2022	Proposed Budget 2022/2023	Proposed Budget 2023/2024	Proposed Budget 2024/2025	Proposed Budget 2025/2026	Proposed Budget 2026/2027
			No Sales Tax Initiative			
		3.25	3.375	3.50	3.50	3.50
	\$141,821,719	\$149,905,060	\$157,400,313	\$165,270,329	\$173,533,845	\$182,210,537
Tax Revenues	\$4,609,206	\$4,871,914	\$5,312,261	\$5,784,462	\$6,073,685	\$6,377,369
FDAT	\$360,000	\$360,000	\$363,600	\$367,236	\$370,908	\$374,617
Misc. Income	\$100,000	\$156,000	\$163,800	\$171,990	\$180,590	\$189,619
Grant Funding	\$785,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000
Wildfire Income	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Total Revenue	\$6,854,206	\$6,937,914	\$7,389,661	\$7,873,688	\$8,175,182	\$8,491,605
Budget Stabilization Fund	\$1,100,000	\$838,554	\$840,685	\$1,041,724	\$1,445,487	\$1,993,928
Total Income	\$7,954,206	\$7,776,468	\$8,230,345	\$8,915,412	\$9,620,670	\$10,485,534
Total Expenses	\$7,115,652	\$6,935,784	\$7,188,621	\$7,469,925	\$7,626,741	\$7,947,428
Budget Stabilization	\$838,554	\$840,685	\$1,041,724	\$1,445,487	\$1,993,928	\$2,538,105

Proposed 5 Year Projections						
Expenditures by Category	Adopted Budget 2021/2022	Proposed Budget 2022/2023	Proposed Budget 2023/2024	Proposed Budget 2024/2025	Proposed Budget 2025/2026	Proposed Budget 2026/2027
Payroll	\$2,758,327	\$2,846,216	\$2,936,859	\$3,052,121	\$3,078,340	\$3,279,559
Pensions	\$1,108,908	\$401,549	\$413,595	\$426,003	\$438,783	\$451,946
Payroll Expenses	\$191,301	\$298,824	\$314,259	\$336,542	\$356,735	\$378,139
Personnel Insurance	\$307,464	\$355,177	\$376,488	\$399,077	\$423,022	\$448,403
Total Personnel Services	\$4,366,000	\$3,901,766	\$4,041,202	\$4,213,743	\$4,296,879	\$4,558,047
COP Payment	\$265,016	\$467,458	\$540,458	\$606,395	\$634,680	\$646,080
Contractual	\$549,498	\$673,361	\$713,763	\$756,589	\$801,984	\$850,103
Programs	\$1,210,138	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198
Grants	\$725,000	\$575,000	\$575,000	\$575,000	\$575,000	\$575,000
Increased Capital Funding				\$38,900	\$370,426	\$686,837
Total Expenditures	\$7,115,652	\$6,935,784	\$7,188,621	\$7,508,825	\$7,997,167	\$8,634,265
Expenditures by Program						
Operational Costs/Tiers	\$167,300	\$278,198	\$278,198	\$278,198	\$278,198	\$278,198
Training	\$40,740	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500
Wildland	\$10,498	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
Wildland Call Out	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000
Fleet/Facilities	\$91,600	\$93,500	\$93,500	\$93,500	\$93,500	\$93,500
	\$1,210,138	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198	\$1,318,198
Source of Funding						
Budget Stabilization Fund	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
West Side Capital Fund	\$418,044	\$422,224	\$426,446	\$430,711	\$435,018	\$439,368
Emergency Fund	\$150,000	\$161,347	\$162,960	\$164,590	\$166,236	\$167,898
Capital Fund	\$50,000	\$100,000	\$150,000	\$238,900	\$620,426	\$986,837
Wildland Call Out Fund	\$117,000	\$0	\$0	\$0	\$0	\$0

Median Tax Comparison With Various Mil Rates

Limited Property Value	\$350,000.00	\$500,000.00	Mil Rate
Estimated Tax	\$ 1,137.50	\$ 1,625.00	3.25
Cost Increase	\$ 1,181.25 (+\$43.75)	\$ 1,687.50 (+\$62.50)	3.375
Cost Increase	\$ 1,225.00 (+\$87.50)	\$ 1,750.00 (+\$125.00)	3.5

The property tax code used to estimate taxes is 3 primary residence.

"Just about all houses are either class 3 or 4 and they both have an assessment ratio of .10." Information provided by Jeremy Pittman, Coconino County Assessor's Office, Program Manager

Increase Mil Rate and or District Sales Tax Initiative



Projected Amount

- Arizona District Sales Tax (Est. \$3.1M)
- 3.375 Mil Rate (Est. \$200K)
- 3.5 Mil Rate (Est. \$400K)



Board Policy Discussions

Proposed Debt Services Budget

2021/2022

Assessed Values \$	141,821,719.00
Bond Rate \$	0.2080
Total \$	294,989.18
Owed \$	293,602.68

2022/2023

Assessed Values \$	149,905,060.00
Bond Rate \$	0.1951
Total \$	292,464.77
Owed \$	292,336.34

General Board Goals

1. Diversify and improve revenue streams.
2. Create efficiencies that improve and sustain the capabilities of the District
3. Improve the resources of the District both human and capital.
4. Establish a sustainable and functional fire station in the Fort Valley / 180 corridor of the District.

Strategic Board Goals

1. Staying mission focused - ensure exceptional customer service.
2. Be fiscally sustainable without raising mil levy (taxes)
 - a) Decrease operational costs*
 - b) Fund capital replacement plan*
 - c) Offer competitive employee compensation plan and benefit package*
3. Staff all stations with 3-person ALS engines
4. Reduce Attrition Levels

Questions

