

Blue Ridge Fire District

Office of the Fire Chief

April 21, 2016

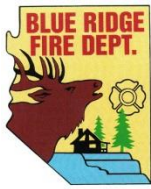
On behalf of the budget committee I am pleased to provide you with a proposed budget for the upcoming Fiscal Year 2016-2017. This budget has been revised and reviewed numerous times prior to being further reviewed by the Budget Committee. This committee consisted of Board members Nick Gemrose and Monty Blosser, Book Keeper Cindy Perelli, Captain Phil Paine and Myself. Historical data and expenditure trends were compared to previous years' vs anticipated needs going into the next Fiscal Year. The attached budget draft provides two options: one at the current tax levy of \$2.11/\$100 and one at \$2.27/\$100. If we remain at the \$2.11 rate the District will realize a tax revenue shortfall of Approximately \$7,500 while the proposed rate increase will provide a \$51,000 increase.

Last year we increased our tax rate from \$1.96 to \$2.11 in order to compensate for the economy. I mentioned last year that another increase would most likely be needed again this year in order to stay ahead of the curve. That is why I am proposing a tax levy increase to \$2.27/\$100 assessed property value for fiscal year 2016-2017. This increase will also provide a decent return to our historical "Carry Forward" to offset 1st quarter costs until tax revenues are received in October. Over the last year we have seen about a dozen new home built with more being planned. It will take about 2 years for these new additions to be reflected on the tax role. At this time, I would anticipate the ability to remain at the proposed \$2.27 rate for quite a while.

In preparing this budget I have sought to continue the completion of providing basic benefits for our personnel. This includes retirement and a revised pay scale to account for all ranks. The aforementioned benefits are consistent with priority items outlined in the approved 5-year plan. We have a fantastic staff that is very dedicated to the community and provides top notch service to our citizens and visitors. We need to provide basic benefits and competitive salary.

Some key points about this proposed budget are as follows:

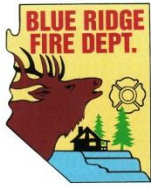
- **COLA** for all full & Reserve personnel. No COLA is recommended this year.



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- **Revised pay scale:** I am proposing a revised pay scale that will carry us through a 12 step period. At present the pay scale is capped at 5 years and only provides a single pay grade for Captain and an assignment pay for Engineer. The proposed scale accounts for all personnel and the ranks of Engineer and Captain. Also included is a scale for Administrative employees. This scale will eliminate disparity of the legacy “reserve” personnel and Captains and bring everything in line once and for all.
- **Book Keeper:** In January, Cindy Perelli, our current Book Keeper provided notice of her intent to retire from her duties as a contractor with the District. This position has been moved to a part-time employee position and a person has been hired to assume those duties. This budget proposal provides funds for the position and is identified in the revised pay scale.
- **Admin Assistant:** I am requesting a new position for a part-time Administrative Assistant. The position will provide much needed support roles and also serve as an assistant and backup for the Book Keeper.
- **PSPRS:** Included in this budget is \$100,000 allocated from Cash Reserves to move forward with providing our employees with a retirement plan. This is being carried over from last year. These funds should be considered as money for capital investment in our workforce. This will allow full initial buy-in to the system and make our plan 100% liability funded. Current legislation has been put in place to stabilize the concerns from past years. The longer we wait the more it will cost to buy in. Continued failure to provide this benefit will, I strongly feel, result in the loss of employees seeking other employment. We lost 2 employees (33% of our full time staff) last year alone due to the issue. We cannot afford to lose our senior personnel. The Board has made a commitment in the Five-year plan and during last year’s budget discussions to make this a priority. We need to go ahead and implement.
- **Cardiac Monitors:** Earlier this year I identified the urgent need to replace our 2 cardiac monitors. After committee review and Board approval I was instructed to seek funding options. After reviewing options, I propose to fund this project with cash reserves. In essence, an interest free loan from ourselves. By doing this we will save an estimated \$4-7,000 in interest and fees in lieu of securing a loan. This will be a capital investment of just under \$72,000. I have provided for funds in the budget as well as a re-payment plan of \$15-20,000. It is anticipated that once this project is complete we can continue the allocated funds back to cash reserves in the form of a capitol replacement fund for future equipment and vehicles.



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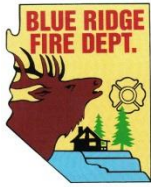
- **Driveway re-surfacing:** Funds have been provided for driveway and road maintenance. This has historically been done every 3 years. We deferred this last year and now are in year 4. This needs to be done.
- **PPE replacement:** Funds have been provided to purchase up to 10 sets of structural PPE as part of the PPE replacement program outlined in the approved 5-year plan. We placed the project on hold last year and still have about 19 sets of PPE to replace due to age.
- **Dispatch Services:** We are currently dispatched by the City of Flagstaff. I am currently investigating the possibility of changing that service to Guardian EMS at an estimated 70% annual savings. There will be initial costs to relocate radio equipment, etc but this move should provide long term savings and possible enhanced radio coverage.
- **Phone System:** I am requesting funds to install a business telephone system in the station that includes overhead paging and voicemail. We are currently working with cordless phones designed for residential applications. The equipment costs should be about \$5,500 and I will install the system saving about \$3,000. (I used to install systems)

I believe this to be a very workable budget that allows us to take care of personnel and infrastructure needs. I have reviewed and assessed each line item numerous times, weighing pros/cons and believe the numbers are realistic and manageable. I will continue to seek out grant opportunities and utilize internal talents to offset costs.

I want to add, that we are working with funds assessed 2 years ago. It takes that long to process the tax collection effort by the county. I have a timeline document in my office that shows how this works. Most other districts have felt the effects of the recession more severely than BRFD over the past few years. We have realized a bump in the road and are managing fine. I am optimistic about the future growth and economy of our District. Remember we have the needed wiggle room where most other Districts are at the maximum tax rate and having to reduce services.

Thank you for all your support and consideration.

John Banning,
Fire Chief



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5023 Enchanted Lane, Happy Jack, AZ USA 86024
PH: (928) 477-2751 FAX: (928) 477-2765, www.brfdaz.org