

*Yakima Fire Department,
Union Gap Fire Department,
Yakima County Fire District # 10, and
Yakima County Fire District #11
Washington*

Regional Fire Authority Fiscal Analysis

April 2012



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Executive Summary

This report details the fiscal analysis of the Yakima Fire Department (YFD), Yakima County Fire District #10 (District #10), Union Gap Fire Department (UGFD), and Yakima County Fire District #11 (District #11) as they exist today and as they are forecast into the future, independently and as a Regional Fire Authority. The noted agencies are evaluating the potential mutual benefits and the feasibility of forming of a Regional Fire Authority. ESCI has been contracted to perform the fiscal analysis portion of this deliberation.

Background

ESCI conducted on-site interviews with key stakeholders to determine the historic and current fiscal status of the four agencies. Research was also completed to obtain background information bearing on the fiscal climate of the region, specifically identifying factors that bear on revenues and expenses for the four agencies. Research included taxable assessed valuation growth, retail home sales history, unemployment statistics, the ten-year history of the Consumer Price Index – Urban for the region, revenue and expense histories for each of the four agencies, and their current and projected debt liabilities. The limitation of this report or any forecasting endeavor is that it relies upon data that reflects a “snapshot in time” and projects forward from there. Communities seldom stand still, and numerous events and actions can change the current conditions which, if projected out, can change the results of forecasts. However, as of this writing, ESCI is not aware of any major initiatives or actions that would substantially modify the conclusions of this report.

Summary of Findings

The Yakima County Assessor has projected that the 2012 residential values will decline by 1 to 2 percent, offset slightly by growth in commercial and agricultural property. There were four projects cited as meaningful development in both Yakima and Union Gap in the next few years, which help offset that residential value decline. Home sales in both Union Gap and Yakima have steadily declined in rate since 2006, with median prices for these homes slightly increasing in Yakima and increasing at a steeper rate in Union Gap.

Unemployment generally reflects the broader state and national trends in that it is high relative to the last five or six years. The troubling data point is that the Yakima County unemployment peak over the last ten years was 2011 at 9.76 percent. It is reasonable to conclude that as the

economy slowly improves, unemployment rates will eventually decline; but is not likely to substantially drop in the projection horizon this study has focused on, which is through 2017.

The inflation rate was projected using the Consumer Price Index for all urban consumers (CPI-U) reported for the 2002 through October 31, 2011, period for the West Coast class B/C (population 50,000 – 1,500,000) Statistical Area as compiled by the U.S. Department of Labor. With a low of -0.6 percent to a high of 3.5 percent over the last ten years, the average inflation index rate is 2.282 percent, which was used to calculate expense increases for forecasts and projections. The exception to this is in salaries and benefits. ESCI used 2.5 percent as the inflation factor for forecasts as a conservative approach and to reflect the potential for higher increases due to mandatory subjects of bargaining, binding arbitration, and comparable analyses.

Both Yakima and Union Gap have long-term debt obligations. Conversely, neither district has long-term debt, primarily due to the contractual relationship each has with its city counterpart. Yakima has a limited general obligation bond debt outstanding of \$825,000 as of December 31, 2011. It has provided a training tower for the department and is scheduled to mature in 2014. In addition, Fire Station 92 was constructed with funds through the city Real Estate Excise Tax, being used here as a dedicated revenue stream to cover the debt balance of \$645,000 as of December 31, 2011. This debt is due to be satisfied in 2022. Finally, two fire engines and a ladder truck are being funded by the Yakima Fire Department Capital Reserve Fund and general property taxes from the city. The combined total of that debt is \$1,128,124. These debts are scheduled to be satisfied in 2020 and 2021, respectively.

Union Gap has a fire station remodel project which was funded through a limited general obligation bond with an outstanding balance of \$180,000 as of December 31, 2011. This debt is due to be satisfied by 2013. The city has also leased a new fire engine, which is being paid through general property taxes. It is scheduled to be satisfied in 2022.

All four agencies receive Emergency Medical Services (EMS) levy funds which they share with the county. The county allocates revenue on a formula based on population, EMS response activity, and other factors. Each agency also receives funds according to its form of government. Fire Districts #10 and #11 receive property taxes as their primary source of revenue. Washington State law limits a fire district's property tax to \$1.50 per \$1,000 of taxable assessed valuation (TAV) if the district has at least one employee. Otherwise, the district is

limited to \$1.00 per \$1,000 of TAV. Conversely, the two city fire departments are funded by the city general fund, which is fed by various revenue streams. The allocation to city fire departments is a matter of budget deliberations and policy-setting by the elected city councils. Union Gap has invested additional funds into the fire department to address funding gaps which would otherwise exist in order to facilitate its EMS service delivery mission.

The current revenue and expense projections for each agency moving forward as stand-alone (status quo) agencies are enumerated as follows:

Yakima Fire Department						
Description	2012 Budget	2013	2014	2015	2016	2017
All Revenue	10,767,769	11,248,132	11,694,613	11,768,629	12,153,721	12,550,681
All Expense	10,771,231	11,295,170	11,685,486	11,798,144	12,219,092	12,653,745
Balance	(3,463)	(47,039)	9,127	(29,515)	(65,370)	(103,064)

Yakima County Fire District #10						
Description	2012 Budget	2013	2014	2015	2016	2017
All Revenue	63,545	64,119	62,227	62,829	63,460	64,115
All Expense	74,087	75,283	77,017	78,792	80,608	82,465
Balance	(10,542)	(11,164)	(14,790)	(15,963)	(17,148)	(18,350)

Union Gap Fire Department						
Description	2012 Budget	2013	2014	2015	2016	2017
All Revenue	1,361,999	1,449,110	1,452,353	1,502,150	1,553,547	1,606,594
All Expense	1,361,999	1,449,110	1452,353	1502,150	1,553,547	1,606,594
Balance	0	0	0	0	0	0

Yakima County Fire District #11						
Description	2012 Budget	2013	2014	2015	2016	2017
All Revenue	44,664	45,110	46,605	47,043	47,513	48,009
All Expense	55,275	56,548	57,850	59,182	60,545	61,940
Balance	(10,611)	(11,438)	(11,245)	(12,139)	(13,032)	(13,931)

The financial projections for each agency as a stand-alone operation is expected to be in a deficit, with the exception of Union Gap, which allocates additional funds to address its EMS mission and essentially grows each year to cover the expanding growth in cost. These projections do not include the necessary increases to a capital reserve fund to address future apparatus costs and do not include the indirect costs incurred by the cities of Yakima and Union

Gap, which absorb support costs such as finance services and legal services on behalf of their fire departments. The recommended annual capital reserve investment for Yakima is \$156,733 over current contributions. The indirect costs for Yakima are estimated to be \$426,570 (or 3.96 percent of its budget). The recommended annual capital reserve investment for Union Gap is \$33,478 over current contributions. The indirect costs for Union Gap are estimated to be \$53,939 (or 3.96 percent of budget).

Regional Fire Authority

A Regional Fire Authority (RFA) is a new governmental structure whereby all participating agencies fall under this new structure with a new tax base, a new operational plan, and a new legal framework. A planning committee is formed, made up of equal representation of elected officials from each of the participating agencies. It can include fire districts, cities, towns, port districts, and tribes.

The planning committee develops a plan, which becomes essentially the constitution of the new entity and which specifies how the RFA will be funded, operated, and governed. The plan is presented to the electorate (which is defined as all of the voters within the footprint of the proposed RFA) of the participating agencies and is approved with either a 50 percent favorable vote (if the funding mechanism requires a simple majority) or 60 percent favorable vote (if the funding mechanism requires a supermajority, such as a benefit charge or EMS levy).

RFA Impact on Cities

The cities of Yakima and Union Gap would have to address their tax rate if an RFA were formed. City property tax is capped at a maximum statutory rate of \$3.60/\$1,000 (if the city includes a fireman's pension fund). Thus, if a city is part of an RFA, it must either:

- a) Promise to reduce its levy rate by the equivalent amount of property taxes levied by the RFA to have a net zero impact to its taxpayers, or;
- b) Convince taxpayers that the tax increase will improve other services in the city.

In no event, however, can a city exceed its statutory maximum levy rate when adding the RFA property tax levy into the calculation. An example of the impact to cities follows.

Example

City Maximum Tax Rate: \$3.60/\$1,000
 City Actual Tax Rate: \$2.94/\$1,000
 RFA Tax Rate: \$1.00/\$1,000
 City Adjusted Tax Rate: \$1.94/\$1,000 – for net zero impact to taxpayers
 -or-
 City Required Adjustment: (\$0.34/\$1,000) – statutory maximum of \$3.60/\$1,000 – creates a net increase to the city and a net increase in taxes to taxpayers

Option A - Regional Fire Authority (100 percent property tax)

Option A assumes a Regional Fire Authority (RFA) is formed and includes all four agencies, financed by property taxes at the statutory maximum of \$1.50 per \$1,000 TAV plus the EMS levy revenue. With all services merged into a single overarching agency, the projected expenses exceed revenues by a substantial and escalating rate. The following table reflects the escalating costs through 2017.

All Agencies – RFA Option A						
Description	2012 Budget	2013	2014*	2015	2016	2017
Total Revenue	12,207,982	11,390,244	11,318,747	11,093,310	11,206,829	11,316,132
Total Expenditures	12,405,589	12,903,233	13,163,641	13,186,357	13,512,154	13,846,274
Balance	(197,607)	(1,512,989)	(1,844,894)	(2,093,045)	(2,305,325)	(2,530,142)

The significant reduction in service that would be necessary to operate within this revenue projection or the increase in revenue that would be required to maintain existing services make this option untenable and is not recommended.

Option B – Regional Fire Authority (Benefit Charge)

Option B assumes a Regional Fire Authority (RFA) is formed and includes all four agencies, financed by a combination of lower property taxes at the statutory maximum of \$1.00 per \$1,000 TAV, plus the EMS levy revenue, plus a benefit charge equating to a statutory maximum of 60 percent of the operating budget (not including capital). With all services merged into a single overarching agency, the projected revenues exceed expenses by a substantial margin.

All Agencies – RFA Option B						
Description	2012 Budget	2013	2014	2015	2016	2017
Total Revenue	12,207,982	14,941,088	15,008,211	14,918,500	15,160,055	15,400,722
Total Expenditures	12,405,589	12,903,233	13,163,641	13,186,357	13,512,154	13,846,274
Balance	(197,607)	2,037,855	1,844,570	1,732,143	1,647,901	1,554,448

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The reduced property tax rate coupled with the benefit charge provides funds in excess of expenses by a large enough margin that indirect costs and capital investment increases are easily absorbed. Alternatively, the benefit charge could be reduced to 50 percent of the operating budget and continue to meet projected expenses with a comfortable margin. If the RFA plan were established to provide a scalable benefit charge, the rate could be set on an annual basis to meet but not substantially exceed projected costs for a given year, as long as the total benefit charge does not exceed the statutory 60 percent of operating costs maximum.

It is important to note that the benefit charge is based on a quantifiable formula established by the participating agencies, typically developed with professional assistance. The formula reflects the relative benefit a property receives from the fire authority over and above the service paid for by the property taxes. Once implemented, some taxpayers will see the amount they pay for fire protection reduced while others will see their total costs increase. It cannot be fairly represented by dividing the total costs by the total number of properties. With that stipulation, the following comparison is only used as an illustration of relative changes in costs between status quo and an RFA with benefit charge.

Yakima	2012	2013	2014	2015	2016	2017
Status Quo						
Effective Levy Rate - Fire	1.642	1.721	1.774	1.827	1.873	1.916
Levy Rate - EMS	0.214	0.214	0.231	0.231	0.231	0.230
Combined Levy Rate	1.856	1.935	2.005	2.058	2.104	2.146
RFA with Benefit Charge						
Combined Fire Levy + Benefit Charge	--	2.061	2.081	2.098	2.112	2.121
Levy Rate - EMS	--	0.231	0.231	0.231	0.231	0.230
Total Rate		2.292	2.312	2.329	2.343	2.351
Effective Tax Rate Change		0.357	0.307	0.271	0.239	0.205

Fire District #10	2012	2013	2014	2015	2016	2017
Status Quo						
Effective Levy Rate - Fire	0.797	0.803	0.807	0.810	0.810	0.808
Levy Rate - EMS	0.135	0.135	0.157	0.157	0.157	0.157
Combined Levy Rate	0.932	0.938	0.964	0.967	0.967	0.965
RFA with Benefit Charge						
Combined Fire Levy + Benefit Charge	--	2.061	2.081	2.098	2.112	2.121
Levy Rate - EMS	--	0.231	0.231	0.231	0.231	0.230
Total Rate		2.292	2.312	2.329	2.343	2.351
Effective Tax Rate Change		1.354	1.348	1.362	1.376	1.386

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Union Gap	2012	2013	2014	2015	2016	2017
Status Quo						
Effective Levy Rate - Fire	1.378	1.485	1.539	1.591	1.640	1.685
Effective Levy Rate - EMS	0.774	0.817	0.803	0.803	0.837	0.850
Levy Rate - EMS	0.178	0.177	0.211	0.211	0.211	0.211
Combined Levy Rate	2.330	2.479	2.553	2.605	2.688	2.746
RFA with Benefit Charge						
Combined Fire Levy + Benefit Charge	--	2.061	2.081	2.098	2.112	2.121
Levy Rate - EMS	--	0.231	0.231	0.231	0.231	0.230
Total Rate		2.292	2.312	2.329	2.343	2.351
Effective Tax Rate Change		(0.187)	(0.241)	(0.276)	(0.345)	(0.395)

Fire District #11	2012	2013	2014	2015	2016	2017
Status Quo						
Effective Levy Rate - Fire	0.745	0.751	0.755	0.757	0.757	0.755
Levy Rate - EMS	0.135	0.136	0.157	0.157	0.157	0.157
Combined Levy Rate	0.880	0.887	0.912	0.914	0.914	0.912
RFA with Benefit Charge						
Combined Fire Levy + Benefit Charge	--	2.061	2.081	2.098	2.112	2.121
Levy Rate - EMS	--	0.231	0.231	0.231	0.231	0.230
Total Rate		2.292	2.312	2.329	2.343	2.351
Effective Tax Rate Change		1.405	1.400	1.415	1.429	1.439

Conclusion

A Regional Fire Authority is fiscally viable and sustainable if it were formed with a benefit charge (Option B). It allows for the RFA to fund indirect charges through contracts with the cities, contracted out to other potential providers, or absorbed into the RFA as an internal service it provides itself. It also funds the capital investment necessary to maintain a reliable fleet of apparatus well into the future. A scalable benefit charge, if identified in the plan and approved by voters, maintains flexibility in matching expenses on an annual basis.

Regional Fire Authority Explained

The basis of this study is the evaluation of the financial opportunities or drawbacks posed by the formation of a Regional Fire Authority (RFA or Authority) by the Yakima Fire Department, Union Gap Fire Department, Yakima County Fire District #10, and Yakima County Fire District #11. An RFA is a new governmental structure whereby all participating agencies fall under this new structure with a new tax base, a new operational plan, and a new legal framework.

Should the decision be made to move forward with RFA formation, the first step is the formation of a Planning Committee, considered to be the most important component of the process. The Planning Committee is charged with establishing the RFA Plan, which specifies how the Authority will be funded, operated, and governed. While the formation of a Planning Committee is the first procedural step, this step will likely follow many informal meetings and discussions by the participating jurisdictions.

Most successful RFAs have established formal steering committees composed of a wide variety of stakeholders to determine the feasibility of creating an RFA far in advance of forming the actual Planning Committee. Such is the case for the key stakeholders here. A formal steering committee has been in existence for some time now and has convened regularly to evaluate the potential for an RFA. The steering committee has contracted with ESCI to perform the fiscal analysis of the RFA structure as identified by that committee.

It is important to establish a common understanding of what a Regional Fire Authority is, including the tools and options available and relevant considerations. The following section describes RFAs in some detail to provide a common understanding for the steering committee and other interested parties.

The Planning Committee is comprised of three elected officials appointed from each of the participating agencies, assuring an equal voice in the decision-making process for everyone involved. Moving forward with the formation of an RFA also requires approval by all of the affected governing bodies prior to the initiative being put before the voters. The Planning Committee composition, responsibilities, and procedures are addressed in further detail in the legal considerations discussion provided in the following text.

Funding Mechanisms

A key consideration of the RFA formation decision is that of funding. The RFA Plan will identify funding sources that may include some or all of the following:

- Fire levies – \$1.50/\$1,000 of taxable assessed valuation maximum.
- EMS levies – \$0.50/\$1,000 of taxable assessed valuation maximum – most commonly expires at 6 or 10 years; can be permanent if approved by voters.
- Excess levies – amount set by governing body and approved by voters – short duration.
- Benefit charges – a reduced property tax rate of \$1.00/\$1,000 of taxable assessed valuation plus a maximum of 60 percent of the RFA's total operating costs as a charge levied against properties (mostly businesses) based on a complex formula establishing the benefit for each individual property of the RFA's service to that property (RCW 52.26.180 – .270).
- Bonds for capital purchases – amount set by governing body for capital improvements only.

Facilities and Equipment

The ownership or transfer of ownership of capital assets is not prescribed by law and is determined by the Planning Committee. Although ownership of facilities and equipment may be transferred or even leased to the newly formed RFA, the responsibility for existing bonded indebtedness for capital assets remains with the originating agency until the debt is satisfied.

Staffing and Personnel

Under a Regional Fire Authority configuration, employees and members of the agencies joining forces become employees and members of the new organization, including career and volunteer personnel. Unless otherwise declared in the process of forming the new Authority, employees will retain the rights, benefits, and privileges that they had under their pre-existing collective bargaining agreements.

Roles and responsibilities assigned to agency personnel may change in a newly formed RFA when modifications are necessary in the interest of service delivery requirements. For this reason, involvement of key stakeholders from the onset of the process is essential.

Governance and Administration

A Regional Fire Authority is governed by a single governance board. The number of board members and the length of their service terms are determined by the Planning Committee. The statute authorizing the formation of an RFA does not place limitations on the number of

members serving on the board, leaving that decision to the Planning Committee and, ultimately, the voters.

Administration of the new RFA, once established, becomes the responsibility of the newly established governing board. The Planning Committee, however, will include in its body of work identification of the composition of the RFA's administrative staff. The fire chief and his/her command staff, as agreed to by the Planning Committee, will subsequently report to the governing board.

Legal Considerations

A number of important legal considerations must be taken into account in the formation of a Regional Fire Authority:

Fire Protection Jurisdiction – Only “fire protection jurisdictions” may participate in the formation of an RFA. RCW 52.26.020 defines fire protection jurisdictions as “fire district, city, town, port district or Indian Tribe.”

Regional Fire Authority Plan – Planning Committees are tasked with forming the RFA Plan. The RFA Plan outlines the plan for governance, financing, operations, boundary changes and other considerations, and is the plan that the voters are asked to approve when voting on the formation of the RFA. The RFA plan is a critical document in the formation of the RFA and serves a role similar to a charter or constitution for the ongoing operation of the RFA.

Formation Procedures – Like any other type of significant consolidation, the formation of an RFA requires careful planning. Because the RFA essentially creates a new entity, there is an added layer of complexity to the planning. The new entity will need to register with the Internal Revenue Service (IRS), establish new accounts with the County and vendors, assign and/or negotiate contracts, negotiate labor agreements, establish payroll systems as needed, etc. In other words, the formation of a new entity can be incredibly time intensive and attention to detail is critical. The formation of an RFA is not subject to review by a Boundary Review Board or a County legislative authority. The formation of an RFA is, however, likely subject to compliance with the State Environmental Policy Act (SEPA), where the planning committee would, in all likelihood, act as the lead agency.

The advantages of formation of an RFA are that it allows participating agencies to retain the strengths of each agency, minimize the weaknesses of each agency, and establish new “best practices” not currently provided by the participating agencies; it facilitates a contemporary look at services, resources, and costs, finding the right balance for the community; it retains (or has the potential to retain) pre-existing policy-makers of the participating agencies in a governing board, thus utilizing the vision and commitment that initiated the implementation of strategy; it

creates an opportunity to “right-size” the revenue with the cost of operation; and it provides an active role for the citizens being served in setting their service levels and costs.

The disadvantages of pursuing this strategy are the loss of autonomy, the loss of a familiar structure (although RFAs operate almost identically to a fire district), the investment of time and effort to develop an RFA plan can be rendered moot by the voters, and funding options are not significantly better for RFAs than they are for fire districts.

There are numerous configuration options with an RFA. Careful consideration of the options, issues contained in the RFA Plan, and fiscal and operational forecasting are critical to a long-term, successful formation.

Fiscal Analysis

This section of the report provides an overview of each organization in its current independent status and a projection through 2017 assuming the organization structure and working conditions remain unchanged. This will provide a current view of the financial impact of Yakima and Union Gap departments as they are operating today (as departments of the City) and Yakima County Fire District #10 and Yakima County Fire District #11 as they currently contract for services. For the city departments not all costs are currently allocated to the department, as the cities absorb some support costs on behalf of their fire departments.

Economic Indicators

Economic indicators specific to Washington, Yakima County, and the local area will provide the historical basis for projecting future costs that impact the operation of each organization. Information in this section is provided to substantiate the forecast and projected increases in taxable assessed value (TAV), revenue, and expenditures. This will be accomplished by reviewing the history of retail home sales, unemployment statistics, and the previous ten years of the Consumer Price Index-Urban (CPI-U).

Taxable Assessed Value

The development of the potential change in taxable assessed value for the four organizations was developed by interviews with the county tax assessor and the planning divisions from both Yakima and Union Gap. There are two primary components for the Taxable Assessed Value:

1. **Re-assessment of existing property:** The county assessor's office reviews and assigns revised property tax values annually with a legally mandated requirement for a site visit every six years. The assessor projects that the 2012 residential value will decline between 1 and 2 percent, offset by a slight growth in commercial and agricultural property.
2. **New Construction:** New construction is added to the taxable assessed value when the property is placed in service. Historically, \$300-400 million dollars of taxable new construction is added to the tax base each year for the calculation of property tax revenue. In 2011, taxable new construction was \$118 million. The assessor's office projects the new construction number to remain relatively low for the next few years.

Both city planning divisions identified specific projects that could provide new construction and economic growth to the area. In Yakima the projects were:

- Continued development of the Congdon Orchards site. This is a mixed use development.
- The old Sawmill site has been awarded \$20 million in LIFT funds to create infrastructure for re-developing the site. This property is also zoned for mixed use.

Union Gap projects are:

- A \$20 million, 125,000 square foot facility in Washington Plaza. The planning office projects this facility to be taxable in 2013.
- A \$20 million, 120,000 square foot retail facility at Long Fiber Road and Valley Mall Boulevard. The planning office projects this facility to be taxable in 2014/15.

Historic Residential Property Sales

The assessor's office utilizes recent residential home sales to establish new appraised values. The following figures record the numbers of existing home sales and the median value by quarter from January 2006 through September 2011 for the City of Yakima and Union Gap. Retail home sales have trended down from 2006 to current in Yakima. The average sale price of these homes has been in the range of \$130,000 to \$160,000.

Figure 1: City of Yakima Median Value and Home Sales, 2006 – 2011¹

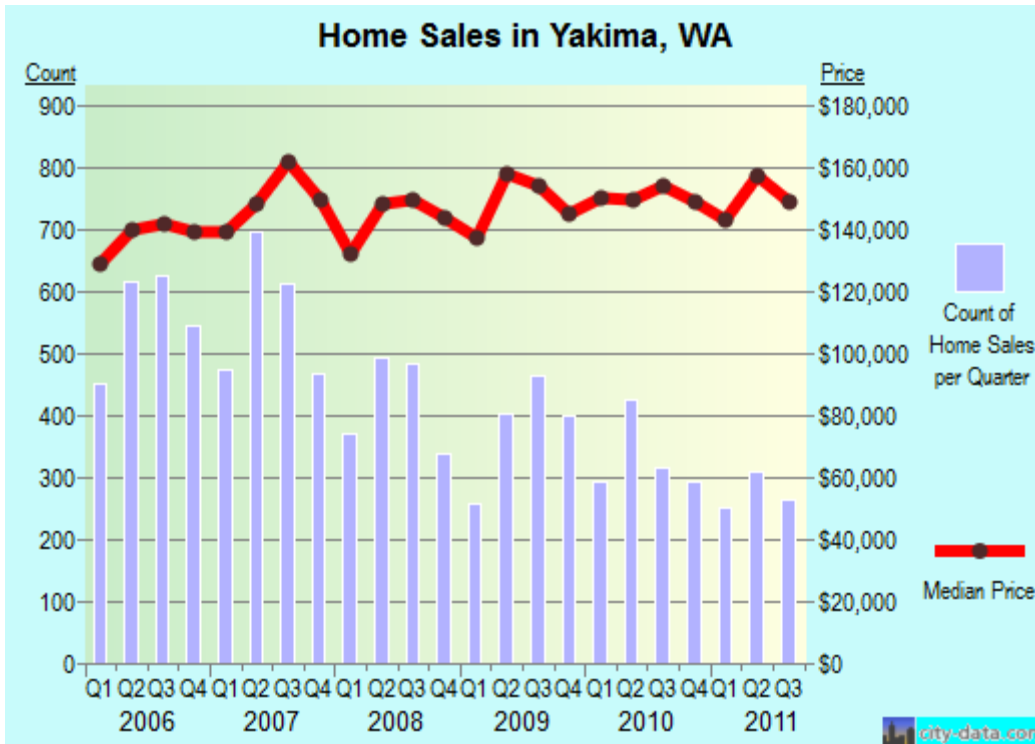
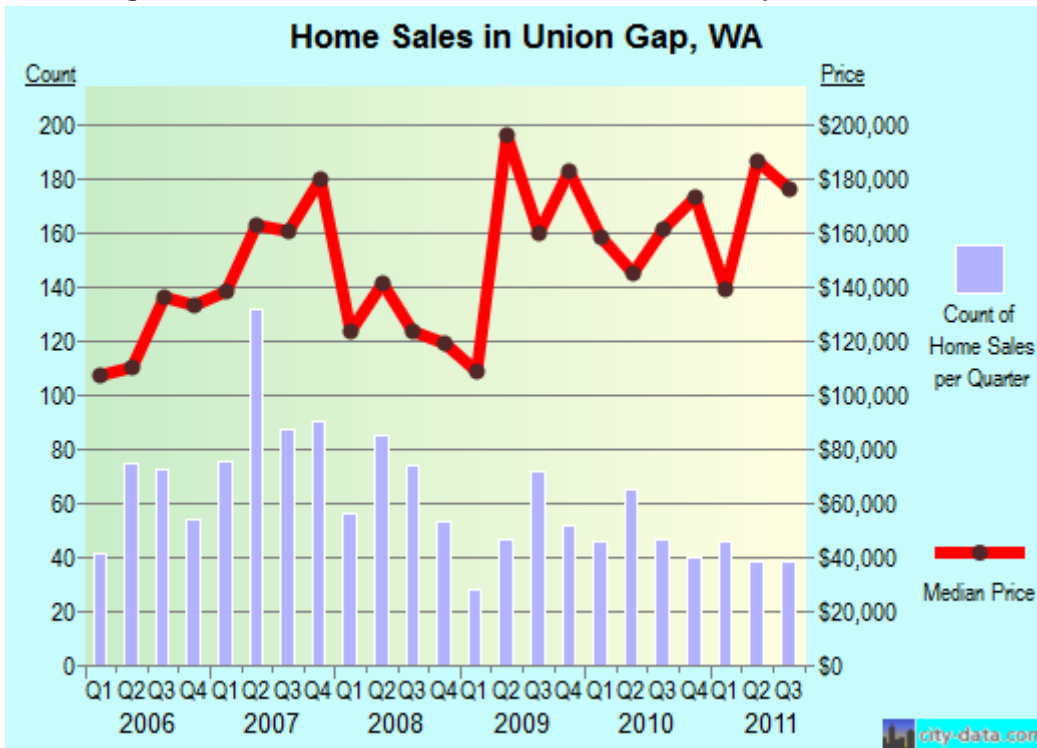


Figure 2 illustrates the number of home sales and the median value by quarter from January 2006 through September 2011 for Union Gap. The chart reveals that average retail home sales are between 40 and 60 per quarter. The peak sales prices of \$200,000 were in first quarter of 2009. Since then, the sales value of homes being sold ranged between \$140,000 and \$185,000.

¹<http://www.city-data.com/city/Yakima-Washington.html>.

Figure 2: Median Value and Home Sales in Union Gap, 2006 – 2011²



Retrieving home sale information from Zillow reaffirms the information above. As of February 14, 2012, 939 homes are listed for sale in Yakima County.³ The Yakima County Assessor’s office reflects that 2,028 single family homes were sold in 2011.⁴

Historic Unemployment Rate

The level of employment in the region could potentially impact the number of homes being sold and the ultimate sale price. In the following table (Figure 3), the historic unemployment rates are shown for Yakima County.

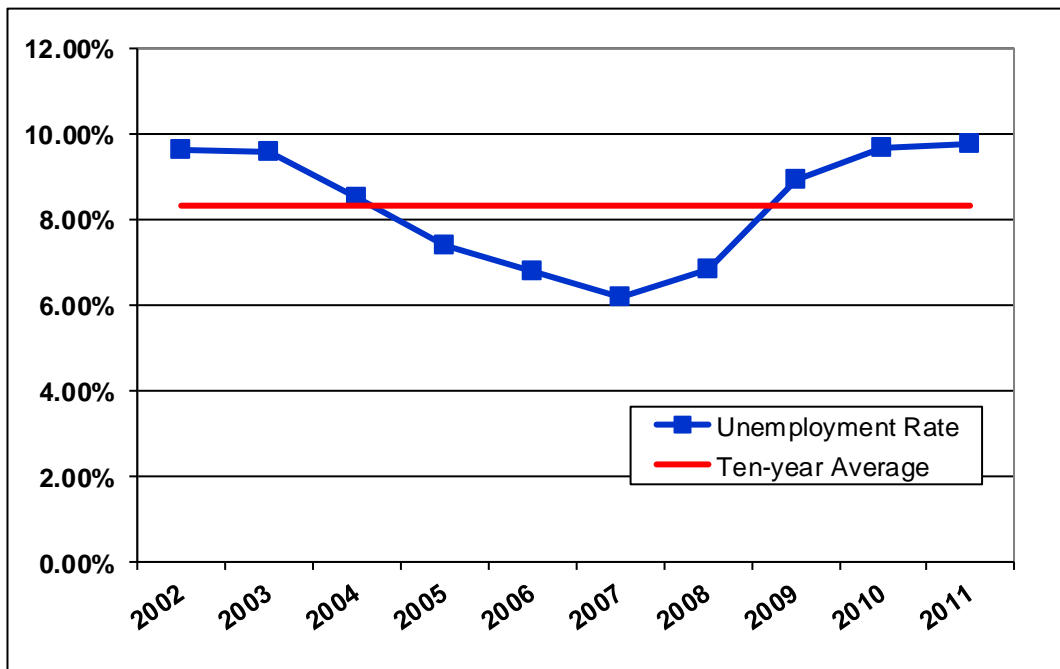
² <http://www.city-data.com/city/Union-Gap-Washington.html>
³ http://www.zillow.com/homes/yakima-county-washington_rb
⁴ http://yes.co.yakima.wa.us/Assessor/use_sales.aspx

Figure 3: Unemployment 2002 – 2011

Year	Unemployment Rate	Ten-Year Average
2002	9.65%	
2003	9.59%	
2004	8.50%	
2005	7.40%	
2006	6.79%	
2007	6.21%	
2008	6.84%	
2009	8.95%	
2010	9.69%	
2011	9.76%	8.34%

Another way to visualize the unemployment picture in Yakima County is depicted in Figure 4.

Figure 4: Graphical Unemployment 2002 – 2011



The growth in the unemployment rate from 2007 through 2011 doesn't provide any encouragement that the housing market will improve dramatically in the next few years. Due to the information provided above, for the purposes of projecting future growth in Taxable Assessed Valuation (TAV), the following percentage growth rates (Figure 5) will be used to calculate the 2012 TAV as the base and is projected through 2017.

Figure 5: TAV Growth Rates, 2013 – 2017

Year	Growth Rate
2013	0.30%
2014	0.45%
2015	0.65%
2016	1.00%
2017	1.25%

Annual Inflation Rate

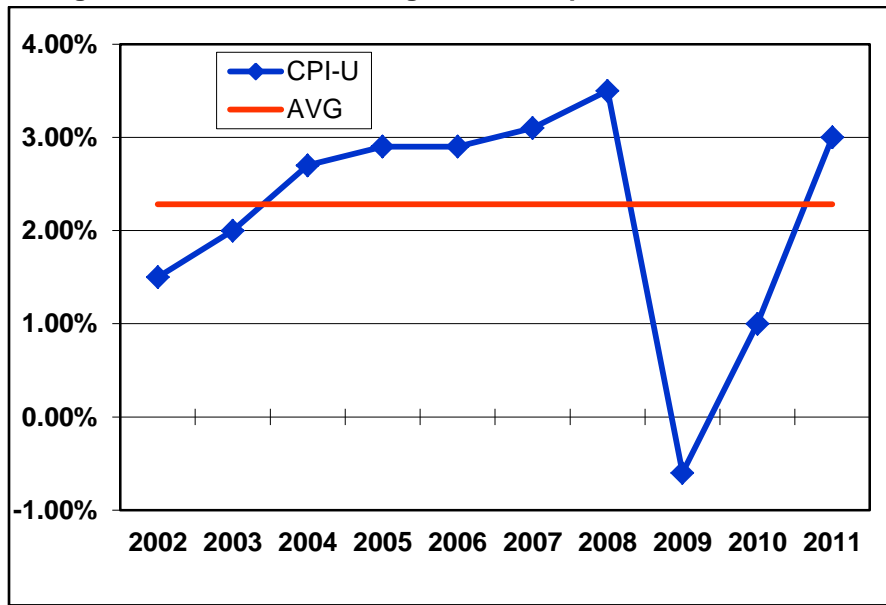
Inflation is also an important consideration when forecasting cost. For the purpose of this analysis, ESCI will use the average Consumer Price Index for all urban consumers (CPI-U) reported for the 2002 through October 31, 2011, period for the west coast class B/C (population 50,000 – 1,500,000) Statistical Area as compiled by the U.S. Department of Labor.⁵ The information is displayed in both table and graphical format (Figure 6 and Figure 7).

Figure 6: Average CPI-U History, 2002 – 10/31/2011

Year	CPI-U	AVG
2002	1.50%	
2003	2.00%	
2004	2.70%	
2005	2.90%	
2006	2.90%	
2007	3.10%	
2008	3.50%	
2009	-0.60%	
2010	1.00%	
2011	3.00%	2.282%

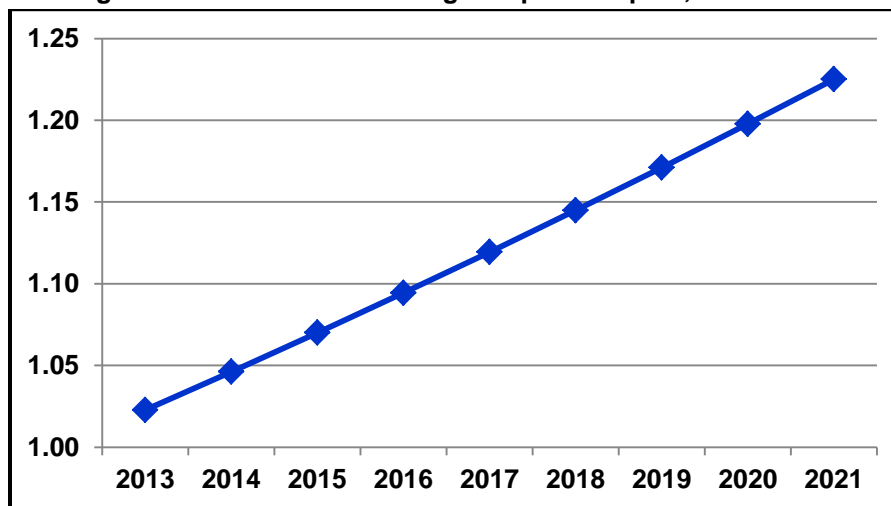
⁵ U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index—All Urban Consumers, Series Id: CUURX400SA0 Not Seasonally Adjusted, Size Class B/C (population 50,000 – 1,500,000).

Figure 7: Historic and Average CPI-U Graphic, 2002 – 10/31/2011



A historic review of the ten-year average Consumer Price Index – Urban (CPI-U) was 2.282 percent per year. This rate is used for analytical purposes during this financial review. The use of this value is an estimate to project potential cost trends in future years. However, the actual CPI-U for a given year could be higher or lower. Historic data was used to develop an inflation index for the years 2013 through 2021 (Figure 8). The CPI-U average increase will be applied to other revenue and expense categories of the 2012 budget to develop the financial forecast for each agency. Expenditures in 2021 are projected to be approximately \$1.23 for each of today's dollars.

Figure 8: CPI-U Forecast Budget Impact Graphic, 2013 – 2021



Historic Financial Review of Yakima FD

Yakima FD Debt

Yakima Fire Department has four debt obligations. Three of the four debt obligations are not recorded as budgeted expense to the fire department. As shown in Figure 9 below, only the lease purchase of two fire trucks is charged to the fire department budget. Fire Station No. 92 and the ladder truck are charged to Yakima Finance and the training tower is charged to the City Debt Fund (Account 284) with other general obligation bond debts.

Figure 9: Yakima FD Debt

Description	Funding Source	Origination Date	Maturity Date	Origination Principal Amount	Principal Loan Balance of 12/31/11	Comments
Two Fire Engines	Revenue to Capital Fund	3/15/2011	12/1/2020	\$576,847	\$523,124	Recorded as an expense in the fire department Capital fund 332
Fire Station No. 92	REET (Real Estate Excise Tax)	5/5/2007	5/1/2022	815,000	645,000	Loan paid by REET funds. Loan expenses charged to fund 281 – Finance
Ladder Truck	Property Tax	8/28/2008	12/1/2021	760,000	605,000	Loan expenses charged to fund 281 – Finance
Training Tower	Limited General Obligation Bond	9/1/2004	12/1/2014	2,300,000	825,000	GO Bond paid with mill levy of \$0.05. Loan expenses charged to fund 284 – City Debt.
Total Debt				\$4,451,847	\$2,598,124	

For the purpose of this review (to collect and report all costs associated with the fire department), all of the above debt will be shown as debt expense in the financial statements. Revenue from REET (Real Estate Excise Tax) funds and the GO (General Obligation) Bonds will be included in revenue for the fire department to offset the debt. Revenue is not specifically recorded for the payment of the debt on the two fire engines. Principal and interest payments are recorded as a charge to the capital fund. Since no designated funding source has been established for this debt, no income will be shown in the fire department budget to pay this amount. All income in the capital fund will remain to grow the balance for future fund purchases.

City of Yakima Taxable Assessed Value (TAV) History

Figure 10 shows the historical TAV for the City of Yakima from 2008 through 2012. It includes the change in TAV by year and the applicable tax rate.

Figure 10: City of Yakima and Tax Rate History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
TAV	4,586,923,853	5,104,315,771	5,368,959,341	5,389,218,769	5,599,278,437
Percent of Change from Prior Year		11.28%	5.18%	0.38%	3.90%

The average annual percent of change for TAV from 2009 through 2012 was an increase of 5.52 percent.

Yakima FD Revenue History

The following figure provides a detailed review of fire operations revenue for the Yakima FD from 2008 through 2012. The City of Yakima made the decision that revenue received for service to District #10 would be transferred to the Capital Fund in 2011.

Figure 11: Yakima FD Fire Revenue History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
City Contribution	8,312,889	8,825,000	9,163,154	9,015,258	9,195,805
DHS Safer Grant	72,000	69,000	27,000	0	0
State Patrol Fire Transfer	2,016	0	0	3,000	3,000
Fire Investigation	74	1,360	655	1,000	1,000
Training Programs	1,250	3,750	5,100	0	0
Training Services	82,065	76,247	76,247	45,000	5,000
Photostat	0	100	0	500	500
Fire Protection Services	0	16,545	404	0	0
GO Bond Revenue	293,788	267,678	296,550	296,550	293,875
REET Debt Revenue	17,130	72,275	75,813	75,813	72,563
Total Revenue	8,820,835	9,475,388	9,701,013	9,439,721	9,571,743
Effective Tax Rate	1.812	1.729	1.707	1.673	1.642

Total fire operations revenue has increased 8.5 percent from 2008. The City's revenue contribution is the amount of funds that are required to fully fund the fire department operations budget. The rate shown in Figure 11 is the effective tax rate required to fund fire operations at the same level as the City contribution to the fire department's budget. The following table lists the historical EMS revenue for the Yakima FD.

Figure 12: Yakima FD EMS Revenue History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Department of Health Pre-Hospital Grant	1,644	1,726	2,186	1,726	1,726
Interest Income	871	729	651	750	300
Property Taxes – EMS Levy	1,043,993	1,046,241	1,091,820	1,118,000	1,194,000
Total Revenue	1,046,508	1,048,696	1,094,658	1,120,476	1,196,026
Effective Tax Rate	0.228	0.205	0.204	0.208	0.214

Yakima FD Expenditures History

Figure 13 and Figure 14 depict the historical spending for Yakima FD fire and EMS operations from 2008 through 2012.

Figure 13: Yakima FD Fire Operations Expenditures History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Salaries	6,379,374	6,937,373	7,087,961	6,759,757	6,694,968
Benefits & Taxes	1,332,111	1,432,577	1,498,388	1,507,329	1,671,797
Supplies & Expense	631,132	595,097	565,491	555,777	579,803
Interfund Transfers	93,765	98,453	103,376	106,477	117,125
Debt	384,453	411,888	445,798	510,381	508,049
Total Expenditures	8,820,835	9,475,388	9,701,013	9,439,721	9,571,743

Salaries, taxes and benefits account for 87.5 percent of the total 2012 fire operations budget expense which is consistent with 87.4 percent in 2008 actual expenses.

Figure 14: Yakima FD EMS Expenditures History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Salaries	648,510	698,458	688,492	736,233	771,625
Benefits & Taxes	139,183	145,583	148,985	157,002	197,121
Supplies & Expense	128,357	178,520	108,198	107,930	107,930
Interfund Transfers	168,263	144,177	147,850	120,739	122,813
Debt	0	0	0	0	0
Total Expenditures	1,084,313	1,166,738	1,093,525	1,121,904	1,199,489

Salaries, taxes and benefits account for 80.8 percent of the total 2012 EMS operations budget expense which is an increase of 8.2 percent from 72.6 percent of 2008 actual expenses.

The expenditures reflected above (Figure 13 and Figure 14) would be low compared to that of an RFA as the costs do not include expenditures associated with some internal services provided by the City. These costs are generally referred to as in-kind or in-direct charges and include payroll processing, human resources, accounts payable, risk management, legal, IT

support, budgeting and financial control/reporting. To estimate this amount, ESCI reviewed other clients that calculate and record a charge for services to the fire department.

Figure 15: Yakima FD Estimated In-Direct Cost

Allocation Organization	In-Direct Cost Allocated	Department Budget	Percent Allocation to Total per Budget Dollars
Vancouver, Washington	837,670	30,729,353	2.726%
SeaTac, Washington	602,282	7,598,182	7.927%
Imperial Valley, California	281,175	5,680,012	4.950%
Glenwood Springs ,Colorado	151,305	3,272,845	4.623%
Average Allocation Percentage			3.960%
Yakima FD Cost Based on Average Allocation	426,570	10,771,232	3.960%

Yakima FD Summary of General Fund Balance History

The tables below (Figure 16 and Figure 17) summarize the historical fund activities and ending fund balance for the Yakima FD from 2008 through 2012.

Figure 16: Yakima FD Fire Operations Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Revenue	8,820,835	9,475,388	9,701,013	9,439,721	9,571,743
Expenditures					
Salaries	6,379,374	6,937,373	7,087,961	6,759,757	6,694,968
Benefits & Taxes	1,332,111	1,432,577	1,498,388	1,507,329	1,671,797
Supplies & Expense	631,132	595,097	565,491	555,777	579,803
Interfund Transfers	93,765	98,453	103,376	106,477	117,125
Debt	384,453	411,888	445,798	510,381	508,049
Total Expenditures	8,820,835	9,475,388	9,701,013	9,439,721	9,571,743

Figure 17: Yakima FD EMS Operations Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Revenue	1,046,508	1,048,696	1,094,658	1,120,476	1,196,026
Expenditures					
Salaries	648,510	698,458	688,492	736,233	771,625
Benefits & Taxes	139,183	145,583	148,985	157,002	197,121
Supplies & Expense	128,357	178,520	108,198	107,930	107,930
Interfund Transfers	168,263	144,177	147,850	120,739	122,813
Debt	0	0	0	0	0
Total Expenditures	1,084,313	1,166,738	1,093,525	1,121,904	1,199,489
Revenue Gain/(Loss)	(37,806)	(118,041)	1,132	(1,428)	(3,463)

The following table summarizes the activities of both fire and EMS operations for YFD:

Figure 18: Yakima FD Fire & EMS Operations Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Revenue	9,867,343	10,524,084	10,795,671	10,560,197	10,767,769
Expenditures					
Salaries	7,027,884	7,635,831	7,776,453	7,495,990	7,466,593
Benefits & Taxes	1,471,294	1,578,160	1,647,374	1,664,331	1,868,918
Supplies & Expense	759,489	773,617	673,689	663,707	687,733
Interfund Transfers	262,029	242,630	251,226	227,216	239,938
Debt	384,453	411,888	445,798	510,381	508,049
Total Expenditures	9,905,149	10,642,126	10,794,539	10,561,625	10,771,231
Revenue Gain/(Loss)	(37,806)	(118,041)	1,132	(1,428)	(3,463)

Yakima FD Capital Reserve Fund

The City of Yakima maintains a capital reserve fund for fire department capital acquisitions. This account has been historically used for the payment of all capital expenditures. The fund balance history from 2008 to 2012 is reflected in Figure 19.

Figure 19: Yakima FD Capital Reserve Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Beginning Balance	540,154	1,491,458	1,423,480	253,164	291,851
Revenue					
District 10 Service Fee	0	0	0	30,000	34,500
Department of Homeland Security	0	(1,785)	0	0	0
Fire Protection Charge	957	1,037	556	2,000	0
Interest	10,883	5,618	3,000	0	0
Lease West Valley	24,000	24,000	18,000	0	0
Property Lease/Rent	22,361	22,259	22,259	14,016	0
Lease Cable TV	16,572	16,572	16,572	16,572	16,572
EMS Fund	95,000	95,000	75,000	75,000	75,000
Sale of Salvage	0	0	0	0	0
Miscellaneous	2,569	0	0	0	0
Capital Lease/Bond Financing	754,173	0	0	600,000	0
Sale of Fixed Assets	6,984	2,839	0	4,000	0
Operating Transfer	326,465	178,065	50,000	50,000	0
Total Revenue	1,259,964	343,604	185,387	791,588	126,072
Expenditures					
MSA Parts	0	0	0	12,000	12,000
Small Tools & Minor Equipment	16,309	7,473	10,745	6,000	6,000
R&M Contractors	10,154	11,401	12,553	37,000	50,000
Improvements other than Building	0	0	0	58,000	0
Machinery & Equipment	229,580	276,182	761,901	30,000	30,000
Operating Equipment	52,618	44,585	27,071	28,500	28,500
Capital Leases	0	0	0	600,000	0
Station Remodel	0	71,939	543,434	0	0
Total Expenditures	308,661	411,581	1,355,703	771,500	126,500
Ending Balance	1,491,458	1,423,480	253,164	273,252	291,423

ESCI recommends that the capital reserve fund be used for the funding of a vehicle replacement plan. ESCI developed a vehicle replacement plan for the Yakima FD projecting the useful life of vehicles and scheduling the replacement date for these vehicles based on the remaining useful life. The replacement date assumes that all vehicles will be placed in reserve status for five years prior to disposal. Figure 20 shows a vehicle replacement plan summary for Yakima FD.

Regional Fire Authority Fiscal Analysis
Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Figure 20: Yakima FD Vehicle Replacement Plan Summary

Vehicle Number	Purchase Date	Make	Useful Life	Years left as of 12/31/11	Cost to Replace	Reserve Required'@ 12/31/11	Annual Reserve Requirement
Engine 92	2000	Central States Fire Engine	17	6	\$425,000	275,000	25,000
Engine 93	2003	Central States Fire Engine	17	9	\$425,000	200,000	25,000
Engine 95	2008	Central States Fire Engine	17	14	\$425,000	75,000	25,000
Engine 94	2005	Central States Fire Engine	17	11	\$425,000	150,000	25,000
	2010	Rosenbauer Fire Engine	17	16	\$425,000	25,000	25,000
	2010	Rosenbauer Fire Engine	17	16	\$425,000	25,000	25,000
Truck 93	1995	LTI 102' Aerial Platform	30	14	\$950,000	506,667	31,667
Truck 91	2010	Crimson 103' TDA Aerial	30	29	\$950,000	31,667	31,667
Brush 92	2008	Ford Brush Truck	15	12	\$65,000	13,000	4,333
Engine 2-93	1988	Darley	17	0	\$425,000	425,000	25,000
Engine 2-94	1991	Darley	17	0	\$425,000	425,000	25,000
Engine 91	1991	Darley	17	0	\$425,000	425,000	25,000
Engine 2-95	1991	Darley	17	0	\$425,000	425,000	25,000
C 3-91	2003	Chev Impala	15	7	\$30,000	16,000	2,000
TO 95	1994	Chev Suburban	20	3	\$35,000	29,750	1,750
TOA	1995	Ford Van	20	8	\$25,000	15,000	1,250
PR 91	1997	Ford F150	20	6	\$30,000	21,000	1,500
C 2-91	2002	Chev Tahoe 4x4	15	6	\$35,000	21,000	2,333
BT 2-91	2002	Chev Tahoe 4x4	15	6	\$35,000	21,000	2,333
C 91	2004	Ford 4x4	15	8	\$35,000	16,333	2,333
M 3-91	2001	Chev 4x4	15	5	\$35,000	23,333	2,333
DF MAR	2005	Ford 4x4	15	8	\$35,000	16,333	2,333
BT 91	2007	Ford Expedition	15	10	\$35,000	11,667	2,333
DET 91	2008	Ford Expedition	15	11	\$35,000	9,333	2,333
C 3-91	2009	Ford Escape	15	12	\$30,000	6,000	2,000
DF Mar	2009	Ford Escape	15	12	\$30,000	6,000	2,000
Command	1998	Ford Expedition	15	3	\$35,000	28,000	2,333
B 91	1990	Ford F350	20	0	\$35,000	35,000	1,750
AS 95	1992	Chev 3500 HD	20	8	\$65,000	39,000	3,250
ME 90	2000	Ford F450 4x4 Service	20	9	\$35,000	19,250	1,750
R 91	2001	Braun	20	10	\$98,000	49,000	4,900
B 92	1991	Ford F350	20	0	\$35,000	35,000	1,750
C 3-91	2003	Chev Impala	15	7	\$30,000	-	-
B 93	2008	Ford F550	20	17	\$45,000	6,750	2,250
Total Annual Funding Requirement						3,426,083	362,483

Implementation of the above vehicle replacement plan would require a fund balance of \$3,426,083 on December 31, 2011, and an annual accrual/budget of \$362,483 adjusted for inflation. Based on the current capital fund balance, to fully fund the reserve would require an infusion of \$3,134,660. A large infusion to capital replacement is not a viable option for the Yakima FD. An alternative would be to increase the capital fund over a 20-year period. This would require an incremental contribution to the capital fund of \$156,733 per year. At the end of 20 years the account would be fully funded.

Yakima FD Unfunded Liabilities

The Yakima FD has an unfunded liability for the firefighter pension fund (FPF) and retired medical benefits for LEOFF1 qualifying members. Based on an actuarial report prepared by the City's actuary (Milliman, LLC) dated May 7, 2009, for the 2008 valuation period, there is a total of \$33,584,000 in unfunded liability; \$9,289,000 for pension and \$24,295,000 for medical benefits. The City's policy is to "pay as you go" for these expenses, and it tracks all activity for this liability in Fund 612.

The City of Yakima collects a specific firefighter pension levy amount to fund this obligation and pays the liability based on current revenue streams. Cities are authorized to collect a firefighter pension tax of \$0.225 per \$1,000. Figure 21 depicts the historical activity of this fund from 2008 to 2012.

Figure 21: Yakima FD Unfunded Pension and Medical, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Estimate	2012 Budget
Fund Balance	645,853	828,631	745,923	774,349	812,358
Revenue					
Property Tax	1,551,730	1,414,441	1,502,765	1,402,000	1,315,000
State Insurance Fund	70,095	67,634	71,170	73,169	72,000
Interest Income	5,728	3,000	2,000	500	500
Total Revenue	1,627,553	1,485,075	1,575,935	1,475,669	1,387,500
<i>Effective Tax Rate</i>	<i>0.3548</i>	<i>0.2909</i>	<i>0.2935</i>	<i>0.2738</i>	<i>0.2478</i>
Expenditures					
Active LEOFF Medical Benefits Paid	3,717	75	0	500	500
Pension LEOFF Retirees	475,861	535,627	532,438	460,000	480,000
Pensions – City Retirees w/disabilities	150,276	157,315	123,732	125,000	125,000
Pensions – City Retirees w/Disabilities no Medical	66,173	56,638	43,840	45,000	45,000
Pensions – City Retirees w/Service no Medical	20,148	20,938	21,566	22,000	22,000
Death Benefits	0	500	1,000	1,000	1,000
Office & Operating Supplies	188	241	22	150	150
Professional Services	0	16,000	829	1,000	12,000
Direct ADM Disability	421,200	449,400	453,183	363,000	197,000
Direct ADM Service	195,000	207,200	201,574	169,200	140,000
LEOFF I Dental	12,851	16,314	14,066	15,000	15,000
Medicare Premiums	40,801	44,174	48,422	126,000	150,000
Retired LEOFF I Medical Benefits Paid	13,479	7,691	66,879	50,000	96,000
Transportation	1,392	780	1,456	1,400	1,400
Miscellaneous Expense	688	413	688	700	700
Contingency	0	0	0	20,000	20,000
Interfund Charges – City Services	43,003	54,477	37,814	37,710	38,307
Total Expenditures	1,444,775	1,567,783	1,547,509	1,437,660	1,344,057
Ending Fund Balance	828,631	745,923	774,349	812,358	855,801

The City is maintaining a five-year average balance of \$803,412 in this fund. The effective tax rate line in the table is the equivalent annual tax rate necessary to fund this expense.

Yakima FD Status Quo Financial Forecast, 2012 – 2017

Using the assumptions outlined in the section entitled Economic Indicators, financial forecast projections were created for Yakima FD. Future financial forecasts use the 2012 budget as the beginning point for all calculations. Any changes made to the base data are identified in the section being reviewed.

Yakima FD Forecast Taxable Assessed Value (TAV)

The forecast percent of growth for the TAV from 2013 through 2017 are shown in Figure 22 below:

Figure 22: TAV Growth Rates by Year, 2013 – 2017

Year	Growth Rate
2013	0.30%
2014	0.45%
2015	0.65%
2016	1.00%
2017	1.25%

Figure 23 forecasts the changes in the TAV from 2012 through 2017 using the growth factors above.

Figure 23: Yakima FD Forecast TAV, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
TAV	5,599,278,437	5,616,076,272	5,641,348,616	5,678,017,382	5,734,797,555	5,806,482,525

Yakima FD Forecast Revenue

The City contribution to the revenue of fire operations is a forced value to cover the department's costs for a given year. The corresponding effective tax rate is also shown to provide a comparative cost as if the department operated under an RFA. All other revenue categories except debt have been inflated at the ten-year average CPI-U of 2.282 percent. Debt revenue from REET funds and GO bonds are equal to the amortization schedule for these line items.

Figure 24 and Figure 25 reflect fire and EMS revenue forecasts between 2012 through 2017.

Figure 24: Yakima FD Fire Revenue Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
City Contribution	9,195,805	9,663,965	10,010,069	10,372,238	10,740,855	11,126,528
DHS Safer Grant	0	0	0	0	0	0
State Patrol Fire Transfer	3,000	3,068	3,138	3,210	3,283	3,358
Fire Investigation	1,000	1,023	1,046	1,070	1,094	1,119
Training Programs	0	0	0	0	0	0
Training Services	5,000	5,114	5,231	5,350	5,472	5,597
Photostat	500	511	523	535	547	560
Fire Protection Services	0	0	0	0	0	0
GO Bond Revenue	293,875	294,600	294,975	0	0	0
REET Debt Revenue	72,563	75,938	74,150	72,225	75,300	73,050
Total Revenue	9,571,743	10,044,219	10,389,132	10,454,628	10,826,553	11,210,212
Effective Tax Rate	1.642	1.721	1.774	1.827	1.873	1.916

Revenue for EMS operations includes the same growth factors as fire revenue with the exception of the property tax revenue. The voters of Yakima County voted to approve Resolution No. 317-2011, establishing the EMS levy amount of \$0.25 per \$1,000 of TAV with an effective date of January 1, 2014. For this analysis, 2013 property revenue was calculated at the same rate as the 2012 budget. The tax rate for property tax revenue for 2014 through 2016 was re-set at \$0.25 per \$1,000 of TAV. In 2017, the EMS revenue is limited to the 1 percent restriction of property tax revenue growth as dictated by RCW 84.55.0101.

Figure 25: Yakima FD EMS Revenue Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Department of Health Pre-hospital Grant	1,726	1,765	1,806	1,847	1,889	1,932
Interest Income	300	307	314	321	328	336
Property Taxes – EMS Levy	1,194,000	1,201,840	1,303,361	1,311,833	1,324,951	1,338,201
Total Revenue	1,196,026	1,203,913	1,305,480	1,314,001	1,327,169	1,340,469
Effective Tax Rate	0.214	0.214	0.231	0.231	0.231	0.230

Yakima FD Forecast Expenditures

Salary, wages, and benefit expenses exceed 85 percent of total expenditures. To accurately estimate future cost, increases have been calculated with the following projections:

- Salaries and wages were increased at 2.5 percent. This value was selected as a conservative approach to forecasting mandatory subjects of bargaining issues.
- Medical benefits are the fastest growing cost in this expense category from 2008 to 2012. These costs increased to 19.191 percent of permanent wages in 2012 and had an average increase in cost of 9.644 percent per year from 2009 to 2012. The table below displays the growth in percent of medical and dental by year. This cost category will be calculated with a base cost of 19.191 percent of permanent wages and increased 9.644 percent per year in the analysis.

Figure 26: Yakima FD Medical and Dental Benefit Costs by Percentage, 2008 – 2012

Year	Medical/Dental as a Percentage of Wages	Medical/Dental Percent of Change
2008	13.603%	
2009	12.215%	-10.208%
2010	14.230%	16.502%
2011	16.297%	14.521%
2012	19.191%	17.760%
Average	15.107%	9.644%

All expense categories were inflated at the ten-year average CPI-U of 2.282 percent except for debt. Debt payment was forecast using the current amortizations/payment schedule. Figure 27 and Figure 28 reflect forecast expenses for fire and EMS through 2017.

Figure 27: Yakima FD Fire Expenditure Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Salaries	6,694,968	6,862,342	7,033,901	7,209,748	7,389,992	7,574,742
Benefits & Taxes	1,671,797	1,953,814	2,114,305	2,281,600	2,455,937	2,637,566
Supplies & Expense	579,803	593,034	606,567	620,409	634,567	649,048
Interfund Transfers	117,125	119,798	122,532	125,328	128,188	131,113
Debt	508,049	515,231	511,828	217,544	217,869	217,744
Total Expenditures	9,571,743	10,044,219	10,389,132	10,454,628	10,826,553	11,210,212

Figure 28: Yakima FD EMS Expenditure Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Salaries	771,625	790,916	810,688	830,956	851,729	873,023
Benefits & Taxes	197,121	224,027	244,271	265,658	288,272	312,210
Supplies & Expense	107,930	110,393	112,912	115,489	118,124	120,820
Interfund Transfers	122,813	125,616	128,482	131,414	134,413	137,480
Debt	0	0	0	0	0	0
Total Expenditures	1,199,489	1,250,951	1,296,354	1,343,516	1,392,539	1,443,533

Yakima FD Forecast Summary Fund Balance

The following figures depict a summary forecast for fire and EMS operations to provide a snapshot of what the fund balance would be from 2012 through 2017.

Figure 29: Yakima FD Forecast Summary Fire Operations, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	9,571,743	10,044,219	10,389,132	10,454,628	10,826,553	11,210,212
Expenditures						
Salaries	6,694,968	6,862,342	7,033,901	7,209,748	7,389,992	7,574,742
Benefits & Taxes	1,671,797	1,953,814	2,114,305	2,281,600	2,455,937	2,637,566
Supplies & Expense	579,803	593,034	606,567	620,409	634,567	649,048
Interfund Transfers	117,125	119,798	122,532	125,328	128,188	131,113
Debt	508,049	515,231	511,828	217,544	217,869	217,744
Total Expenditures	9,571,743	10,044,219	10,389,132	10,454,628	10,826,553	11,210,212
Fire Fund Balance	0	0	0	0	0	0

Figure 30: Yakima FD Forecast Summary EMS Operations, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	1,196,026	1,203,913	1,305,480	1,314,001	1,327,169	1,340,469
Expenditures						
Salaries	771,625	790,916	810,688	830,956	851,729	873,023
Benefits & Taxes	197,121	224,027	244,271	265,658	288,272	312,210
Supplies & Expense	107,930	110,393	112,912	115,489	118,124	120,820
Interfund Transfers	122,813	125,616	128,482	131,414	134,413	137,480
Debt	0	0	0	0	0	0
Total Expenditures	1,199,489	1,250,951	1,296,354	1,343,516	1,392,539	1,443,533
Revenue Gain/(Loss)	(3,463)	(47,039)	9,127	(29,515)	(65,370)	(103,064)

The figure below summarizes the activities of both fire and EMS operations for YFD.

Figure 31: Yakima FD Fire & EMS Operations Fund Balance Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	10,767,769	11,248,132	11,694,613	11,768,629	12,153,721	12,550,681
Expenditures						
Salaries	7,466,593	7,653,258	7,844,589	8,040,704	8,241,722	8,447,765
Benefits & Taxes	1,868,918	2,177,841	2,358,576	2,547,257	2,744,210	2,949,777
Supplies & Expense	687,733	703,427	719,479	735,898	752,691	769,867
Interfund Transfers	239,938	245,413	251,014	256,742	262,601	268,593
Debt	508,049	515,231	511,828	217,544	217,869	217,744
Total Expenditures	10,771,231	11,295,170	11,685,486	11,798,144	12,219,092	12,653,745
Revenue Gain/(Loss)	(3,463)	(47,039)	9,127	(29,515)	(65,370)	(103,064)

Changes in assumption for TAV, CPI-U, wages and benefits could alter the overall projection of these assumed values. The assumptions and results above do not include any costs for the replacement of department vehicles or the funding of the unfunded liabilities for pension and medical insurance.

Historic Financial Review of Yakima County Fire District #10

Figure 32 below shows the historical TAV for District #10 from 2008 through 2012. It includes the change in TAV by year and the applicable tax rate.

Figure 32: District #10 TAV and Tax Rate History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
TAV	59,013,957	61,677,634	64,537,646	65,576,924	67,913,846
Percent of Change from Prior Year		4.51%	4.64%	1.61%	3.56%

The annual average percent of change in TAV between 2009 through 2012 was an increase of 4.15 percent.

District #10 Revenue History

Figure 33 below provides a detailed review of revenue for District #10 from 2008 through 2012. Property tax revenue was not segregated between district operations and funds received from the county for the EMS levy. ESCI estimated the amount of EMS levy funds⁶ and adjusted fire operations property tax revenue.

Figure 33: District #10 Revenue History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Property Tax – Fire	50,110	54,656	55,997	59,199	54,137
Property Tax – EMS (estimate)	9,726	10,129	8,703	8,853	9,168
Interest Income	1,314	666	383	0	240
Unrealized Gain	57	(74)	(65)	0	0
Miscellaneous Recovery Prior Year	34	0	0	0	0
Total Revenue	61,241	65,378	65,017	68,052	63,545
Levy Rate Fire	0.849	0.886	0.868	0.903	0.797
Levy Rate EMS	0.165	0.164	0.135	0.135	0.135

District #10 Expenditures History

The following table depicts the historical spending for District #10 from 2008 through 2012.

⁶ EMS levy rate used for the estimate was taken from the actual rate received by District #11.

Figure 34: District #10 Expenditures History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Salaries & Benefits					
Salaries & Wages	5,680	5,750	6,040	6,768	6,768
Benefits & Taxes	1,885	421	633	720	720
Total Salaries & Benefits	7,565	6,171	6,673	7,488	7,488
Supplies & Expense					
Office & Operating Supplies	111	34	124	100	100
Professional Services	250	39	0	0	2,500
Accounting	0	0	0	400	400
Postage	0	8	20	25	25
Travel	1,212	392	363	1,800	1,800
Advertising	122	0	0	150	150
PO Box Rent	42	44	44	50	50
Insurance	1,090	1,090	1,281	1,300	1,300
Membership & Dues	0	0	0	600	600
Registration Fees	0	0	0	300	300
Miscellaneous	399	432	424	0	0
Total Supplies & Expense	3,226	2,040	2,256	4,725	7,225
Intergovernmental Services					
Fire Protection – Yakima	34,282	58,348	61,531	63,290	58,874
Elections	0	0	0	0	500
Total Intergovernmental	34,282	58,348	61,531	63,290	59,374
Total Expense	45,074	66,558	70,460	75,503	74,087

District #10 Summary of General Fund Balance History

Figure 35 summarizes the historical fund activity and balance of District #10 from 2008 through 2012.

Figure 35: District #10 Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Fund Balance	23,202	39,370	38,190	32,747	25,296
Revenue	61,241	65,378	65,017	68,052	63,545
Expenditures					
Salaries & Wages	5,680	5,750	6,040	6,768	6,768
Benefits & Taxes	1,885	421	633	720	720
Supplies & Expense	3,226	2,040	2,256	4,725	7,225
Intergov't Services	34,282	58,348	61,531	63,290	59,374
Total Expenditures	45,074	66,558	70,460	75,503	74,087
Ending Balance	39,370	38,190	32,747	25,296	14,754

District #10 Current Status Financial Forecast, 2012 – 2017

Using the assumptions outlined in the section entitled Economic Indicators, projections of financial stability were created for District #10. Future financial forecasts use the 2012 budget as the beginning point for all calculations. Any changes made to the base data are identified in the section being reviewed.

District #10 Forecast Taxable Assessed Value (TAV)

Figure 36 below shows the forecast TAV growth rates for District #10 from 2013 through 2017. It includes the change in TAV by year.

Figure 36: TAV Growth Rates by Year, 2013 – 2017

Year	Growth Rate
2013	0.30%
2014	0.45%
2015	0.65%
2016	1.00%
2017	1.25%

Figure 37 forecast the changes in the TAV from 2012 through 2017 using the growth factors identified above.

Figure 37: District #10 Forecast TAV, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
TAV	67,913,846	68,117,588	68,424,117	68,868,873	69,557,562	70,427,032

District #10 Forecast Revenue

Property tax revenue growth is limited to 1 percent of previous year’s revenue as outlined in RCW 84.55.0101. All other revenue categories have been inflated at the ten-year average CPI-U of 2.282 percent.

Figure 38: District #10 Revenue Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Property Tax - Fire	54,137	54,678	55,225	55,777	56,335	56,898
Property Tax - EMS	9,168	9,196	6,751	6,795	6,863	6,949
Interest Income	240	245	251	257	263	269
Unrealized Gain	0	0	0	0	0	0
Misc Recovery Prior Year	0	0	0	0	0	0
Total Revenue	63,545	64,119	62,227	62,829	63,460	64,115
Levy Rate – Fire	0.797	0.803	0.807	0.810	0.810	0.808
Levy Rate - EMS	0.135	0.135	0.157	0.157	0.157	0.157

Revenue for EMS operations includes the same growth factors as fire revenue with the exception of the property tax revenue. The voters of Yakima County voted to approve Resolution No. 317-2011 establishing the EMS levy amount of \$0.25 per \$1,000 of TAV effective date of January 1, 2014. For this analysis, 2013 property revenue was calculated at

the same rate as the 2012 budget. The tax rate for property tax revenue for 2014 through 2017 was re-set at \$0.25 per \$1,000 of TAV. However, the amount shown is less than the calculated rate as the County retains 37.156 percent of the payment.

District #10 Forecast Expenditures

Wage and benefit expenses have been increased by 2.5 percent. All other expense categories were inflated at the ten-year average CPI-U of 2.282 percent.

Figure 39: District #10 Expenditure Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Salaries & Wages						
Salaries & Wages	6,768	6,937	7,111	7,288	7,471	7,657
Benefits & Taxes	720	738	756	775	795	815
Total Salaries & Wages	7,488	7,675	7,867	8,063	8,266	8,472
Supplies & Expense						
Office & Operating Supplies	100	102	105	107	109	112
Professional Services	2,500	2,557	2,615	2,675	2,736	2,799
Accounting	400	409	418	428	438	448
Postage	25	26	26	27	27	28
Travel	1,800	1,841	1,883	1,926	1,970	2,015
Advertising	150	153	157	161	164	168
PO Box Rent	50	51	52	54	55	56
Insurance	1,300	1,330	1,360	1,391	1,423	1,455
Membership & Dues	600	614	628	642	657	672
Registration Fees	300	307	314	321	328	336
Miscellaneous	0	0	0	0	0	0
Total Supplies & Expense	7,225	7,390	7,559	7,731	7,907	8,088
Intergovernmental Services						
Fire Protection – Yakima	58,874	60,218	61,592	62,997	64,435	65,905
Elections	500	0	0	0	0	0
Total Intergovernmental	59,374	60,218	61,592	62,997	64,435	65,905
Total Expense	74,087	75,283	77,017	78,792	80,608	82,465

District #10 Forecast Summary Fund Balance

The following figure (Figure 40) depicts a summary forecast for each fund to provide a snapshot of what the fund balance would be in the years 2012 through 2017.

Figure 40: District #10 Forecast Summary, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Beginning Balance	25,296	14,754	3,590	(11,200)	(27,163)	(44,310)
Revenue	63,545	64,119	62,227	62,829	63,460	64,115
Expenditures						
Salaries & Wages	6,768	6,937	7,111	7,288	7,471	7,657
Benefits & Taxes	720	738	756	775	795	815
Supplies & Expense	7,225	7,390	7,559	7,731	7,907	8,088
Intergov't Services	59,374	60,218	61,592	62,997	64,435	65,905
Total Expenditures	74,087	75,283	77,017	78,792	80,608	82,465
Ending Balance	14,754	3,590	(11,200)	(27,163)	(44,310)	(62,660)

Changes in assumption for TAV, CPI-U, wages and benefits could alter the overall projection of these assumed values.

Historic Financial Review of Union Gap FD

Union Gap FD Debt

Union Gap FD (UGFD) has two liabilities for debt obligations. The general obligation bond is not charged to the fire department. Annual payments for the 2012 Emergency-One Fire Engine (E-One) begin in 2013. Figure 41 reflects the debt for Union Gap.

Figure 41: Union Gap FD Debt

Description	Funding Source	Origination Date	Maturity Date	Origination Principal Amount	Principal Loan Balance of 12/31/11	Comments
Remodeling of Fire Station	Limited General Obligation Bond	1994	2013	1,100,000	180,000	Charged to Debt Fund
Purchase of 2012 E-One Typhoon Pumper	Property Taxes	2011	2022	221,196	221,196	Lease with Sovereign Leasing LLC
Total Debt				1,321,196	401,196	

For the purpose of this review to collect and report all cost associated with the fire department, the above debt (Figure 41) is shown as debt expense in the financial statements. Revenue from the GO Bonds will be included in revenue of the fire department to offset the debt.

City of Union Gap Taxable Assessed Value (TAV) History

Figure 42 below shows the historic TAV for the City of Union Gap from 2008 through 2012. It includes the change in assessed value by year and the applicable tax rate.

Figure 42: City of Union Gap TAV and Tax Rate History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
TAV	471,955,419	516,343,353	546,353,843	528,127,448	550,326,067
Percent of Change from Prior Year		9.41%	5.81%	(3.34%)	4.20%

The average annual percent of change for TAV from 2009 through 2012 was an increase of 4.02 percent.

Figure 43 provides a detailed review of revenue segregated by fire and EMS for the Union Gap FD from 2008 through 2012. In the 2012 budget, revenue in the amount of \$30,000 has been included for the provision of service to District #11. Prior to 2012, District #11 didn't pay a fee but provided use of a fire station in exchange for service.

Figure 43: Union Gap FD Revenue History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
City Contribution – Fire	694,413	677,927	663,392	735,581	758,087
General Obligation Bond Debt	35,000	37,500	37,500	40,000	45,000
Fire Protection Services	3,444	2,865	2,148	2,800	2,800
Fire Protection Fee – District #11	0	0	0	0	30,000
Fire Protection Services Plan Review	2,655	1,975	3,675	2,000	2,400
Total Fire Revenue	735,512	720,267	706,715	780,381	838,287
EMS Levy	94,003	93,343	96,120	93,344	98,000
City Contribution – EMS	300,085	385,021	393,116	473,131	425,712
Total EMS Revenue	394,088	478,364	489,236	566,475	523,712
Total Revenue	1,129,600	1,198,631	1,195,951	1,346,856	1,361,999
Effective Tax Rate – City Contribution Fire	1.471	1.313	1.214	1.393	1.378
EMS Levy Rate	0.199	0.181	0.176	0.177	0.178
Effective Tax Rate – City Contribution EMS	0.636	0.746	0.720	0.896	0.774

The rate shown in Figure 43 is the effective tax rate required to generate revenue for funding the provision of fire and EMS operations at the level the city contributed from 2008 through 2012.

Union Gap FD Expenditures History

The following tables depict the historical spending for Union Gap FD fire operations and EMS operations from 2008 through 2012.

Figure 44: Union Gap FD Fire Operational Expenditures History, 2008 – 2012

Description	2008 Actuals	2009 Actuals	2010 Actuals	2011 Budget	2012 Budget
Salaries	445,406	453,112	433,525	442,036	480,364
Benefits & Taxes	121,782	128,935	139,869	137,224	155,746
Supplies & Expense	94,239	57,095	47,397	99,590	59,177
Interfund Transfers	39,085	43,624	48,423	61,531	88,000
Capital	0	0	0	0	10,000
Debt	35,000	37,500	37,500	40,000	45,000
Total Expenditures	735,512	720,267	706,715	780,381	838,287

Salaries, taxes, and benefits account for 75.9 percent of the total 2012 fire department budget expense which is consistent with 77.1 percent in 2008 actual expenses.

Figure 45: Union Gap FD EMS Expenditures History, 2008 – 2012

Description	2008 Actuals	2009 Actuals	2010 Actuals	2011 Budget	2012 Budget
Salaries	283,883	345,753	332,310	368,939	347,321
Benefits & Taxes	67,009	88,514	108,260	132,088	154,891
Supplies & Expense	22,075	22,054	22,259	35,448	21,500
Interfund Transfers	21,121	22,043	26,407	30,000	0
Debt	0	0	0	0	0
Total Expenditures	394,088	478,364	489,236	566,475	523,712

Salaries, taxes, and benefits account for 95.9 percent of the total 2012 EMS budget expense which is an increase of 6.9 percent from 89.0 percent in 2008 actual expenses.

The expenditures reflected above (Figure 44 and Figure 45) would be low compared to that of an RFA as the costs do not include expenditures associated with some internal services provided by the City. These costs are generally referred to as in-kind or in-direct charges and include payroll processing, human resources, accounts payable, risk management, legal, IT support, budgeting and financial control/reporting. To estimate this amount, ESCI reviewed other clients that calculate and record a charge for services to the fire department. The table below provides an estimate of in-direct charges for the Union Gap FD.

Figure 46: Union Gap FD Estimated In-Direct Cost

Allocation Organization	In-Direct Cost Allocated	Department Budget	Percent Allocation to Total per Budget Dollars
Vancouver, Washington	837,670	30,729,353	2.726%
SeaTac, Washington	602,282	7,598,182	7.927%
Imperial Valley, California	281,175	5,680,012	4.950%
Glenwood Springs ,Colorado	151,305	3,272,845	4.623%
Average Allocation Percentage			3.960%
Union Gap FD Cost Based on Average Allocation	53,939	1,361,999	3.960%

Union Gap FD Summary of General Fund Balance History

The following tables summarize the historical fund activity and balance of Union Gap FD from 2008 through 2012.

Figure 47: Union Gap FD Fire Operations Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Revenue	735,512	720,267	706,715	780,381	838,287
Expenditures					
Salaries	445,406	453,112	433,525	442,036	480,364
Benefits & Taxes	121,782	128,935	139,869	137,224	155,746
Supplies & Expense	94,239	57,095	47,397	99,590	59,177
Interfund Transfers	39,085	43,624	48,423	61,531	88,000
Capital	0	0	0	0	10,000
Debt	35,000	37,500	37,500	40,000	45,000
Total Expenditures	735,512	720,267	706,715	780,381	838,287

Figure 48: Union Gap FD EMS Operations Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Revenue	394,088	478,364	489,236	566,475	523,712
Expenditures					
Salaries	283,883	345,753	332,310	368,939	347,321
Benefits & Taxes	67,009	88,514	108,260	132,088	154,891
Supplies & Expense	22,075	22,054	22,259	35,448	21,500
Interfund Transfers	21,121	22,043	26,407	30,000	0
Debt	0	0	0	0	0
Total Expenditures	394,088	478,364	489,236	566,475	523,712

The following figure summarizes the activities of both fire and EMS operations for UGFD.

Figure 49: Union Gap FD Fire & EMS Operations Fund Balance, 2012 – 2017

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Revenue	1,129,600	1,198,631	1,195,951	1,346,856	1,361,999
Expenditures					
Salaries	729,289	798,865	765,835	810,975	827,685
Benefits & Taxes	188,791	217,449	248,130	269,312	310,637
Supplies & Expense	116,314	79,149	69,656	135,038	80,677
Interfund Transfers	60,206	65,668	74,830	91,531	88,000
Capital	0	0	0	0	10,000
Debt	35,000	37,500	37,500	40,000	45,000
Total Expenditures	1,129,600	1,198,631	1,195,951	1,346,856	1,361,999
Fund Activity	0	0	0	0	0

Union Gap FD Capital Reserve Fund

Union Gap FD maintains a capital reserve fund. Historically, this account is used for the payment of all capital expenditures. Figure 50 reflects the history of that fund from 2008 through 2012.

Figure 50: Union Gap FD Capital Reserve Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Beginning Balance	308,902	299,563	233,875	221,338	253,196
Revenue					
Interfund Transfer	0	34,000	178,336	0	30,000
Interest Income	0	312	450	200	800
Total Revenue	0	34,312	178,786	200	30,800
Expenditures					
Wireless Communications	9,339	0	0	0	0
Ladder Service Agreement	0	100,000	0	0	0
Interest on Loan	0	0	191,323	0	0
Apparatus	0	0	0	0	200,000
Capital Equipment	0	0	0	0	50,000
Total Expenditures	9,339	100,000	191,323	0	250,000
Ending Balance	299,563	233,875	221,338	221,538	33,996

ESCI recommends that the capital reserve fund be used for the funding of a vehicle replacement plan. ESCI developed a vehicle replacement plan for the Yakima FD projecting the useful life of vehicles and scheduling the replacement date for these vehicles based on the remaining useful life. The replacement date assumes that all vehicles will be placed in reserve status for five years prior to disposal. Figure 51 lists a recommended vehicle replacement plan summary for Union Gap FD.

Figure 51: Union Gap FD Vehicle Replacement Plan Summary

Vehicle Number	Purchase Date	Make	Useful Life	Years left as of 12/31/11	Replacement Cost	Reserve Required' @ 12/31/11	Annual Reserve Requirement
Engine 85	1999	E-1, Freightliner	25	14	\$425,000	\$187,000	\$17,000
Engine 285	1999	E-1, Freightliner	25	16	\$425,000	153,000	17,000
Tender 85	1884	Darley	25	0	\$295,000	295,000	11,800
Brush 85	1999	Ford F-450	25	19	\$65,000	15,600	2,600
	2012	E-1Typhoon	25	24	\$421,196	16,848	16,848
	1999	Suburban	15	3	\$35,000	28,000	2,333
Ambulance	1999	Ford E-350	20	8	\$92,000	55,200	4,600
	2006	Dodge Durango	15	10	\$35,000	11,667	2,333
Total Funding Requirement						\$762,315	\$74,515

Implementation of the preceding vehicle replacement plan would require a fund balance of \$890,093 December 31, 2011, and an annual accrual/budget of \$90,826 adjusted for inflation. Based on the current capital fund balance, to fully fund the reserve would require an infusion of \$669,555. A large infusion to capital replacement is not a viable option for the Union Gap FD. An alternative would be to increase the capital fund over a 20-year period. This would require an incremental contribution to the capital fund of \$33,478 per year. At the end of 20 years the fund would be fully funded.

Union Gap FD Current Status Financial Forecast, 2012 – 2017

Using the assumptions outlined in the section entitled Economic Indicators, projections of financial stability were created for Union Gap FD. Future financial forecasts use the 2012 budget as the beginning point for all calculations. Any changes made to the base data are identified in the section being reviewed.

City of Union Gap Taxable Assessed Value (TAV) History

The growth factors used for TAV are shown in Figure 52.

Figure 52: TAV Growth Rates by Year, 2013 – 2017

Year	Growth Rate
2013	0.30%
2014	0.45%
2015	0.65%
2016	1.00%
2017	1.25%

Figure 53 forecasts the changes in the TAV from 2012 through 2017 using the growth factors identified above.

Figure 53: City of Union Gap Forecast TAV, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
TAV	550,326,067	551,977,045	554,460,942	558,064,938	563,645,587	570,691,157

Union Gap FD Forecast Revenue

The City contribution to the revenue of fire operations is a forced value to cover the department's costs for a given year. The corresponding effective tax rate is also shown to provide a comparative cost as if the department operated under an RFA. All other revenue categories except debt have been inflated at the ten-year average CPI-U of 2.282 percent. Debt revenue from REET funds and GO bonds are equal to the amortization schedule for these line items. Debt revenue from GO bonds is equal to the amortization schedule for these line items. Figure 54 illustrates the revenue forecasts from 2012 through 2017.

Figure 54: Union Gap FD Revenue Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
City Contribution - Fire	758,087	819,415	853,168	888,114	924,292	961,743
GO Bond Debt	45,000	45,000	0	0	0	0
Fire Protection Svcs 338 22 00 01	2,800	2,864	2,929	2,996	3,064	3,134
Fire Protection Fee – District 11	30,000	30,685	31,385	32,101	32,834	33,583
Fire Protection Svcs Plan Reviews	2,400	2,455	2,511	2,568	2,627	2,687
Total Fire Revenue	838,287	900,419	889,992	925,779	962,817	1,001,147
EMS Levy	98,000	97,700	116,991	117,752	118,929	120,119
City Contribution - EMS	425,712	450,992	445,370	458,619	471,801	485,329
Total EMS Revenue	523,712	548,692	562,361	576,371	590,730	605,447
Total Revenue	1,361,999	1,449,110	1,452,353	1,502,150	1,553,547	1,606,594
Effective Tax Rate – City Cont – Fire	1.378	1.485	1.539	1.591	1.640	1.685
EMS Levy Rate	0.178	0.177	0.211	0.211	0.211	0.211
Effective Tax Rate – City Cont - EMS	0.774	0.817	0.803	0.822	0.837	0.850

Revenue for EMS operations includes the same growth factors as fire revenue with the exception of property tax revenue. The voters of Yakima County voted to approve Resolution

No. 317-2011 establishing the EMS levy amount of \$0.25 per \$1,000 of TAV effective date of January 1, 2014. For this analysis, 2013 property revenue was calculated at the same rate as the 2012 budget. The tax rate for property tax revenue for 2014 through 2017 was re-set at \$0.25 per \$1,000 of TAV with a normal withholding from the county which drives the collection rate down to .211 per \$1,000 of TAV.

Union Gap FD Forecast Expenditures

Salary, wages, and benefit expenses represent in excess of 76 percent of total expenditures for Union Gap FD. To accurately estimate future cost, increases have been calculated with the following projections.

- Salaries and wage were increased at 2.5 percent. This value was selected as a conservative approach to forecasting mandatory subjects of bargaining issues.
- Fire medical benefit costs is the fastest growing cost in this expense category from 2008 to 2012. These costs increased to 34.55 percent of permanent wages in 2012 and average annual increases in cost were 10.797 percent per year from 2009 through 2012.

Figure 55 displays the growth in medical and dental benefit costs as a percent of salaries and wages by year.

Figure 55: Union Gap FD Medical and Dental Benefit Costs by Percentage, 2008 – 2012

Year	Medical/Dental as a Percentage of Wages	Percent Change
2008	23.090%	
2009	25.170%	9.008%
2010	30.300%	20.381%
2011	33.900%	11.881%
2012	34.550%	1.917%
Average	29.402%	10.797%

EMS medical benefit expenses also are a growing cost in this category from 2008 to 2012. These costs increased to 24.120 percent of permanent wages in 2012 and averaged an increase in cost of 16.751 percent per year from 2009 through 2012. Figure 56 displays the growth in medical and dental benefits as a percent of salaries and wages by year. This cost category will be calculated with a base cost of 24.120 percent of wages and increased 16.751 percent per year in the analysis.

Figure 56: Union Gap FD EMS Medical/Dental Benefit Costs by Percentage, 2008 – 2012

Year	Medical/Dental as a Percentage of Wages	Percent Change
2008	17.770%	
2009	18.320%	3.095%
2010	11.590%	-36.736%
2011	22.320%	92.580%
2012	24.120%	8.065%
Average	18.824%	16.751%

All other wage and benefit categories were increased at a 2.5 percent annual average. All non-wage and salary- expense categories were adjusted to the ten-year average CPI-U of 2.282 percent except for debt. Debt payment was forecast using the current amortizations/payment schedule.

Figure 57: Union Gap FD Fire Expenditure Forecast, 2012 – 2017⁷

Description	2012 Budget	2013	2014	2015	2016	2017
Salaries	480,364	492,373	504,682	517,299	530,232	543,488
Benefits & Taxes	155,746	173,561	192,157	211,574	231,841	252,990
Supplies & Expense	59,177	60,527	61,909	63,321	64,766	66,244
Interfund Transfers	88,000	90,008	92,062	94,163	96,312	98,510
Capital	10,000	10,228	10,462	10,700	10,945	11,194
Debt	45,000	73,721	28,721	28,721	28,721	28,721
Total Expenditures	838,287	900,419	889,992	925,779	962,817	1,001,147

Figure 58: Union Gap FD EMS Expenditure Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Salaries	347,321	356,004	364,904	374,027	383,377	392,962
Benefits & Taxes	154,891	170,697	174,964	179,339	183,822	188,418
Supplies & Expense	21,500	21,991	22,492	23,006	23,531	24,068
Interfund Transfers	0	0	0	0	0	0
Debt	0	0	0	0	0	0
Total Expenditures	523,712	548,692	562,361	576,371	590,730	605,447

Union Gap FD Forecast Summary Fund Balance

The following figures depict the summary activity for each fund to provide a snapshot of what the fund balance would be in the years 2012 through 2017.

⁷ Figure 54 is based on maintaining the current level of service and is not inclusive of potential increases in city size, value, annexation, and growth.

Figure 59: Union Gap FD Forecast Summary Fire Operations, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	838,287	900,419	889,992	925,779	962,817	1,001,147
Expenditures						
Salaries	480,364	492,373	504,682	517,299	530,232	543,488
Benefits & Taxes	155,746	173,561	192,157	211,574	231,841	252,990
Supplies & Expense	59,177	60,527	61,909	63,321	64,766	66,244
Interfund Transfers	88,000	90,008	92,062	94,163	96,312	98,510
Capital	10,000	10,228	10,462	10,700	10,945	11,194
Debt	45,000	73,721	28,721	28,721	28,721	28,721
Total Expenditures	838,287	900,419	889,992	925,779	962,817	1,001,147
Fund Activity	0	0	0	0	0	0

Figure 60: Union Gap FD Forecast Summary EMS Operations, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	523,712	548,692	562,361	576,371	590,730	605,447
Expenditures						
Salaries	347,321	356,004	364,904	374,027	383,377	392,962
Benefits & Taxes	154,891	170,697	174,964	179,339	183,822	188,418
Supplies & Expense	21,500	21,991	22,492	23,006	23,531	24,068
Interfund Transfers	0	0	0	0	0	0
Debt	0	0	0	0	0	0
Total Expenditures	523,712	548,692	562,361	576,371	590,730	605,447
Fund Activity	0	0	0	0	0	0

The figure below summarizes the activities of both fire and EMS operations for UGFD.

Figure 61: Union Gap FD Fire & EMS Operations Fund Balance, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	1,361,999	1,449,110	1,452,353	1,502,150	1,553,547	1,606,594
Expenditures						
Salaries	827,685	848,377	869,587	891,326	913,609	936,450
Benefits & Taxes	310,637	344,258	367,121	390,912	415,663	441,408
Supplies & Expense	80,677	82,518	84,401	86,327	88,297	90,312
Interfund Transfers	88,000	90,008	92,062	94,163	96,312	98,510
Capital	10,000	10,228	10,462	10,700	10,945	11,194
Debt	45,000	73,721	28,721	28,721	28,721	28,721
Total Expenditures	1,361,999	1,449,110	1,452,353	1,502,150	1,553,547	1,606,594
Fund Activity	0	0	0	0	0	0

Changes in assumption for TAV, CPI-U, wages, and benefits could alter the overall projection of these assumed values. The assumptions and results above do not include any costs for the

replacement of department vehicles or the funding of the unfunded liabilities for pension and medical insurance.

Historic Financial Review of Yakima County Fire District #11

Figure 62 shows the historical TAV for District #11 from 2008 through 2012. It includes the change in assessed value by year and the applicable tax rate.

Figure 62: District #11 TAV and Tax Rate History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
TAV	39,307,104	42,477,523	44,360,020	47,987,633	50,733,198
Percent of Change from Prior Year		8.07%	4.43%	8.18%	5.72%

The average percentage annual change in TAV from 2009 through 2012 was an increase of 6.60 percent.

District #11 Revenue History

Figure 63 and Figure 64 provide a detailed review of fire and EMS revenue for District #11 from 2008 through 2012.

Figure 63: District #11 Fire Revenue History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Property Taxes	38,546	39,257	37,771	38,186	37,815
Interest Income	1,339	2,400	1,555	0	0
Unrealized Gain/(Loss)	58	(266)	(375)	0	0
Scrap Sales	761	0	0	0	0
Agency Deposits	959	1,888	0	0	0
Total Revenue	41,663	43,279	38,951	38,186	37,815
Tax Rate	0.981	0.924	0.851	0.796	0.745

Figure 64: District #11 EMS Revenue History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Property Taxes	6,478	6,976	5,982	6,478	6,849
Interest Income	109	58	36	0	0
Unrealized Gain/(Loss)	5	(6)	(9)	0	0
Scrap Sales	0	0	0	0	0
In-Lieu of Tax (State)	4	7	5	0	0
Total Revenue	6,596	7,035	6,014	6,478	6,849
Tax Rate	0.165	0.164	0.135	0.135	0.135

District #11 Expenditures History

Figure 65 depicts District #11 expenditures from 2008 through 2012.

Figure 65: District #11 Expenditures History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Salaries					
Secretary	2,400	2,400	2,400	2,400	2,400
Commissioners	1,050	1,470	1,610	2,500	2,500
Total Salaries	3,450	3,870	4,010	4,900	4,900
Benefits & Taxes					
Benefit Direct	264	296	307	400	400
Total Benefits & Taxes	264	296	307	400	400
Supplies & Services					
Office & Operating Supplies	0	0	0	0	0
Small Tools & Minor Equipment	2,866	0	0	0	0
Professional Services	0	0	0	0	5,000
Telephone	74	0	0	5,000	0
Postage	0	0	0	75	75
Travel	0	0	220	200	200
Advertising	0	0	0	100	100
Insurance	2,895	656	3,991	2,500	2,500
R & M	2,491	0	6,510	2,000	2,000
Service Fee - Union Gap	0	0	0	0	30,000
Miscellaneous	38,579	44,783	7,091	5,000	5,000
Interest on Tax Refunds	1	0	22		
Total Supplies and Service	46,906	45,439	17,834	14,875	44,875
External Taxes	111	45	73	100	100
Transfer to reserve	12,017				
Machinery and Equipment	0	6,706		5,000	5,000
Total Expenditures	62,748	56,356	22,224	25,275	55,275

District #11 Summary of General Fund Balance History

Figure 66 summarizes the fund activity and balance of District #11 from 2008 through 2012.

Figure 66: District #11 Fund Balance History, 2008 – 2012

Description	2008 Actual	2009 Actual	2010 Actual	2011 Budget	2012 Budget
Beginning Balance	15,560	1,071	(4,971)	17,770	37,159
Revenue - Fire	41,663	43,279	38,951	38,186	37,815
Revenue - EMS	6,596	7,035	6,014	6,478	6,849
Total Revenue	48,259	50,314	44,965	44,664	44,664
Expenditures					
Salaries	3,450	3,870	4,010	4,900	4,900
Benefit & Taxes	264	296	307	400	400
Supplies & Expenses	46,906	45,439	17,834	14,875	44,875
External Taxes	111	45	73	100	100
Transfer to reserve	12,017	0	0	0	0
Machinery and Equipment	0	6,706	0	5,000	5,000
Total Expenditures	62,748	56,356	22,224	25,275	55,275
Ending Fund Balance	1,071	(4,971)	17,770	37,159	26,548

District #11 Current Status Financial Forecast, 2012 – 2017

Using the assumptions outlined in the section entitled Economic Indicators, financial forecasts were projected for District #11. Future financial forecasts use the 2012 budget as the beginning point for all calculations. Any changes made to the base data are identified in the section being reviewed.

District #11 Forecasted Taxable Assessed Value (TAV)

The growth factors used for the TAV of District #11 are shown in Figure 67

Figure 67: TAV Growth Rates by Year, 2013 – 2017

Year	Growth Rate
2013	0.30%
2014	0.45%
2015	0.65%
2016	1.00%
2017	1.25%

Figure 68 forecast the changes in the TAV from 2012 through 2017 using the growth factors listed above.

Figure 68: District #11 Forecast TAV, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
TAV	50,733,198	50,885,398	51,114,382	51,446,625	51,961,092	52,610,605

District #11 Forecast Revenue

Property tax revenue growth is limited to 1 percent of the previous year's revenue as outlined in RCW 84.55.0101. All other revenue categories have been inflated at the ten-year average CPI-U of 2.282 percent.

Figure 69 and Figure 70 illustrate revenue forecasts for fire and EMS operations for six years from 2012 through 2017.

Figure 69: District #11 Fire Revenue Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Property Taxes	37,815	38,193	38,575	38,961	39,350	39,744
Interest Income	0	0	0	0	0	0
Unrealized Gain/(Loss)	0	0	0	0	0	0
Scrap Sales	0	0	0	0	0	0
Agency Deposits	0	0	0	0	0	0
Total Revenue	37,815	38,193	38,575	38,961	39,350	39,744
Tax Rate	0.745	0.751	0.755	0.757	0.757	0.755

Figure 70: District #11 EMS Revenue Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Property Taxes	6,849	6,917	8,030	8,082	8,163	8,265
Interest Income	0	0	0	0	0	0
Unrealized gain/(Loss)	0	0	0	0	0	0
Scrap Sales	0	0	0	0	0	0
In-Lieu of Tax (State)	0	0	0	0	0	0
Total Revenue	6,849	6,917	8,030	8,082	8,163	8,265
Tax Rate	0.135	0.136	0.157	0.157	0.157	0.157

Revenue for EMS operations include the same growth factors as fire revenue with the exception of the property tax revenue. The voters of Yakima County approved Resolution No. 317-2011 establishing the EMS levy amount of \$0.25 per \$1,000 of TAV effective date of January 1, 2014. For this analysis, 2013 property revenue was calculated at the same rate as the 2012 budget. The tax rate for property tax revenue for 2014 through 2017 was re-set at \$0.25 per \$1,000 of TAV. However, the amount shown is less than the calculated rate as the County retains 37.156 percent of the payment.

District #11 Forecast Expenditures

Wage and benefit expenses were increased by 2.5 percent. All other expense categories were inflated at the ten-year average CPI-U of 2.282 percent except for debt. Figure 71 reflects expenditure forecasts for the next five years.

Figure 71: District #11 Expenditure Forecast, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Salaries						
Secretary	2,400	2,460	2,522	2,585	2,649	2,715
Commissioners	2,500	2,563	2,627	2,692	2,760	2,829
Total Salaries	4,900	5,023	5,148	5,277	5,409	5,544
Benefits & Taxes						
Benefit Direct	400	410	420	431	442	453
Total Benefits & Taxes	400	410	420	431	442	453
Supplies & Services						
Office & Operating Supplies	0	0	0	0	0	0
Small Tools & Minor Equipment	0	0	0	0	0	0
Professional Services	5,000	5,114	5,231	5,350	5,472	5,597
Telephone	0	0	0	0	0	0
Postage	75	77	78	80	82	84
Travel	200	205	209	214	219	224
Advertising	100	102	105	107	109	112
Insurance	2,500	2,557	2,615	2,675	2,736	2,799
R & M	2,000	2,046	2,092	2,140	2,189	2,239
Service Fee – Union Gap	30,000	30,685	31,385	32,101	32,834	33,583
Miscellaneous	5,000	5,114	5,231	5,350	5,472	5,597
Interest on Tax Refunds		0	0	0	0	0
Total Supplies and Service	44,875	45,899	46,946	48,018	49,114	50,234
External Taxes	100	102	105	107	109	112
Transfer to Reserve		0	0	0	0	0
Machinery and Equipment	5,000	5,114	5,231	5,350	5,472	5,597
Total Expenditures	55,275	56,548	57,850	59,182	60,545	61,940

District #11 Forecast Summary Fund Balance

Figure 72 depicts the forecast summary for each fund to provide a snapshot of what the fund balance would be in the years 2012 through 2017. Changes in assumption for TAV, CPI-U, wages and benefits could alter the overall projection of these assumed values.

Figure 72: District #11 Forecast Summary, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Beginning Balance	37,159	26,584	15,111	3,866	(8,274),	(21,306)
Revenue						
Revenue – Fire	37,815	38,193	38,575	38,961	39,350	39,744
Revenue – EMS	6,849	6,917	8,030	8,082	8,163	8,265
Total Revenue	44,664	45,111	46,605	47,043	47,514	48,009
Expenditures						
Salaries	4,900	5,023	5,148	5,277	5,409	5,544
Benefits & Taxes	400	410	420	431	442	453
Supplies & Expense	44,875	45,899	46,946	48,018	49,114	50,234
External Taxes	100	102	105	107	109	112
Transfer to Reserve	0	0	0	0	0	0
Machinery & Equipment	5,000	5,114	5,231	5,350	5,472	5,597
Total Expenditures	55,275	56,548	57,850	59,182	60,545	61,940
Ending Fund Balance	26,548	15,111	3,866	(8,274)	(21,306)	(35,236)

Formation of a Yakima Area RFA

Summary of the Initiative

This strategy joins the Yakima County Fire Districts #10 (District #10) and #11 (District #11), the City of Yakima (YFD), and the City of Union Gap (UGFD) into a Regional Fire Authority. The concept is developed in consideration of the fact that the agencies involved have contiguous boundaries, along with effective pre-existing working relationships with contract protection services being provided by Yakima Fire Department to Yakima County Fire District #10 and Union Gap Fire Department to Yakima County Fire District #11.

Objective of the Initiative

The objective of the proposed strategy is to leverage geographic and service delivery similarities in the two city fire departments and their contract counterparts in an effort to maintain or enhance fire and emergency medical service delivery while providing operational efficiencies and reducing or stabilizing costs.

Discussion

Approaches to service delivery are similar in these two service providers (i.e., urban versus suburban versus rural), with both cities and both contract districts having significant resource constraints. Fire suppression and emergency medical services are delivered to the four communities in a like manner, with Yakima having a greater depth of resource concentration than does Union Gap. Further, both ambulance transport providers respond to all four of the jurisdictions.

Figure 73 lists the current budgeted full-time equivalent (FTE) administrative personnel positions in Yakima FD and Union Gap FD followed by the conceptual operations staffing configuration for the newly formed RFA as decided by the steering committee, and a summary of the projected changes in overall staffing numbers. The positions listed in this and subsequent tables do not include in-kind service positions and costs from the Cities of Yakima and Union Gap. Typically these would be external to the fire department and provided by other departments within city government. The continuation of an in-kind service agreement from the Cities of Yakima and Union Gap will need to be reviewed and negotiated in an RFA.

Figure 73: RFA Administration and Support Staffing (Conceptual)

Administrative	YFD	UGFD	Total Current	Adjustments	Total FTEs
Fire Chief	1.0	1.0	2.0	(1.0)	1.0
Deputy Chief Operations	1.0	0.0	1.0	0.0	1.0
Deputy Chief Support	1.0	0.0	1.0	0.0	1.0
Administrative Service Specialist	0.0	1.0	1.0	0.0	1.0
Admin Assist.	1.0	0.5	1.5	(0.5)	1.0
Secretary	1.0	0.0	1.0	0.0	1.0
PEO	1.0	0.0	1.0	0.0	1.0
EMS/Training Captain	1.0	0.0	1.0	0.0	1.0
Training Lieutenant	0.0	0.0	0.0	1.0	1.0
Mechanic	1.0	0.0	1.0	0.0	1.0
Mechanic Assistant	0.0	0.0	0.0	1.0	1.0
Total Admin FTEs	8.0	2.5	10.5	0.5	11.0

Based on the above illustrated concept (Figure 73), a net increase of 0.5 FTE administrative and support positions is indicated. Where two fire chiefs currently are listed, the RFA will require only a single fire chief to assume oversight responsibility for the new RFA. The above modifications to the administrative and support functions of the new RFA will increase headcount and provide an increase in overall administrative costs.

Figure 74: RFA Administrative and Support Staffing Cost Increases (Conceptual)

Administrative	YFD Base Wage	Extended YFD Wages	UGFD Base Wage	Extended UGFD Wages	Total Wages Not Adjusted	Adjustments	Extended Wages Adjusted
Fire Chief	115,729	115,729	85,690	85,690	201,419	(85,690)	115,729
Deputy Chief Operations	104,913	104,913	0	0	104,913	0	104,913
Deputy Chief Support	90,707	90,707	0	0	90,707	0	90,707
Admin Service Specialist	0	0	67,182	67,182	67,182	0	67,182
Admin Assist.	55,577	55,577	46,525	23,263	78,839	(23,263)	55,577
Secretary	44,865	44,865	0	0	44,865	0	44,865
PEO	97,881	97,881	0	0	97,881	0	97,881
EMS/Training Captain	94,368	94,368	0	0	94,368	0	94,368
Training Lieutenant	0	0	0	0	0	78,693	78,693
Mechanic	67,890	67,890	0	0	67,890	0	67,890
Mechanic Assistant	0	0	0	0	0	55,000	55,000
Total Admin		671,929		176,135	848,064	24,741	872,804

Administrative staffing projected cost increase equals \$24,741 plus applicable benefit cost roll-ups.

In addition to the restructuring of the Administrative area, the Fire Marshal function will be segregated as an enterprise fund. This function will be totally self-funded with fees as an option for the two cities. This decision was also made by the steering committee. The next figure shows the cost of staffing for the Fire Marshal function.

Figure 75: RFA Fire Marshal Staffing (Conceptual)

Fire Marshal	YFD	UGFD	Total Current	Adjustments	Total FTEs
Fire Marshal	0	0	0	1.0	1.0
Deputy Fire Marshal	0	0	0	1.0	1.0
Secretary	0	0	0	1.0	1.0
Total Fire Marshal	0	0	0	3.0	3.0

Current to forecast wage and benefit costs are shown by position in the following figure.

Figure 76: RFA Fire Marshal Staffing Cost Increases (Conceptual)

Fire Marshal	YFD Base Wage	Extended YFD Wages	UGFD Base Wage	Extended UGFD Wages	Total Wages Not Adjusted	Adjustments	Extended Wages Adjusted
Fire Marshal	0	0	0	0	0	97,881	97,881
Deputy Fire Marshal	0	0	0	0	0	77,668	77,668
Secretary	0	0	0	0	0	44,865	44,865
Total Fire Marshal	0	0	0	0	0	220,414	220,414

The analysis continues in Figure 77, with a comparison of current operational personnel to those that would be included in the conceptual approach to an RFA.

Figure 77: RFA Career Operational Personnel (Conceptual)

Operations	YFD	UGFD	Total Current	Adjustments	Total FTEs
Battalion Chief	3.0	0.0	3.0	0.0	3.0
Captain	6.0	3.0	9.0	0.0	9.0
Lieutenant	12.0	0.0	12.0	0.0	12.0
Firefighter (FF)	56.0	6.0	62.0	0.0	62.0
Firefighter/Paramedic	0.0	0.0	0.0	0.0	0.0
Intern	0.0	0.0	0.0	0.0	0.0
Total Career	77.0	9.0	86.0	0.0	86.0

The conceptual illustration results in no change in total career operational personnel.

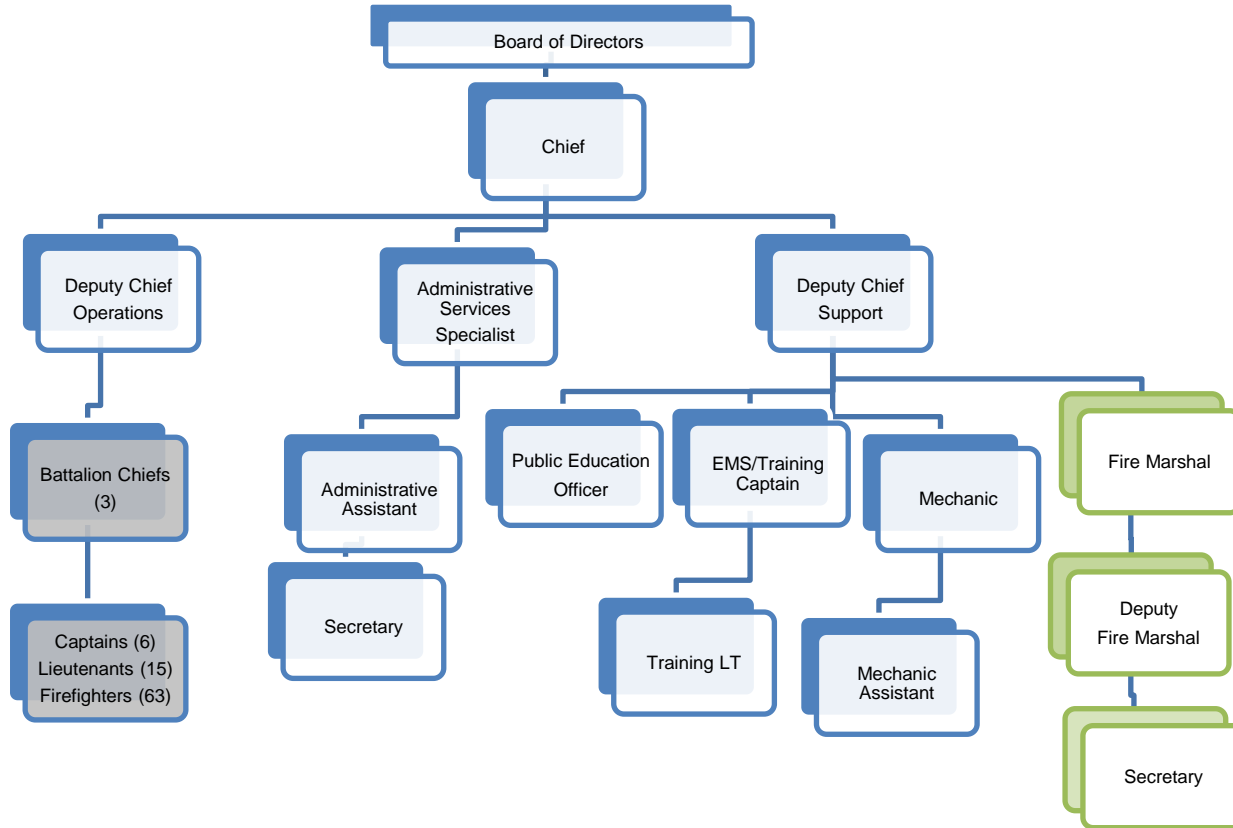
The table below calculates a cost increase in total wages due to the pay level discrepancies between the Yakima FD and Union Gap FD, assuming the top of the affected range as a conservative approach. Figure 78 depicts the pay level changes/equalization by pay category.

Figure 78: RFA Career Operational Personnel Cost Increases(Conceptual)

Operations	YFD Base Wage	Extended YFD Wages	UGFD Base Wage	Extended UGFD Wages	Total Wages Not Adjusted	Adjustments	Extended Wages Adjusted
Career							
Battalion Chief	98,015	294,045	0	0	294,045	0	294,045
Captain	87,249	523,494	71,564	214,693	738,187	47,055	785,242
Lieutenant	78,693	944,316	0	0	944,316	0	944,316
Firefighter (FF)	70,423	3,943,688	54,174	379,217	4,322,905	113,744	4,436,649
Total Career		5,705,543		593,910	6,299,453	160,799	6,460,252

The wage equalization projected cost increase will be \$160,799 plus applicable benefit cost roll-ups.

Figure 79: RFA Organizational Chart (Conceptual)⁸



⁸ Client provided conceptual organizational chart.

Fiscal Analysis of Regional Fire Authority

The 2012 budget data provided by the clients was used to consolidate Yakima FD, Union Gap FD, District #10, and District #11 into a combined RFA, as detailed in the following discussion.

Yakima FD and Union Gap FD operate as departments of the cities' general fund budget. Financing for the municipal fire departments is derived from a variety of sources available to each city. The elected officials, by adopting the municipal budget, determine how much or what revenue sources are dedicated to provide fire protection. Fire districts and Regional Fire Authorities, on the other hand, have specific revenue sources and limits identified by statute.

RFA Consolidated Taxable Assessed Value

Projected increases for new construction and assessed value of existing properties utilize the same assumptions used in the existing conditions portion of the report. Figure 80 demonstrates the assumptions used to develop future TAV amounts.

Figure 80: RFA Impact on Taxable Assessed Valuation

Year	Growth Rate
2013	0.30%
2014	0.45%
2015	0.65%
2016	1.00%
2017	1.25%

Figure 81 provides a view of the consolidated TAV for the combined organization.

Figure 81: RFA Consolidated Baseline Taxable Assessed Valuation

Year	Yakima	Union Gap	District #10	District #11	Total
2012	5,599,278,437	550,326,067	67,913,846	50,733,198	6,268,251,548
2013	5,616,076,272	551,977,045	68,117,588	50,885,398	6,287,056,303
2014	5,641,348,616	554,460,942	68,424,117	51,114,382	6,315,348,056
2015	5,678,017,382	558,064,938	68,868,873	51,446,625	6,356,397,818
2016	5,734,797,555	563,645,587	69,557,562	51,961,092	6,419,961,797
2017	5,806,482,525	570,691,157	70,427,032	52,610,605	6,500,211,319

RFA Revenue for Baseline Year 2012

The initial development of fire operations revenue was to combine the 2012 budget data into a consolidated statement. Figure 82 and Figure 83 depict an inter-governmental transfer of the Fire Control Services fee from District #10 to Yakima and District #11 to Union Gap. The amount of the transfer of these payments is removed from the revenue consolidation. By

removing these items, revenues and expenses are shown in the proper category classification for financial reporting.

Figure 82: RFA Budgeted Baseline Consolidation Fire Revenue, 2012

Description	YFD 2012 Budget	UGFD 2012 Budget	District #10 2012 Budget	District #11 2012 Budget	Eliminations & Adjustments	Consolidated 2012 Budget
City Contribution/ Property Tax	9,195,805	758,087	54,137	37,815	0	10,045,844
DHS Safer Grant	0	0	0	0	0	0
State Patrol Fire Transfer	3,000	0	0	0	0	3,000
Fire Investigation	1,000	2,800	0	0	0	3,800
Fire Protection Fee FD #11	0	30,000	0	0	(30,000)	0
Plan Reviews	0	2,400	0	0	0	2,400
Training Services	5,000	0	0	0	0	5,000
Photostat	500	0	0	0	0	500
Interest Income	0	0	245	0	0	245
GO Bond Revenue	293,875	45,000	0	0	0	338,875
REET Debt Revenue	72,563	0	0	0	0	72,563
Total Revenue	9,571,743	838,287	54,382	37,815	(30,000)	10,472,227
Effective Tax Rate	1.642	1.378	0.803	0.745		1.603

Figure 83: RFA Budgeted Baseline Consolidation EMS Revenue, 2012

Description	YFD 2012 Budget	UGFD 2012 Budget	District #10 2012 Budget	District #11 2012 Budget	Eliminations & Adjustments	Consolidated 2012 Budget
Department of Health – Pre-hospital Grant	1,726	0	0	0	0	1,726
Interest Income	300	0	0	0	0	300
City Contribution	0	425,712	0	0	0	425,712
Property Taxes – EMS Levy	1,194,000	98,000	9,168	6,849	0	1,308,017
Total Revenue	1,196,026	523,712	9,168	6,849	0	1,735,755
Effective Tax Rate	0.214	0.952	0.135	0.135		0.277

The consolidation of the four agencies' fire operations will result in a combined effective tax rate of \$1.595 per \$1,000 of TAV for fire and \$0.277 per \$1,000 TAV for EMS. The high rate for EMS is due to the City of Union Gap contributing to the fire department to subsidize EMS services.

RFA Expense for Baseline Year 2012

The initial development of fire operations expense combines the 2012 budget data into a consolidated statement. Figure 84 and Figure 85 depict an inter-government transfer of the Fire Control Services fee from District #10 to Yakima and District #11 to Union Gap. The amount of the transfer is removed from the expense consolidation. By removing this item, revenue and

expense are shown in the proper category classification for financial reporting. Cost increases for staffing and pay equalization are shown as adjustments to the consolidation.

Figure 84: RFA Budgeted Consolidation Fire Expense, Baseline 2012

Description	YFD 2012 Budget	UGFD 2012 Budget	Dist #10 2012 Budget	Dist #11 2012 Budget	Eliminations & Adjustments	Consolidated ⁹ 2012 Budget
Salaries	6,694,968	480,364	6,768	4,900	185,539	7,372,539
Benefits & Taxes	1,671,797	155,746	720	400	46,331	1,874,995
Supplies & Expense	579,803	59,177	6,425	12,475	0	657,880
Interfund Transfers	117,125	88,000	60,174	32,500	(88,874)	208,925
Capital	0	10,000	0	5,000	0	15,000
Debt	508,049	45,000	0	0	0	553,049
Total Expenditures	9,571,743	838,287	74,087	55,275	142,996	10,682,388

Figure 85: RFA Budgeted Baseline Consolidation EMS Expense, Baseline 2012

Description	YFD 2012 Budget	UGFD 2012 Budget	Dist #10 2012 Budget	Dist #11 2012 Budget	Eliminations & Adjustments	Consolidated 2012 Budget
Salaries	771,625	347,321	0	0	0	1,118,946
Benefits & Taxes	197,121	154,891	0	0	0	352,012
Supplies & Expense	107,930	21,500	0	0	0	129,430
Interfund Transfers	122,813	0	0	0	0	122,813
Debt	0	0	0	0	0	0
Total Expenditures	1,199,489	523,712	0	0	0	1,723,201

The consolidated information is used to project future operation of the newly formed RFA.

RFA Expense for Projection through 2017

Figure 86 and Figure 87 calculate the consolidated fire expense and EMS expense for the new organization. Manpower and fringe benefits are increased at 2.5 percent per year with the exception of medical insurance which was increased at the historic amount for Yakima of 9.644 percent. All other line items, with the exception of debt, have been increased by the ten-year average CPI-U of 2.282 percent. Debt is shown at the amortization level of the current debt instrument.

⁹ Expenditures for District 10 & 11 have not been eliminated from the consolidated budget as they include fire commissioner related expenses that would remain after an RFA is formed. While leaving all costs included is a conservative approach, some of the districts' costs will be elimination in an RFA.

Figure 86: RFA Fire Operations Consolidated Expense, Baseline Projected Through 2017

Description	Consolidated 2012 Budget	2013	2014	2015	2016	2017
Salaries	7,372,539	7,556,853	7,745,774	7,939,419	8,137,904	8,341,352
Benefits & Taxes	1,874,995	2,072,844	2,128,148	2,185,361	2,244,610	2,306,037
Supplies & Expense	657,880	672,893	688,248	703,954	720,018	736,449
Interfund Transfers	208,925	213,693	218,569	223,557	228,658	233,876
Capital	15,000	15,342	15,692	16,051	16,417	16,791
Debt	553,049	588,952	540,548	246,264	246,589	246,464
Total Expenditures	10,682,388	11,120,577	11,336,981	11,314,606	11,594,197	11,880,970

Figure 87: RFA EMS Operations Consolidated Expense, Baseline Projected Through 2017

Description	Consolidated 2012 Budget	2013	2014	2015	2016	2017
Salaries	1,118,946	1,146,920	1,175,593	1,204,982	1,235,107	1,265,985
Benefits & Taxes	352,012	377,737	387,181	396,860	406,782	416,951
Supplies & Expense	129,430	132,384	135,405	138,495	141,655	144,888
Interfund Transfers	122,813	125,616	128,482	131,414	134,413	137,480
Debt	0	0	0	0	0	0
Total Expenditures	1,723,201	1,782,656	1,826,660	1,871,751	1,917,957	1,965,304

Option A: Operations Revenue with Regular Property Taxes – Future Projections, 2012 – 2017

In Figure 88, ESCI calculates the consolidated fire revenue for the new organization. Included in the property revenue is the assumption that the new entity's tax rate will be established at the maximum regular property tax rate allowed for a fire authority of \$1.50 per \$1,000 of TAV, in compliance with RCW 52.26. Also included is re-setting of the EMS levy at \$0.25 per \$1,000 of assessed property valuation in 2014. All other line items have been increased by the ten-year average CPI-U of 2.282 percent.

Figure 88: Option A: RFA Fire Operations Fire Revenue, 2012 – 2017

Description	Consolidated 2012 Budget	2013	2014	2015	2016	2017
City Contribution/ Property Tax	10,000,844	9,430,584	9,473,022	9,534,597	9,629,943	9,726,242
DHS Safer Grant	0	0	0	0	0	0
State Patrol Fire Transfer	3,000	3,068	3,138	3,210	3,283	3,358
Fire Investigation	3800	3,887	3,975	4,066	4,159	4,254
Fire Protection Fee FD #11	0	0	0	0	0	0
Plan Reviews	2,400	2,455	2,511	2,568	2,627	2,687
Training Services	5,000	5,114	5,231	5,350	5,472	5,597
Photostat	500	511	523	535	547	560
Interest Income	245	251	257	263	269	275
GO Bond Revenue	338,875	294,600	294,975	0	0	0
REET Debt Revenue	72,563	75,938	74,150	72,225	75,300	73,050
Total Revenue	10,427,227	9,816,408	9,857,782	9,622,814	9,721,600	9,816,023
Effective Tax Rate	1.595	1.500	1.500	1.500	1.500	1.496

In Option A of the RFA model, fire revenue will be reduced by approximately \$610,000 in 2013 due to the reduction in the equivalent property tax revenue. In 2017, the 1 percent property tax limitation as dictated by RCW 84.55.0101 takes effect.

Option A: RFA Summary of Operations Expenditures

Revenue and expenditure projections for 2012 through 2017 for RFA Option A are provided in Figure 89.

Figure 89: Option A: RFA Financial Summary Fire, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	10,472,227	9,816,408	9,857,782	9,622,814	9,721,600	9,816,023
Expenditures						
Salaries	7,372,539	7,556,853	7,745,774	7,939,419	8,137,904	8,341,352
Benefits & Taxes	1,874,995	2,072,844	2,128,148	2,185,361	2,244,610	2,306,037
Supplies & Expense	657,880	672,893	688,248	703,954	720,018	736,449
Interfund Transfers	208,925	213,693	218,569	223,557	228,658	233,876
Capital	15,000	15,342	15,692	16,051	16,417	16,791
Debt	553,049	588,952	540,548	246,264	246,589	246,464
Total Expenditures	10,682,388	11,120,577	11,336,981	11,314,606	11,594,197	11,880,970
Fire Fund Balance	(210,161)	(1,304,168)	(1,479,198)	(1,691,792)	(1,872,597)	(2,064,948)

Option A funding of an RFA for fire services would result in a negative cash flow each year from \$1.3 million in 2013 to \$2.1 million in 2017. Based on the data presented and with the assumptions listed, if Option A is selected to fund fire operations, the new RFA will be operating with a cumulative deficit funding of \$8.4 million for fire operation by 2017.

Option B: Operations Revenue with Benefit Charge – Future Projections 2012 – 2017

In Figure 90, ESCI calculates the consolidated fire revenue for the new organization, assuming that the new taxing entity's tax rate includes the benefit charge with the regular tax rate set at \$1.00 per \$1,000 of TAV plus 60 percent of the operating costs established as a benefit charge. Also included is re-setting of the EMS levy at \$0.25 per \$1,000 of assessed property valuation in 2014. All other line items have been increased by the ten-year average CPI-U of 2.282 percent

Figure 90 reflects a regional fire authority fire and EMS operations revenues through 2017.

Figure 90: Option B: RFA Fire Operations Consolidated Fire Revenue, 2012 – 2017

Description	Consolidated 2012 Budget	2013	2014	2015	2016	2017
City Contribution/Property Tax	10,045,844	6,287,056	6,315,348	6,356,398	6,419,962	6,484,161
Benefit Charge @ 60% of Budget	0	6,694,372	6,847,138	7,003,389	7,163,207	7,326,671
State Patrol Fire Transfer	3,000	3,068	3,138	3,210	3,283	3,358
Fire Investigation	3800	3,887	3,975	4,066	4,159	4,254
Fire Protection Fee FD #11	0	0	0	0	0	0
Plan Reviews	2,400	2,455	2,511	2,568	2,627	2,687
Training Services	5,000	5,114	5,231	5,350	5,472	5,597
Photostat	500	511	523	535	547	560
Interest Income	245	251	257	263	269	275
GO Bond Revenue	338,875	294,600	294,975	0	0	0
REET Debt Revenue	72,563	75,938	74,150	72,225	75,300	73,050
Total Revenue	10,472,227	13,367,252	13,547,246	13,448,004	13,674,826	13,900,613
Effective Tax Rate	1.603	1.000	1.000	1.000	1.000	0.998

In Option B of the RFA model, fire income will increase \$3.0 million dollars over the 2012 budgeted revenue and would be \$3.6 million dollars more than Option A. If both the property taxes collected and the benefit charge were shown as a combined levy rate, the rate would be equivalent to \$2.065 per \$1,000 of taxable assessed value in 2013 climbing to \$2.125 per \$1,000 TAV in 2017.

Figure 91: Option B: RFA Fire Operations Consolidated EMS Revenue, 2012 – 2017

Description	Consolidated 2012 Budget	2013	2014	2015	2016	2017
Dept of Health – Pre-hospital Grant	1,726	1,765	1,806	1,847	1,889	1,932
Interest Income	300	307	314	321	328	336
City Contribution	425,712	0	0	0	0	0
Property Taxes – EMS Levy	1,308,017	1,571,764	1,458,845	1,468,328	1,483,011	1,497,841
Total Revenue	1,735,755	1,573,836	1,460,965	1,470,496	1,485,229	1,500,109
Tax Rate	0.277	0.250	0.231	0.231	0.231	0.230

In Option B of the RFA model, EMS revenue will be reduced by approximately \$162,000 in 2013 despite the EMS levy rate increase due to the discontinuation of Union Gap’s subsidy to its fire department.

Option B: RFA Summary of Operations Expenditures

Revenue and expenditure projections for 2012 through 2017 for RFA Option B are provided in Figure 92.

Figure 92: Option B: RFA Financial Summary Fire, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	10,472,227	13,345,226	13,524,717	13,424,962	13,651,257	13,876,506
Expenditures						
Salaries	7,372,539	7,556,853	7,745,774	7,939,419	8,137,904	8,341,352
Benefits & Taxes	1,874,995	2,072,844	2,128,148	2,185,361	2,244,610	2,306,037
Supplies & Expense	657,880	672,893	688,248	703,954	720,018	736,449
Interfund Transfers	208,925	213,693	218,569	223,557	228,658	233,876
Capital	15,000	15,342	15,692	16,051	16,417	16,791
Debt	553,049	588,952	540,548	246,264	246,589	246,464
Total Expenditures	10,682,388	11,120,577	11,336,981	11,314,606	11,594,197	11,880,970
Fire Fund Balance	(210,161)	2,224,650	2,187,737	2,110,356	2,057,060	1,995,536

Option B funding of an RFA would result in positive cash flow of \$2 million each year through 2017. The excess funding would allow resources for increasing the capital fund.

Figure 93: Option B: RFA Financial Summary EMS, 2012 – 2017

Description	2012 Budget	2013	2014	2015	2016	2017
Revenue	1,735,755	1,573,836	1,460,965	1,470,496	1,485,229	1,500,109
Expenditures						
Salaries	1,118,946	1,146,920	1,175,593	1,204,982	1,235,107	1,265,985
Benefits & Taxes	352,012	377,737	387,181	396,860	406,782	416,951
Supplies & Expense	129,430	132,384	135,405	138,495	141,655	144,888
Interfund Transfers	122,813	125,616	128,482	131,414	134,413	137,480
Debt	0	0	0	0	0	0
Total Expenditures	1,723,201	1,782,656	1,826,660	1,871,751	1,917,957	1,965,304
EMS Fund Balance	12,555	(208,820)	(365,695)	(401,255)	(432,728)	(465,194)

The summary for EMS operations shows that a declining cash balance is generated for each year 2013 through 2017. The significant increase in EMS underfunding for the RFA is that the City of Union Gap is no longer subsidizing EMS operations.

If Option B is selected, the new RFA will generate a cumulative positive cash flow of \$13.6 million. Both scenarios would have an accumulative negative cash flow of \$1.4 million for EMS operation through 2017.

RFA Financial Conclusion

The creation of an RFA including Yakima FD, Union Gap FD, District #10, and District #11 will be operating with a significant funding deficit under Option A. In Option B, positive revenues will provide necessary funding to cover the shortfall in EMS operations, fund the capital reserve, and provide for in-kind services currently paid by the cities. Any changes to the assumptions made for this report, current service levels, or new revenues must be made carefully to avoid inadvertently impacting the fiscal viability of an RFA.

Summary

The following are the fiscal status projections for each of the participating departments/districts, implementing the revenue (all sources) and expense (all services) assumptions contained in this report.

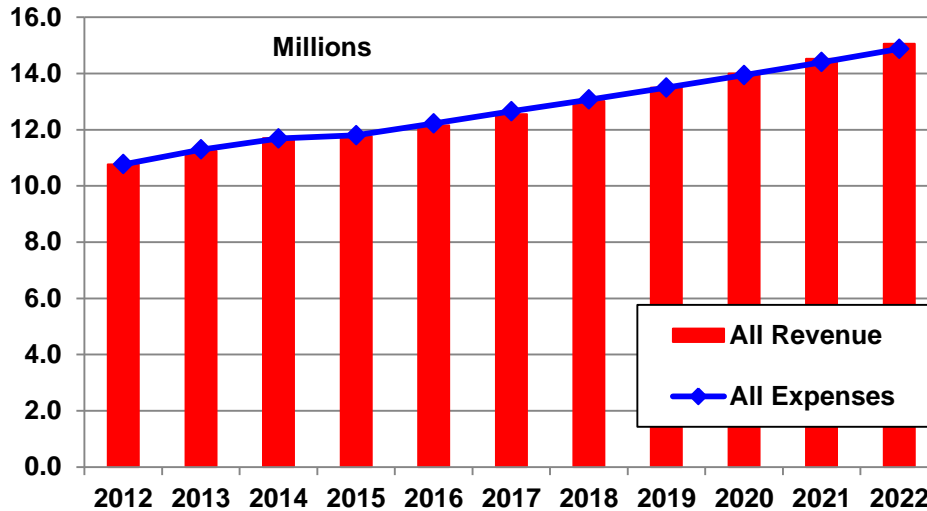
The Yakima Fire Department provides service in an urban setting for its citizens and provides contracted services to the citizens of Yakima County Fire District #10.

Figure 94: Status Quo Yakima Annual Balance – All Sources/All Services

Description	2012 Budget	2013	2014*	2015	2016	2017
All Revenue	10,767,769	11,248,132	11,694,613	11,768,629	12,153,721	12,550,681
All Expense	10,771,231	11,295,170	11,685,486	11,798,144	12,219,092	12,653,745
Balance	(3,463)	(47,039)	9,127	(29,515)	(65,370)	(103,064)

*Increased EMS levy funds begin

Figure 95: Yakima Revenue/Expense Projection



For Yakima, expenses exceed revenue with a widening gap until the EMS levy increase is implemented in 2014, when revenue covers expenses. The gap then begins widening again, with an expanding deficit through 2017. Calculating the average growth of expense and revenue from 2012 through 2017 and projecting that average out to 2022, the lines eventually converge. However, this assumes no additional capital expenditures and no additional budget reductions. Yakima Fire Department is projected to be in a deficit under its current operating model.

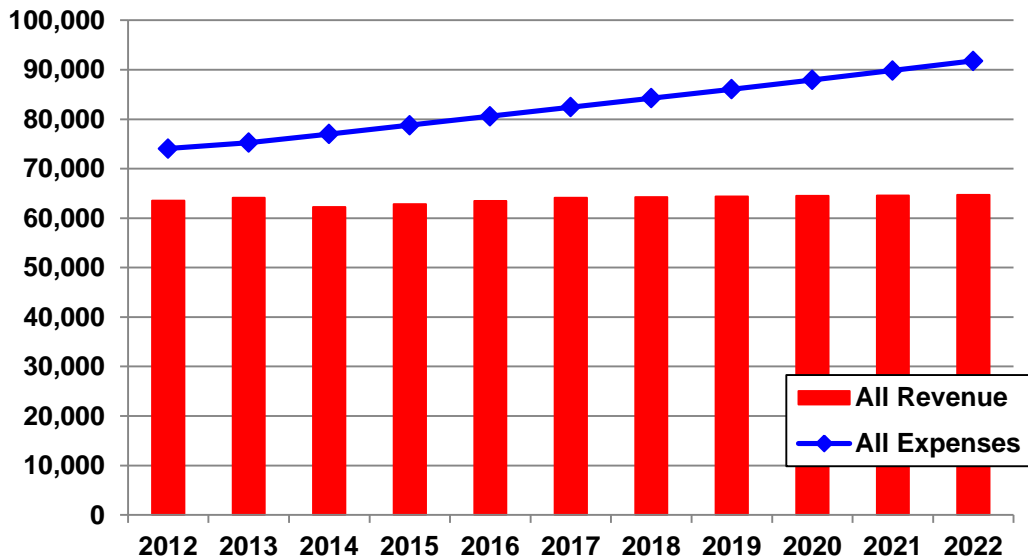
Yakima County Fire District #10 currently contracts with the Yakima Fire Department for fire and emergency medical services for its citizens.

Figure 96: Status Quo District #10 Annual Balance – All Sources/All Services

Description	2012 Budget	2013	2014*	2015	2016	2017
All Revenue	63,545	64,119	62,227	62,829	63,460	64,115
All Expense	74,087	75,283	77,017	78,792	80,608	82,465
Balance	(10,542)	(11,164)	(14,790)	(15,963)	(17,148)	(18,350)

*Increased EMS levy funds begin

Figure 97: Status Quo District #10 Revenue/Expense Projection



For District #10, expenses far exceed revenue with a widening gap that significantly increases even after the full implementation of the EMS levy in 2014. The revenues are insufficient to meet projected expenses and are also insufficient to operate a fire department independently. The contract with Yakima Fire Department is necessary for adequate fire protection for the residents of the district, and a permanent solution is needed. This projection assumes no capital expenditures and no additional revenue. Yakima County Fire District #10 is projected to continue to be in a serious deficit under its current operating model.

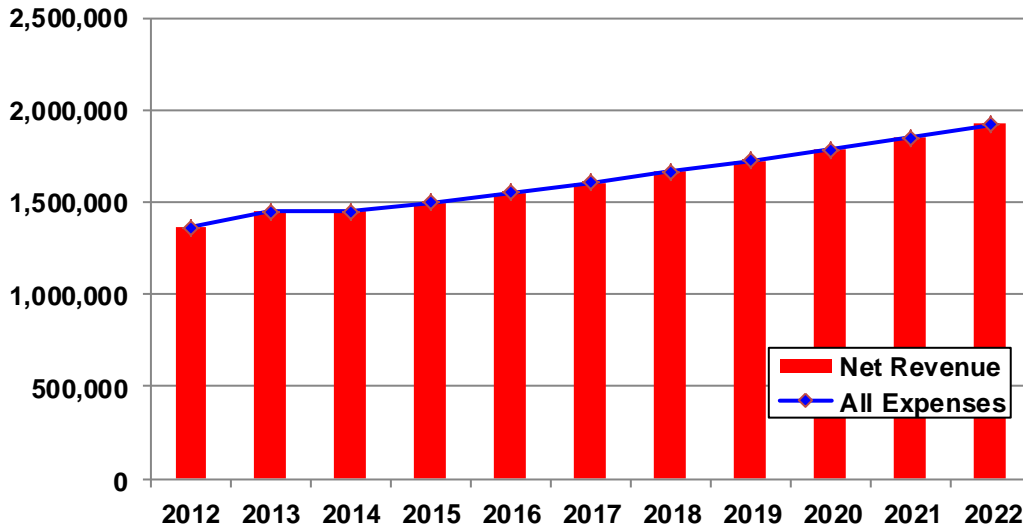
Union Gap Fire Department provides service in a suburban setting for its citizens and provides contracted services to the citizens of Yakima County Fire District #11. Further, the city provides a fiscal subsidy to the fire department to augment the emergency medical services costs.

Figure 98: Status Quo Union Gap Annual Balance – All Sources/All Services

Description	2012 Budget	2013	2014*	2015	2016	2017
All Revenue	1,361,999	1,449,110	1,452,353	1,502,150	1,553,547	1,606,594
All Expenses	1,361,999	1,449,110	1,452,353	1,502,150	1,553,547	1,606,594
Balance	0	0	0	0	0	0

*Increased EMS levy funds begin

Figure 99: Status Quo Union Gap Revenue/Expense Projection



For Union Gap, revenue in this scenario is equal to the projected expenditures since the city subsidizes the fire department to span the shortfall. This subsidy ranges from \$425,000 in 2012 to \$485,000 in 2017. This graph assumes no capital expenditures and no additional revenue. Union Gap Fire Department is projected to be in a stable financial situation under its current operating model as long as the city continues to subsidize the annual gap for its fire department.

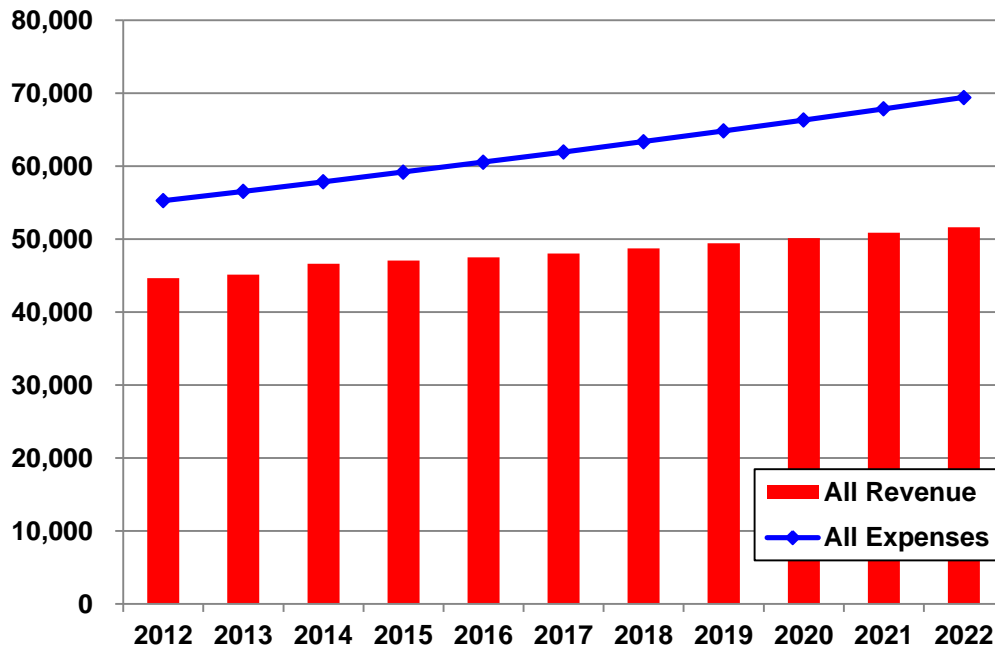
Yakima County Fire District #11 currently contracts with the Union Gap Fire Department for fire and emergency medical services for its citizens.

Figure 100: Status Quo District #11 Annual Balance – All Sources/All Services

Description	2012 Budget	2013	2014*	2015	2016	2017
Total Revenue	44,664	45,110	46,605	47,043	47,513	48,009
Total Expense	55,275	56,548	57,850	59,182	60,545	61,940
Balance	(10,611)	(11,438)	(11,245)	(12,139)	(13,032)	(13,931)

*Increased EMS levy funds begin

Figure 101: District #11 Revenue/Expense Projection



For District #11, expenses far exceed revenue with a widening gap that significantly increases even after the full implementation of the EMS levy in 2014. The revenues are insufficient to meet projected expenses and are also insufficient to operate a fire department independently. The contract with Union Gap Fire Department is necessary for adequate fire protection for the residents of the district, and a permanent solution is needed. This projection assumes no capital expenditures and no additional revenue. Yakima County Fire District #11 is projected to continue to be in a serious deficit under its current operating model.

There are two variations to the Regional Fire Authority being considered; one using the standard property tax revenues as its primary revenue source (Option A), and the other being a combination of a lower property tax rate and benefit charge (Option B). In both options, it is assumed that all four agencies form a Planning Committee, whose responsibility it is to establish an RFA plan providing for the governance, design, financing, and development of fire protection and emergency services pursuant to RCW 52.26. The funding mechanism is the variable between the two options.

Under Option A, the funding mechanism is a property tax with a statutory limit of \$1.50/\$1,000 of assessed valuation, plus the shared revenue from the existing EMS levy for the county. The below chart reflects all revenues and all expenses of the four agencies combined.

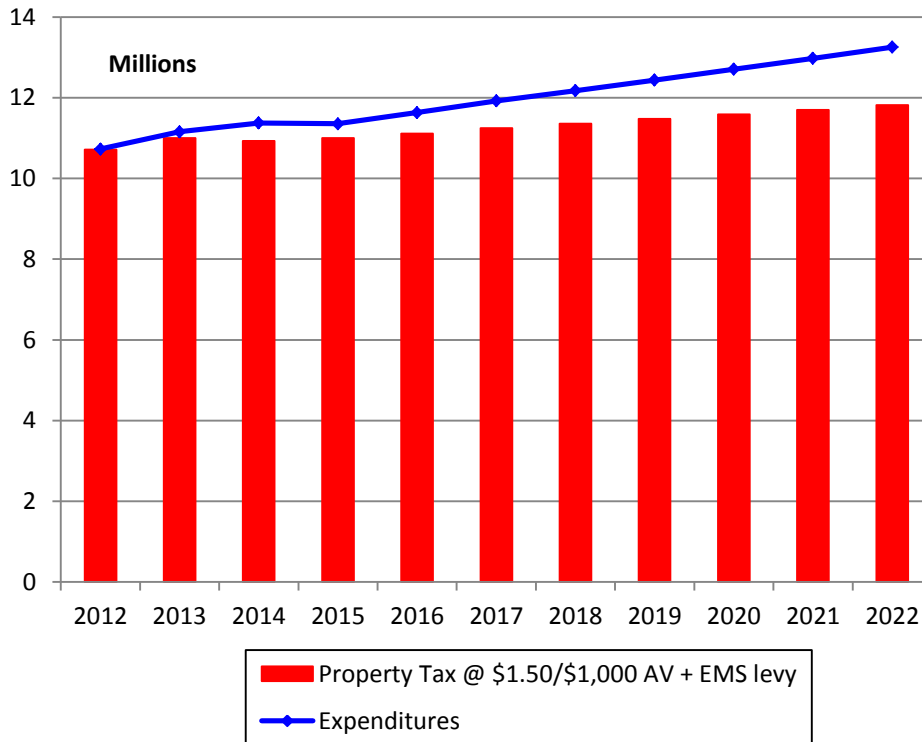
Figure 102: Option A: RFA with Regular Property Tax – All Agencies

Description	2012 Budget	2013	2014*	2015	2016	2017
Total Revenue**	12,207,982	11,390,244	11,318,747	11,093,310	11,206,829	11,316,132
Total Expenditures	12,405,589	12,903,233	13,163,641	13,186,357	13,512,154	13,846,274
Balance	(197,607)	(1,512,989)	(1,844,894)	(2,093,045)	(2,305,325)	(2,530,142)

*Increased EMS levy funds begin

**\$1.50/\$1,000 AV plus EMS levy revenue

Figure 103: Option A: RFA Revenue/Expense – Maximum Property Tax



The combined maximum property tax revenue and the EMS levy revenue from all four agencies would not meet the projected expenses required to support an RFA in Option A. The combined revenues fail to meet the projected revenues in the short term and continue to fall behind over the long term. Frequent property tax lid lifts would be required to keep the gap from widening, but would still be inadequate to meet the needs of the RFA without additional augmentations, such as bonded debt for capital facilities and equipment or increasing the EMS levy rate over the current rate charged by the county.

Under Option B, the funding mechanism is a combination of a lower property tax and a benefit service charge (benefit charge). RCW 52.26.180 - .270 authorizes a regional fire authority to

impose a benefit charge. Cities and towns do not have benefit charge authority (except when included as part of an RFA). A benefit charge is a service fee and not a tax.

The benefit charge applies to improvements to real property and personal property and professional assistance is typically required to establish the formula and basis for assessing the charge. A benefit charge must be approved by a 60 percent vote. If approved by the voters, a benefit charge can constitute no more than 60 percent of the operating budget. The approval of a benefit charge also reduces the maximum tax levy from \$1.50 to \$1.00 but does not affect the EMS tax levy rate¹⁰.

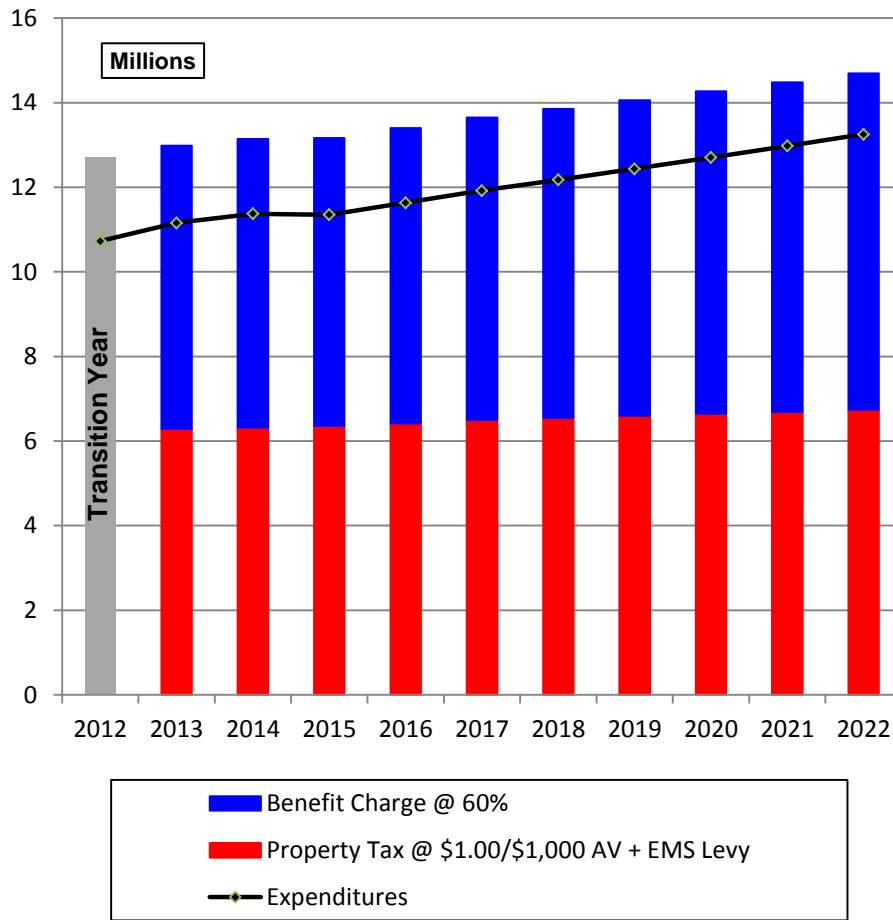
Figure 104: Option B: RFA with Benefit Charge – All Agencies

Description	2012 Budget	2013	2014	2015	2016	2017
Total Revenue*	12,207,982	14,941,088	15,008,211	14,918,500	15,160,055	15,400,722
Total Expenditures	12,405,589	12,903,233	13,163,641	13,186,357	13,512,154	13,846,274
Balance	(197,607)	2,037,855	1,844,570	1,732,143	1,647,901	1,554,448

*\$1.00/\$1,000 plus EMS Levy revenue plus maximum Benefit Charge

¹⁰ **Snure Seminars**, *Fire Service Consolidations*, Brian K. Snure, presenter. Snure Law Office, PSC 612 S. 227th St. Des Moines, WA 98198-6836.

Figure 105: Option B: RFA Revenue/Expense – Maximum Benefit Charge



The combination of the lower property tax revenue, the EMS levy revenue and the maximum benefit charge from all four agencies would exceed the revenue necessary to meet the projected expenses required to support an RFA in Option B. The property tax revenue and the EMS levy revenue would have to shoulder the burden of covering capital facilities and equipment expenses as the benefit charge is not allowed to cover these expenses. The benefit charge can be adjusted up or down to meet the projected expenses from year to year as long as the benefit charge formula included this scalable factor as part of the RFA service plan and did not exceed 60 percent of the operating budget. The scalable nature of the benefit charge allows the charge to be established at the rate required to meet anticipated expenses. In this case, the rate could be set at 50 percent and meet or exceed the projected expenses through 2017.

Appendix: Survey of Current Conditions

This section of the report will provide an overview of each organization in its current independent status. This will provide a current conditions review of the organizational infrastructure, service delivery and capital assets available to each agency as they are operating today. Notably, Yakima County Fire District #10 and Yakima County Fire District #11 do not have many of these elements since they currently contract for services from Union Gap and Yakima.

Survey Table 1: Organizational Governance

Survey Components	Union Gap	District #11	Yakima	District #10
1. Responsibilities & Lines of Authority				
A. Governing body	Strong Mayor and City Council (7 including mayor)	Board of Fire Commissioners (3)	Council-Manager form of government	Board of Fire Commissioners (3)
i) head of governing body	Mayor	Rocky Willette, Chairman of the Board of Fire Commissioners	Mayor (elected by the council)	Carl Cyr, Chairman of the Board of Fire Commissioners
ii) key employee of governing body	Mayor	None	City Manager	None
B. Elected official authority defined	Yes	Yes – RCW 52	Yes – by ordinance	Yes – RCW 52
C. Fire chief position	Chris Jensen	None	Dave Willson	None
i) hired by contract	No		Yes	
ii) term of contract	N/A		No sunset – termination at-will, separation package if terminated without cause	
D. Fire chief/authority defined	Yes – Municipal Code		Yes – Municipal code	
E. Policy and administrative roles defined	Yes		Yes	
2. Attributes of Successful Organizations				
A. Legal counsel maintained	Yes	Glen Warren, local attorney	Yes	
i) consultation available	Yes	Yes	Yes	
ii) labor counsel	Yes	No	Yes – occasionally contracts out for labor issues	No
3. Organizational Structure				
A. Structure type	Municipal Fire Department	Fire District	Municipal Fire Department	Fire District

Regional Fire Authority Fiscal Analysis
Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
B. Employment agreements	Yes -- Union	No – no employees	Yes – Union for B/C and below. 2 Deputy Chiefs in fire mgmt. union	No – no employees
4. Chain of Command				
A. Span of control	Yes	N/A	Yes	N/A
B. Hiring/Firing authority	No – recommend to Mayor		No – recommend to City Manager	
5. Formation and History				
A. Organization formed	1937	1960	1889	
B. History maintained	No		Yes	
i). Individual or group responsible	N/A		Yes	
6. General Description of Agency				
A. Agency type	Municipal Fire Department	Fire District	Municipal Fire Department	Fire District
B. Area, square miles	UGFD – 5.7 YFD#11 – 3.66 Total area – 9.36	3.66	25.1 plus 0.9 for YFD #10	0.9
C. Headquarters	107 West Ahtanum Rd. (Station 85)	68 West Washington (Broadway Fire District Headquarters)	401 No. Front Street (Station 91)	N/A
D. Fire stations	1 + 1 inactive from District #11	1	5	0
E. Other facilities	House behind headquarters for gym and locker room, and garage across street for air compressor and storage, repair and maintenance facility	None	Maintenance, inactive station with call-back apparatus stored there, training facility (co-located with active station)	None
F. Emergency vehicles	See below	International 90's version Tech Rescue Truck (stored at YFD), car hauler trailer (carries trench rescue equipment), port-o-potty on a trailer, partnership on a rehab unit with YFD Station 95 – regional assets	See below	None
i) engine	3		5	

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
ii) engine, reserve	0 – use of the three		3	
iii) ladder truck	0		1 (tillered aerial)	
Reserve ladder truck	0		1	
iv) ambulance (first response aid unit)	1		1	
v) ambulance, reserve	0		0	
Brush engine (type 6)	1		2	
vi) command	2		1 + reserve	
vii) boat	0		1 (outboard powered sled)	
G. WSRB rating	5		4	
i) date of most recent rating	2005		Early 1995	
ii) fire department deficiency points	2423 Total Deficiency Points		168 deficiency points for personnel, 700 total FD	
H. Total fire department personnel, uniformed and civilian	10 career, .5 secretary, 15 approved volunteers (4 currently vacant)		87	
i) administrative and support personnel, full-time	1.5		5	
ii) administrative and support personnel, volunteer	0		0	
iii) operational personnel, full-time	9		79	
iv) operational personnel, volunteer	15		0	
7. Demographics				
A. Population, 2010	5,742		91,630	

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
ii) percent urban/suburban/rural	Vacant Develop. Land 20.3% Agriculture 19.8% Residential 25.9% Industrial 12.9% Commercial 12.9% Pub. Fac. 8.1%		Sub. 16% Residential 52% Business 6% CBD, GC and RD 11% Ind./ & Airport Support 15%	
B. Total residential units, 2010	2297		See above	
C. Businesses, 2010	650		See above	
8. Alarms				
A. Fire	98		383	
i) value of property exposed to fire, 2010	\$1,192,750		\$208,607,655.00	
ii) value of property lost to fire, 2010	\$200,100		\$13,980,922.00	
B. Rupture or explosion	1		7	
C. EMS/rescue	713		7,569	
D. Hazardous condition	15		125	
E. Service call	36		489	
F. Good intent call	129		846	
G. False call	72		581	
H. Severe weather	0		2	
I. Other	1		7	
J. Total	1,065		10,009	

Survey Table 2: Fiscal Management

Survey Components	Union Gap	District #11	Yakima	District #10
1. Finance Overview				
A. Assessed property value, FY 2012	\$550,326,067	\$50,733,198	\$5,599,278,437	\$67,913,846
B. Revised 2012 general operating fund budget, fire department	Fire Operations = \$838,287 + EMS = \$523,712 total = \$1,361,999	\$44,664	Fire Operations = \$9,133,653 EMS + \$1,199,489 Total = \$10,333,141	\$74,087
C. General fund property tax, city levy FY 2012	Fire & EMS operations are supplemented by city general fund revenue. The total amount transferred to cover fire operations was \$838,287 and the amount to EMS was \$523,712	\$44,664	Fire operations are supplemented by city general fund revenue. The total amount transferred to cover fire operations was \$9,079,153. EMS property tax revenue was \$1,194,000	\$63,205
i) levy rate (FY 2008 through 2012)	Effective Fire Levy rate (city contribution to fire department budget calculated as a levy rate) 2008 = 1.558 2009 = 1.395 2010 = 1.294 2011 = 1.478 2012 = 1.523 EMS levy rates 2008 = 0.835 2009 = 0.926 2010 = 0.895 2011 = 1.073 2012 = 0.952	Fire 2008 = 0.981 2009 = 0.924 2010 = 0.851 2011 = 0.931 2012 = 0.880 EMS 2008 = 0.165 2009 = 0.165 2010 = 0.135 2011 = 0.0 2012 = 0.0	Effective Fire Levy rate (city contribution to fire department budget calculated as a levy rate) 2008 = 1.796 2009 = 1.705 2010 = 1.685 2011 = 1.627 2012 = 1.621 EMS levy rates 2008 = 0.228 2009 = 0.205 2010 = 0.204 2011 = 0.214 2012 = 0.214	2008 = 1.014 2009 = 1.050 2010 = 1.003 2011 = N/A 2012 = 0.932
ii) general fund levy percentage collected FY 2011	Budgeted \$1,298,320 Received \$1,288,439 Percent 99.2%		99.72%	
D. Bonds, fire department	None	None	Limited GO for training center, matures in 2014	None
i) levy rate	N/A	N/A	\$0.05 per thousand	N/A

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
E. Other tax levy, public safety	None	N/A	Valley station funded with REET funds	N/A
i) levy rate	N/A	N/A	N/A	N/A
2. Budgetary Controls				
A. Designated fiscal year				
i) budget cycle	Calendar	Calendar	Calendar	Calendar
B. Budget officer	City Treasurer/Mayor	District Secretary	Deputy Director Accounting & Budgeting	District Secretary
C. Budget development process	<p>Process begins in August. Finance provides 2 years of history plus current actual data YTD and current year budget. By fund and account number. Once submitted, Finance Dept assembled total preliminary budget for review.</p>	<p>Process begins in September with the district secretary preparing a preliminary budget (generally is equivalent to previous year). In the October meeting the budget is discussed, revised as necessary and adopted. The adopted budget is submitted to the county in November.</p>	<p>Process begins in June utilizing approved FTEs to generate base wages. Dept sends in estimates for year-end expenditures. Finance prepares an adopted base budget with recommended numbers, which is sent to the depts for review and revision. New budgets are to be received by end of July. August meetings are scheduled to review the budget data. After these meetings, depts are sent a target reduction list. After reductions, budget presented to council for review and approval. Budget is approved first meeting in December. The adoption is the second meeting in December.</p>	

Regional Fire Authority Fiscal Analysis
Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
i) role of electeds	Look at preliminary budget, make revisions, approve approved by 12/31.		The council budget committee meets to review policy and reserve levels for the budget. The council ultimately approves the budget.	
ii) role of administration	Fire chief working with secretary creates department budget		Fire chief works closely in scrubbing the numbers to arrive at final budget.	
iii) role of management	Limited		Deputy fire chiefs provide input to budget process	
iv) role of staff	Staff proposals to the Chief based on program area of responsibility		Staff functions provide input	
v) role of community	Nothing specific for fire department but there is a public hearing on total budget.		Nothing specific for fire department but there is a public hearing on total budget	
D. Budget adoption process				
i) budget approval	City council approves budget by the end of December		City council approves the budget during the first meeting in December and adopts the budget at the second meeting.	
ii) funding approval	Revenue is included in the budget approval process and approved at the same meeting		Revenue is included in the budget approval process and approved at the same meeting	
E. Financial control officer				
i) financial report	On-line access. The fire department generates own reports.		On-line access. The fire department generates own reports	

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
ii) financial review	City Finance department reviews reports and exceptions to budget are reviewed with Mayor and overages are discussed with department and a resolution is made. If no resolution is obtainable, a budget amendment ordinance is required to be authorized for overage		City Finance department reviews department reports and exceptions to budget are analyzed. Corrective actions are discussed and implemented as necessary. The department is assigned an accountant for support.	
iii) auditor	State auditor's office does an annual audit. Last audit for 2009. In 2012 both 2010 and 2011 will be audited.		State auditor's office does an annual audit. Last audit for 2010.	
F. Basis of accounting	Cash basis		Modified Accrual	
G. Purchasing				
i) purchasing policy	No written policy, POs are not issued. The mayor must sign all expenditures over \$500. The fire chief as authority to purchase anything in his budget.		Written policy maintained by purchasing. There is a requisition process to generate purchase order. The deputy chief must sign all req's over \$2,500; fire chief must sign over \$7,500.	
vi) central supplies/logistics	No		No	
vii) joint agreements/ventures	No		No	

Regional Fire Authority Fiscal Analysis
Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
viii) JPAs	No, use state contracts		Utilize state contracts, piggy back on other department's purchases for major equipment.	
ix) bidding	State bidding guidelines		State bidding guidelines	
x) leases	None		None	
3. Budget				
A. Service level defined	Budget Only		Yes (SOC)	
B. Operating budgetary funds	\$1,316,856 (2012)			
i) organized by program or category	Yes		Yes	
ii) sub accounts	Yes		Yes	
C. Reserve funds	None	Projected balance at 11/23/11 is \$19,189	Retired Medical and pension fund \$774,348.72	None
D. Revenue funds	Capital fund 113 – projected 12/31/11 ending balance \$253,196	None	EMS fund = \$64,511 Capital fund = \$253,164	None
E. Enterprise funds	N/A	N/A	N/A	N/A
F. Adopted budget FD income accounts, 2012 actual amounts	Fire = \$838,287 EMS = \$523,712	\$44,464	Fire = \$9,133,653 EMS = \$1,196,026	\$63,545
G. Revised budget FD expense accounts, 2012 General Fund	Fire = \$838,287 EMS = \$523,712	\$25,475	Fire = \$9,133,653 EMS = \$1,199,489	\$74,087
i) personnel	Fire = \$636,110 EMS = \$502,212	Secretary & Commissioner \$4,900	Fire = \$6,694,698 EMS = \$771,625	Secretary & Commissioner \$6,768
ii) contractual	No contractual obligations	Amount paid to Union Gap not shown in budget	No contractual obligations	\$58,874 paid to Yakima for fire service
iii) commodities	Fire = \$59,117	\$9,875	Fire = \$439,803 EMS = \$32,930	\$3,025

Regional Fire Authority Fiscal Analysis
Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
iv) capital outlay	\$10,000 is included in the fire budget for machinery & equipment. \$250,000 is included in fund 113 for the purchase of an engine	\$5,000	Capital not in the budget but recorded in capital fund number 332. 2012 expense amount in fund 332 = \$126,500	N/A
H. Municipal overhead				
i) reserve fund contributions	N/A	N/A	EMS \$100,000 to dispatch Fire \$75,000 to capital fund	N/A
ii) fleet rental charges	0	N/A	N/A	N/A
iii) fleet maintenance charges	\$7,300	\$0	\$65,000	\$0
iv) motor fuel charges	Fire = \$6,000 Ems - \$5,000	\$0	\$84,000	\$0
v) property/casualty insurance	Total insurance recorded in Fire Operations budget \$35,000	\$2,500	Fire = \$117,125 EMS = \$22,813	\$1,300
vi) medical and dental insurance	Budget includes \$155,746 for benefit and taxes. No segregation provided by expense category.	N/A	Fire = \$1,058,680 EMS = \$125,542	N/A
vii) workers' compensation	\$27,327	N/A	Fire = \$135,833 EMS = \$16,415	N/A
viii) workers' compensation mod rate	Fire = 0.8556 Admin = 0.1892	N/A	The city doesn't establish a mod rate for worker's comp. Annual amount based on open claims and estimated new claims.	N/A
ix) employee pension plan	See above	N/A	Fire = \$323,343 EMS = \$37,064	N/A
x) city administrative overhead	No charges to fire department	N/A	No charges to fire department	N/A

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
4. Debt				
A. Bonded debt	GO Debt for fire station remodel.		GO debt is not charged to the fire department budget but to the Finance budget. In 2012 the total department expense for debt would have increased by \$293,875. The cost for the Valley station is also not charged to the fire department. 2012 cost would have been \$71,635.	
B. Capital lease	In process of purchasing a fire truck. \$200,000 down with lease to begin payments in 2013		Two engines purchased on lease and charged to Fire department budget (\$69,959). The fire department has also purchased a ladder truck on lease. However the expense for this purchase is charged to the Finance department fund number 281. The 2012 budget amount is \$72,563.	
C. Unfunded liability	None. The pension and medical exposure are included at the state level. Any collection of unfunded liability is by adjusting annual premiums.		LEOFF I medical unfunded liability is \$24,295,000. Ongoing costs for this expense are charged to fund number 612.	

Regional Fire Authority Fiscal Analysis
Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
i) pension fund	The LEOFF fund is controlled by the staff any unfunded liability is recovered through increased annual premiums.		The LEOFF fund is controlled by the staff any unfunded liability is recovered through increased annual premiums. Employees working prior to 1970 pre - LEOFF pension unfunded liability is \$9,289,000. Ongoing costs for this expense are charged to fund number 612.	
ii) workers' compensation claims	No open claims		6 opens claims with a projected future payout of \$467,000	
5. Revenue				
A. Tax levy		\$0.880/\$1000	The city rate for the 2012 budget is 3.02 per thousand.	0.932
i) limitations	The city legal maximum is 3.10.	Maximum allowed 1.500	The city legal maximum mill rate is 3.60 with 0.50 designated for the library fund. Without the library fund mill rate, the city's ceiling mill rate is 3.10.	Maximum allowed 1.500
B. Service contracts	None	Contracted fire service with Union Gap	None	Contracted fire service with Yakima
C. Grants				
i) recent awards	Pre-hospital trauma grant	None	None	None
ii) county grants	None	None	None	None
iii) outstanding applications	None	None	None	None
D. Fundraising				
i) Foundation	None	None	None	None
ii) Volunteer Association	None	None	None	None

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
E. Fees for service				
ii) billing for fire response	Yes	No	No	No
iii) inspection fee	To be started 1/01/12	No	No	No
iv) hazardous materials	Yes	No	No	No
v) recovery outside of city	No	No	No	No
vi) airport/port fee(s)	No	No	No	No
vii) event stand-by charges	Yes	No	No	No

Survey Table 3: Organizational Management

Survey Components	Union Gap	District #11	Yakima	District #10
1. Critical Issues				
A. Critical issues are identified				
i) first critical issue	Staffing	Finding a provider for service	Funding	
ii) second critical issue	Equipment	Timely response, especially access issues	Personnel (staffing)	
iii) third critical issue	Facilities	Community involvement – getting a board member -- 900 population estimate	Maintenance of apparatus and facilities	
2. Challenges of the Future				
A. Challenges are identified				
i) first challenge	Connecting with the community – language barriers – predominantly Spanish-speaking community and limited staff speaks Spanish		Generation of the workforce (entitlement)	
ii) second challenge	Staffing and Deployment model –auto aid has been pulled from Yakima		Political (conservative community values with ultraconservative council)	
iii) third challenge	All apparatus and major equipment were purchased at the same time -- 1999		Roll of the fire service in the future	
3. Security				
A. Building security	Yes		Yes	
B. Office security	Yes		Yes	
C. Computer security	Yes		Yes	
D. Vehicle security	Yes		Yes	
E. Capital inventory maintained	Tracked and listed in ERS, but not tagged with inventory tags		Yes	

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
i) asset security system used	No		Yes	
ii) inventory interval	Yes		Annual	
4. Reporting and Records				
A. Records kept by computer	Yes		Yes	
i) type of platform	Contracted out		PC	
ii) operating system	Windows Vista		Windows	
B. Required records maintained				
i) incident reports	ERS		Yes -- ERS	
ii) patient care reports	ERS		ERS	
iii) exposure records	Electronic and hard copy – secretary maintains in a secured file		Yes – Training Captain	
iv) SCBA testing	Yes		Yes	
v) hose	Yes		Yes	
vi) ladder	Yes – hired out		Yes	
vii) pump	Yes – hired out		Yes	
viii) breathing air	Yes		Yes	
ix) vehicles	Yes – maintained by crew		Yes	
x) gas monitors	Yes		Yes	

Survey Table 4: Planning for Fire and Emergency Medical Protection

Survey Components	Union Gap	District #11	Yakima	District #10
1. Organizing for the Planning Process				
A. Adopted planning process	No		No	
B. Long-range planning	No		No	
i) master planning	No		No	
ii) strategic planning	Being written currently by chief		No	
ii) capital improvement planning	No		Not for facilities but for apparatus	
iii) financial planning	No – being added to strategic plan		No	
C. Operational planning			Yes	
i) response planning	Run Cards		Yes	
ii) regional incident command	Yes		No	
iii) mutual aid planning	Yes		Yes	
iv) disaster planning	Yes		Yes	
D. Tactical planning				
i) pre-fire planning	Yes		Yes	
ii) specific hazard plans	Yes		Yes	
iii) hazardous materials planning	Yes		Yes	

Survey Table 5: Human Resources Management

Survey Components	Union Gap	District #11	Yakima	District #10
1. Policies, Rules, Regulations, and Operational Guidelines				
A. Human resource manager	Fire Chief is HR director for fire dept.. sends information to Mayor's secretary		Director of Human Resources – Colleen Chapin	
2. Compensation, Point System, and Benefits				
A. Uniformed employee compensation, FT annual	Current CBA expires 12/31/11		Salary amount shown includes longevity pay	
i) fire chief	\$85,691		\$127,644	
ii) deputy chief, administration	N/A		\$115,178	
iii) deputy chief, technical service	N/A		\$90,707	
iv) battalion chief	N/A		3 BCs with average wage of \$107,493	
v) training captain, nonexempt	N/A		\$91,870	
vi) deputy fire marshal, nonexempt	N/A		\$102,624	
vii) emergency management coordinator, exempt	N/A		N/A	
viii) field training officer, captain – nonexempt	N/A		N/A	
ix) EMS coordinator, nonexempt	N/A		N/A	
x) captain	3 captains with average wage of \$67,182		6 captains with average wage of \$95,005	
xi) technical services coordinator, lieutenant	N/A		\$74,257	
xii) EMS field coordinator	N/A		N/A	
xiii) fire lieutenant/fire investigator	N/A		N/A	
xiv) fire plans examiner/inspector	N/A		N/A	
xv) lieutenant	N/A		12 LTs with average wage of \$83,382	
xvi) engineer	N/A		N/A	
xvii) firefighter/paramedic	N/A		N/A	
xviii) public information specialist – exempt	N/A		N/A	
ixx) firefighter II	6 firefighters with an average wage of \$53,360		56 firefighters with an average wage of \$72,839	

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Survey Components	Union Gap	District #11	Yakima	District #10
xx) firefighter I entry level	N/A		N/A	
B. Additional compensation				
i) EMT premium pay	N/A		N/A	
ii) paramedic pay	N/A		N/A	
iii) clothing allowance	Provided for in Budget Annually		N/A	
iv) longevity pay	Effective January 1, 2007 monthly payment to base wage is increased by following percent: 6 – 10 years 1.5% 11 – 15 years 2.5% 16 – 20 years 3.5% 21 – 25 years 4.5% 26 years and over 5.5%		Monthly payment to base wage is increased by following percent: 4 – 8 years 2.0% 9 – 13 years 3.5% 14 – 19 years 5.5% 20 – 23 years 7.0% 24 - 25 9.0 % 26 years and over 10.0%	
v) other specialty pay	N/A		N/A	
C. Non-uniformed employee compensation, FT annual				
i) administrative support	\$46,525		\$49,024	
ii) clerical	N/A		\$56,888	
iii) management intern	N/A		N/A	
D. Career employee benefits				
i) social security	No FICA, but city pays into deferred comp program.		No FICA, but city pays into deferred comp program Yes, paid check on this	
ii) worker's compensation	Washington Builders Association.		Self-insured. The city contributes various amounts depending on the job classification of the employee and the employee contributes \$0.054 per hour worked.	

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Survey Components	Union Gap	District #11	Yakima	District #10
iii) pension	<p>LEOFF II firefighter pay 8.46% and the city pays 5.24% per pay period. The fire secretary is PERS I employee pays 6.0% and the city 7.25%.</p>		<p>LEOFF 1 & 11, office on PERS. LEOFF program is funded by the department no contribution by employee. PERS is funded by department with a contribution from employee PERS II is 5% and PERS III is 5%.</p>	
iv) deferred compensation	<p>Washington State deferred comp program. City pays 6.2%</p>		<p>ICMA deferred comp. Partially funded by city 4%. In 2011 the deferred comp rate was 1%. (4% in 2012) Firefighter administration is 3%</p>	

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
v) medical insurance	Association of Washington Cities. Employee is 100% paid \$651.95 and dependent are 90% paid with the employee covering the other 10%. Additional 639.45 for spouse. 292.10 for one child, two or more \$259.15. \$75 per person per month is paid for post-employment medical		City self-insured for medical insurance. 2012 rates: LEOFF I Total monthly cost for employee \$748.71 paid by city. Family total cost is \$1,444.41 with employee paying \$140, management group payment is \$347.86 LEOFFII Total monthly cost for employee \$576.50 paid by city. Family total cost is \$1,272.21 with employee paying \$140. Management group payment is \$347.86. PERS Total monthly cost for employee \$576.50 paid by city. Family total cost is \$1,272.21 with employee paying \$154.	
vi) dental insurance	\$74.10 per month including dependents. 100% paid		Total monthly cost for employee, including all dependents is \$91.96 paid by city.	
vii) short and long term disability insurance	AFLAC is short term that the firefighter fighter can purchase. Voluntary no city contribution		AFLAC is short term that the firefighter fighter can purchase. Voluntary no city contribution	

Regional Fire Authority Fiscal Analysis
Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
viii) life insurance	\$1.90 per month per employee for a policy valued at \$5,000		\$100,000 check to see if correct	
ix) vision insurance	\$15.90 per month including dependent. 100% paid		Included with medical coverage.	
x) survivor income benefit	Voluntary		Voluntary	
xi) additional life insurance	N/A		N/A	
E. Volunteer compensation	\$6 per point. Shift = 8 points, drill = 2 points, response to call 2 points.		10 reserves split budgeted dollars (\$5,000) based on activities.	
i) Pension	City pays \$60 per year		None	
ii) Medical benefits	\$30 per person per years for medical.		None	
3. Counseling Services				
A. Critical incident stress debriefing	Yes		Yes	
B. Employee assistance program	Yes		EAP through Central Washington comprehensive mental health. 3 free visits per incidence per household.	
4. The Application and Recruitment Process				
B. Application process	UGFD handles/recommends to Mayor		HR and FD	
iii) background check	UGFD		PST	
v) knowledge testing	UGFD		HR and FD	
vi) interview	UGFD		HR and FD	
5. Testing, Measuring and Promotion Process				
A. Civil Service	Yes		Yes	
vii) medical exam required	Not for promotional		Yes	
viii) psychological exam required	No		Entry level only with polygraph	
6. Health and Safety				
i) periodic medical exam	Medical surveillance per NFPA		No – CBA requires provision of bi-annual physicals after 40 & Haz-Mat personnel (12)	

Survey Table 6: Informational and Technology Services

Survey Components	Union Gap	District #11	Yakima	District #10
1. IS/IT Department				
B. IS/IT staff	Yakima Networking and 5K		Yakima IT dept.	
i) administration	0		1 (half IT/half Communication Director)	
ii) staff	0		6	
D. CIP (Capital improvement plan)	No		No	
2. RMS (Records Management System)				
A. RMS modules (version)	ERS		Yes	
i) accounting – receivables/billing	Bias		No	
ii) fire reports – NFIRS compliant	ERS		ERS	
iii) EMS reports	ERS		ERS	
iv) training	ERS		ERS	
v) vehicle maintenance	ERS		No	
vi) hose testing	ERS		Yes	
vii) ladder testing	ERS		Yes	
viii) hydrant records	ERS		Water Dept. performs this	
ix) inventory	ERS		No	
x) personnel records	Maintained at Mayor's office		Yes	
xi) exposure records	With Personnel records		Yes	
xii) staffing	ERS		Yes	
xiii) pre-plans, facility plans	Maintained on computer but outdated		Yes	
xiv) occupancy inspections	Yes		YFD does not perform, but YFD has access	
xv) fire investigation	Fire Chief and 1 captain		Yes	
xvi) public education activity	Yes		Yes	
xvii) hazardous materials	Don't know		No – hard copies	
xviii) mobile incident command	Yes		Yes	
ixx) fire inspections	Yes		YFD does not perform, but YFD has access	
C. Mapping – GIS	Yakima County		Yakima County GIS	
E. CAD (Computer Aided Dispatch)	Yes – Chief and Captain Office as well as MDC		Yes	

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Survey Components	Union Gap	District #11	Yakima	District #10
i) interface(s) with other RMS	Yes		Yes	
F. MDC/MDT	MDCs		MDCs	
i) emergency response units	E-85, E-285, 1 spare, Rescue 85		MDCs	
ii) command units	No		MDCs	
G. AVL	Yes		Yes	
i) mutual and auto aid agencies	Yes		Some do	
3. Equipment				
A. Computers at stations	Yes		Yes	
i) printers	Yes		Yes	
ii) intranet	No		No	
iii) internet access	Yes		Yes	
iv) connection type	Ethernet		Ethernet	
v) firewalls	Yes		Yes	
vi) software	Microsoft Office		Microsoft Office	
B. Laptop computers	Yes - 2		B/Cs, Training, Ops Chief and Fire Chief	

Survey Table 7: Organizational Staffing

Survey Components	Union Gap	District #11	Yakima	District #10
1. Administration and Other Support Staff				
A. Fire chief	1		1	
B. Deputy fire chief, Operation	0		1	
C. Deputy fire chief, Support	0		1 (vacant)	
D. Captain, training	1		1	
E. Deputy fire marshal	0		1	
F. Emergency management coordinator	0		0	
G. Lieutenant, field training officer	0		1 (position expires at end of year, going back to the line)	
H. EMS coordinator	Acting Capt is EMS coordinator, but is on shift		0 (training captain has additional duty)	
I. Lieutenant, technical services coordinator	0		0	
J. Fire lieutenant/fire investigator	0		0 (shift personnel with cause & origin training)	
K. Fire plans examiner/inspector	Fire Chief performs		0	
L. Fire prevention specialist	0		0	
M. Public information specialist, exempt	0		0	
N. Mechanic	0		1	
O. Public education specialist, exempt	0		0 (company delivered - by request)	
P. Administrative support	0		1	
Q. Clerical	.5		1	
R. Management intern	0		0	
S. Total administrative & support staff	2.5		8	
T. Percent administrative & support to total	21.7%		9.1%	
2. Emergency Service Staff				
A. Battalion chief	0		3	
B. Captain	3 (see reorg.)		6	
C. EMS field coordinator	0		0	
D. Lieutenant	0 (see reorg)		12	
E. Engineer	0		0	
F. Firefighter, paramedic	0		0	
G. Firefighter I and II	6		57	

Regional Fire Authority Fiscal Analysis
 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
H. Total operational staff	9		79	
I. Fire department total	11.5		87	
J. Percent of operational officers to firefighters	33%		28.75%	
3. Use of Career and Volunteer Personnel				
A. Career schedule	48/96		48/96	
i) length of normal duty period	48		48 – increase sick leave and productivity have increased under this schedule	
ii) FLSA period	24 day		24 day	
iii) duty hours per week	53 (12 hour Kelly day per cycle)		50.46	
iv) normal shift begins	0800		0800	
v) callback requirements	Yes		Yes – 19 minimum, hire back	
B. Operational career services				
i) fire suppression	Yes		Yes	
ii) EMS/rescue, first response	Yes		Yes	
iii) EMS, advanced life support	No		No	
iv) specialized rescue	Yes		Yes	
v) fire prevention inspections	Yes		Yes	
vi) emergency management	Yes		No	
vii) public education	Yes		Yes – request basis	
viii) hazardous materials response (level)	Yes – Operations level		Yes – Technician – Tri-county hazmat team including Benton, Franklin, Walla Walla counties	
D. Volunteer services				
i) chaplain	No		4	

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 Yakima, Union Gap, Yakima County Fire Districts #10 and #11, Washington

Survey Components	Union Gap	District #11	Yakima	District #10
ii) civilian administrative volunteer	No		Reserve program 9 – Called out on greater alarm incidents to run rehab and air. Now has a non-profit account. Some financial issues caused the program to be suspended.	
iii) operational volunteers	15		0	
4. Responsibilities and Activity Levels of Personnel				
A. Special duties assigned by:				
i) bid	No		No	
ii) duty assignment	Yes		No	
iii) areas of personal interest	Yes		Yes	
B. Committees and work groups				
i) EMS quality management	Yes		No	
ii) chaplain	No		No	
iii) training	Yes		No	
iv) safety	Yes		Yes	
v) building development	Yes		Yes	
vi) standards	Yes		Yes	

Survey Table 8: Emergency Management

Survey Components	Union Gap	District #11	Yakima	District #10
1. Fire based?				
A. Responsible for Emergency Management?	Shared	Union Gap provides	Yes	Yakima provides
2. Resources				
A. Internal personnel resources	ICS positions elsewhere in county		N/A	
B. External personnel resources	County EM		County Emergency Management	

Survey Table 9: Emergency Communications

Survey Components	Union Gap	District #11	Yakima	District #10
1. Communications Provider				
A. Emergency Dispatch Agency	Yakima (SunCom)		Yakima city employees dispatch	
i) population served	All of the upper valley of Yakima County		All of the upper valley of Yakima County	
ii) 9-1-1 PSAP – (public safety answering point)	Yakima County		Yakima County	
iii) surrounding bordering PSAPs	District 5, Ellensburg/Kittitas Co.		District 5, Ellensburg/Kittitas Co.	
iv) surrounding and mutual aid fire departments	All of upper Yakima Valley		All of upper Yakima Valley – enterprise fund	
B. Organizational structure	Director reports to Finance & Fire Chief, but also functions as IT, is supervised by Finance Dept.		Director reports to Finance & Fire Chief, but also functions as IT, is supervised by Fire Dept.	
C. Authorized communications staffing	12 dispatchers, 9 call takers, 1 mid manager and 1 division head,		12 dispatchers, 9 call takers, 1 mid manager and 1 division head,	
i) work schedule	12 hours		12 hours	
ii) minimum staffing policy	3 (1 PD + 1 Fire, +1 swing		3 (1 PD + 1 Fire, +1 swing	
iii) state requirements for public safety dispatchers	Yes		Yes	
iv) union representation	Yes		Yes	

Survey Table 10: Service Delivery System

Survey Components	Union Gap	District #11	Yakima	District #10
1. Fire Stations				
A. Total area protected	5.7 + 3.66 from YFD#11		25.1 + .9 from YFD#10	
i) total area protected for EMS transport	N/A		N/A	
B. Total number of fire stations	1		5	
i) number of stations staffed full-time	1		5	
ii) number of stations staffed part-time	0		0	
iii) number of unstaffed stations	0		0	
C. Average area protected by each station	9.36		5.2	
D. Response time goals adopted	No		Yes	
i) for fire emergencies	No		Yes	
ii) for EMS emergencies	No		Yes	
iii) actual response times documented	Yes through ERS		Yes	
E. Standard response protocols adopted	Yes		Yes	
i) by alarm type (apparatus per alarm)	Yes – E 85		Yes	
ii) by apparatus type (persons per app)	Yes - 3		Yes	
F. Call back system	Yes		Yes	
2. Emergency Apparatus				
A. Availability for dispatch				
i) engine	3		5	
ii) ladder truck	0		1 swing staffed w/engine	
iii) rescue	1		1	
iv) command	1		1	
v) hazardous materials	0 – respond as first responders		Yes	
vi) boat	0		Yes	
B. Availability of reserves (response ready)				
i) engine	Front Line Apparatus used as reserve			
ii) ladder truck	Yes – Contract with Yakima		1	
iii) Rescue	No		0	

Survey Table 11: Emergency Services Training Program

Survey Components	Union Gap	District #11	Yakima	District #10
1. Training Facilities and Resources				
A. Training facilities (tower, props, pits)	Vent prop, train on buildings within the community		Tower, confined space, vehicle fire, forced entry, vehicle extrication	
i) live fire prop	Go to Yakima Station 95 or North Bend		Yes, burn room and live fire prop	
ii) fire and driving grounds	In the community		Yes	
B. Classroom facilities	Kitchen table		Yes	

Survey Table 12: Capital Improvement & Replacement

Survey Components	Union Gap	District #11	Yakima	District #10
1. Fire Stations/Structures				
A. Plan maintained	No	N/A	No	N/A
i) period of plan (from – to)	N/A		N/A	
ii) funding mechanism	N/A		N/A	
B. Construction or improvement plans	N/A		N/A	
2010	N/A		N/A	
2011	N/A		N/A	
2012	N/A		N/A	
2013	N/A		N/A	
2014	N/A		N/A	
2015	N/A		N/A	
2016	N/A		N/A	
2017	N/A		N/A	
2018	N/A		N/A	
2019	N/A		N/A	
2020	N/A		N/A	
2. Apparatus				
A. Plan maintained	No		Yes	
i) period of plan (from – to)				
ii) funding mechanism	No		No	
B. Purchase or refurbishment schedule	N/A		Engines every 12 years for front line, 5 years additional for reserve, 20 years for aerial	
2010, adopted	N/A		N/A	
2011, recommended	N/A		N/A	
2012, recommended	N/A		N/A	
2013, recommended	N/A		N/A	
2014, recommended	N/A		N/A	
2015, recommended	N/A		N/A	
2016, recommended	N/A		N/A	
2017, recommended	N/A		N/A	
2018, recommended	N/A		N/A	
2019, recommended	N/A		N/A	
2020, recommended	N/A		N/A	
3. Support Equipment				
A. Plan maintained	No		No	
i) period of plan (from – to)	N/A		N/A	
ii) funding mechanism	N/A		N/A	
B. Purchase planned for:	N/A		N/A	
4. Methods of Financing				
A. General revenue	See below		See below	
B. Reserve fund(s)	N/A		N/A	
C. Revenue fund(s)	N/A		N/A	
D. General obligation bond	N/A		N/A	
E. Lease-Purchase	N/A		N/A	

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Survey Components	Union Gap	District #11	Yakima	District #10
F. Grants or gifting	N/A		N/A	
G. Special fees	N/A		N/A	

Survey Table 13: Yakima Station 90

Address: 1216 Race Street

<p style="font-size: 24px; font-weight: bold;">Not Pictured</p>	
Survey Components	Administrative Offices
1. Structure	
A. Construction type	Unknown
B. Date	Unknown
C. Seismic protection/energy audits	Unknown
D. Auxiliary power	Unknown
E. Condition	Unknown
F. Special considerations (ADA, mixed gender appropriate, storage, exhaust removal, etc.)	Unknown
2. Square Footage	
3. Facilities Available	
A. Exercise/workout	Unknown
B. Kitchen/dormitory	Unknown
C. Lockers/showers	Unknown
D. Training/meetings	Unknown
E. Washer/dryer	Unknown
4. Protection Systems	
A. Sprinkler system	Unknown
B. Smoke detection	Unknown
C. Security	Unknown
D. Apparatus exhaust system	Unknown

Comments: This facility was not inspected by ESCI. The station houses the reserve program apparatus and is not an emergency response facility. The status of the reserve program is currently on hold and in doubt.

Survey Table 14: Yakima Station 91

Address: 401 North Front Street



Survey Components	Administrative Offices
1. Structure	
A. Construction type	Masonry
B. Date	1974
C. Seismic protection/energy audits	No
D. Auxiliary power	Yes
E. Condition	Good
F. Special considerations (ADA, mixed gender appropriate, storage, exhaust removal, etc.)	See below
2. Square Footage	9,405
3. Facilities Available	
A. Exercise/workout	Yes
B. Kitchen/dormitory	Yes
C. Lockers/showers	Yes
D. Training/meetings	Yes
E. Washer/dryer	Yes
4. Protection Systems	
A. Sprinkler system	Partial
B. Smoke detection	Yes
C. Security	Adequate
D. Apparatus exhaust system	Yes

Survey Table 15: Yakima Station 92

Address: 7707 Tieton



Survey Components

1. Structure	
A. Construction type	Masonry
B. Date	1978
C. Seismic protection/energy audits	No
D. Auxiliary power	Yes
E. Condition	Good
F. Special considerations (ADA, mixed gender appropriate, storage, etc.)	Yes
2. Square Footage	
	8,032
3. Facilities Available	
A. Exercise/workout	Yes
B. Kitchen/dormitory	Yes
C. Lockers/showers	Yes
D. Training/meetings	Yes
E. Washer/dryer	Yes
4. Protection Systems	
A. Sprinkler system	Yes
B. Smoke detection	Yes
C. Security	Adequate
D. Apparatus exhaust system	Yes

Survey Table 16: Yakima Station 93

Address: 511 North 40th Avenue



Survey Components	
1. Structure	
A. Construction type	Wood Frame
B. Date	1996
C. Seismic protection/energy audits	No
D. Auxiliary power	Yes
E. Condition	Good
F. Special considerations (ADA, mixed gender appropriate, storage, etc.)	Yes
2. Square Footage	8,789
3. Facilities Available	
A. Exercise/workout	Yes
B. Kitchen/dormitory	Yes
C. Lockers/showers	Yes
D. Training/meetings	Yes
E. Washer/dryer	Yes
4. Protection Systems	
A. Sprinkler system	Yes
B. Smoke detection	Yes
C. Security	Adequate
D. Apparatus exhaust system	Yes

Survey Table 17: Yakima Station 94

Address: 2404 W. Washington Avenue



Survey Components

1. Structure	
A. Construction type	Wood frame
B. Date	Unknown
C. Seismic protection/energy audits	No
D. Auxiliary power	Yes
E. Condition	Good
F. Special considerations (ADA, mixed gender appropriate, storage, etc.)	Yes
2. Square Footage	3,200
3. Facilities Available	
A. Exercise/workout	Yes
B. Kitchen/dormitory	Yes
C. Lockers/showers	Yes
D. Training/meetings	Yes
E. Washer/dryer	Yes
4. Protection Systems	
A. Sprinkler system	No
B. Smoke detection	Yes
C. Security	Adequate
D. Apparatus exhaust system	Yes

Survey Table 18: Yakima Station 95

Address: 807 Knob Hill Blvd.



Survey Components	
1. Structure	
A. Construction type	Masonry
B. Date	1985
C. Seismic protection/energy audits	No
D. Auxiliary power	Yes
E. Condition	Good
F. Special considerations (ADA, mixed gender appropriate, storage, etc.)	Yes
2. Square Footage	16,409
3. Facilities Available	
A. Exercise/workout	Yes
B. Kitchen/dormitory	Yes
C. Lockers/showers	Yes
D. Training/meetings	Yes
E. Washer/dryer	Yes
4. Protection Systems	
A. Sprinkler system	No
B. Smoke detection	Yes
C. Security	Appropriate
D. Apparatus exhaust system	Yes

Survey Table 19: Yakima Fire Training Center

Address: 807 East Knob Hill Blvd.



Survey Components

1. Structure	
A. Construction type	Construction block masonry
B. Date	1996
C. Seismic protection/energy audits	No
D. Auxiliary power	N/A
E. Condition	Good
F. Special considerations (ADA, mixed gender appropriate, storage, etc.)	N/A
2. Square Footage	
Not available	
3. Facilities Available	
A. Exercise/workout	N/A
B. Kitchen/dormitory	N/A
C. Lockers/showers	N/A
D. Training/meetings	At adjacent fire station 95
E. Washer/dryer	N/A
4. Protection Systems	
A. Sprinkler system	N/A
B. Smoke detection	N/A
C. Security	Appropriate
D. Apparatus exhaust system	N/A

Survey Table 20: Yakima Fire Apparatus Maintenance

Address: 2200 Fruitvale Blvd.



Survey Components

1. Structure	
A. Construction type	Masonry
B. Date	1995
C. Seismic protection/energy audits	No
D. Auxiliary power	No
E. Condition	Good
F. Special considerations (ADA, mixed gender appropriate, storage, etc.)	No
2. Square Footage	Fire Dept. portion 4,800
3. Facilities Available	
A. Exercise/workout	N/A
B. Kitchen/dormitory	N/A
C. Lockers/showers	N/A
D. Training/meetings	N/A
E. Washer/dryer	N/A
4. Protection Systems	
A. Sprinkler system	No
B. Smoke detection	No
C. Security	Adequate
D. Apparatus exhaust system	No

Survey Table 21: Union Gap Station 85

Address: 107 Ahtanum Road



Survey Components	Administrative Offices
1. Structure	
A. Construction type	Masonry
B. Date	1970
C. Seismic protection/energy audits	No
D. Auxiliary power	unknown
E. Condition	Fair
F. Special considerations (ADA, mixed gender appropriate, storage, exhaust removal, etc.)	No
2. Square Footage	6,508
3. Facilities Available	
A. Exercise/workout	Yes
B. Kitchen/dormitory	Yes
C. Lockers/showers	Yes
D. Training/meetings	Yes
E. Washer/dryer	Yes
4. Protection Systems	
A. Sprinkler system	No
B. Smoke detection	Yes
C. Security	Adequate
D. Apparatus exhaust system	No

Survey Table 22: Fire District #11 Station 86

Address: 68 W. Washington Avenue



Survey Components	
1. Structure	
A. Construction type	Masonry
B. Date	1965
C. Seismic protection/energy audits	No
D. Auxiliary power	Unknown
E. Condition	Fair
F. Special considerations (ADA, mixed gender appropriate, storage, etc.)	No
2. Square Footage	3,072
3. Facilities Available	
A. Exercise/workout	N/A
B. Kitchen/dormitory	Yes
C. Lockers/showers	N/A
D. Training/meetings	Yes
E. Washer/dryer	Unknown
4. Protection Systems	
A. Sprinkler system	No
B. Smoke detection	Yes
C. Security	Adequate
D. Apparatus exhaust system	No



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