GIG HARBOR FIRE & MEDIC ONE

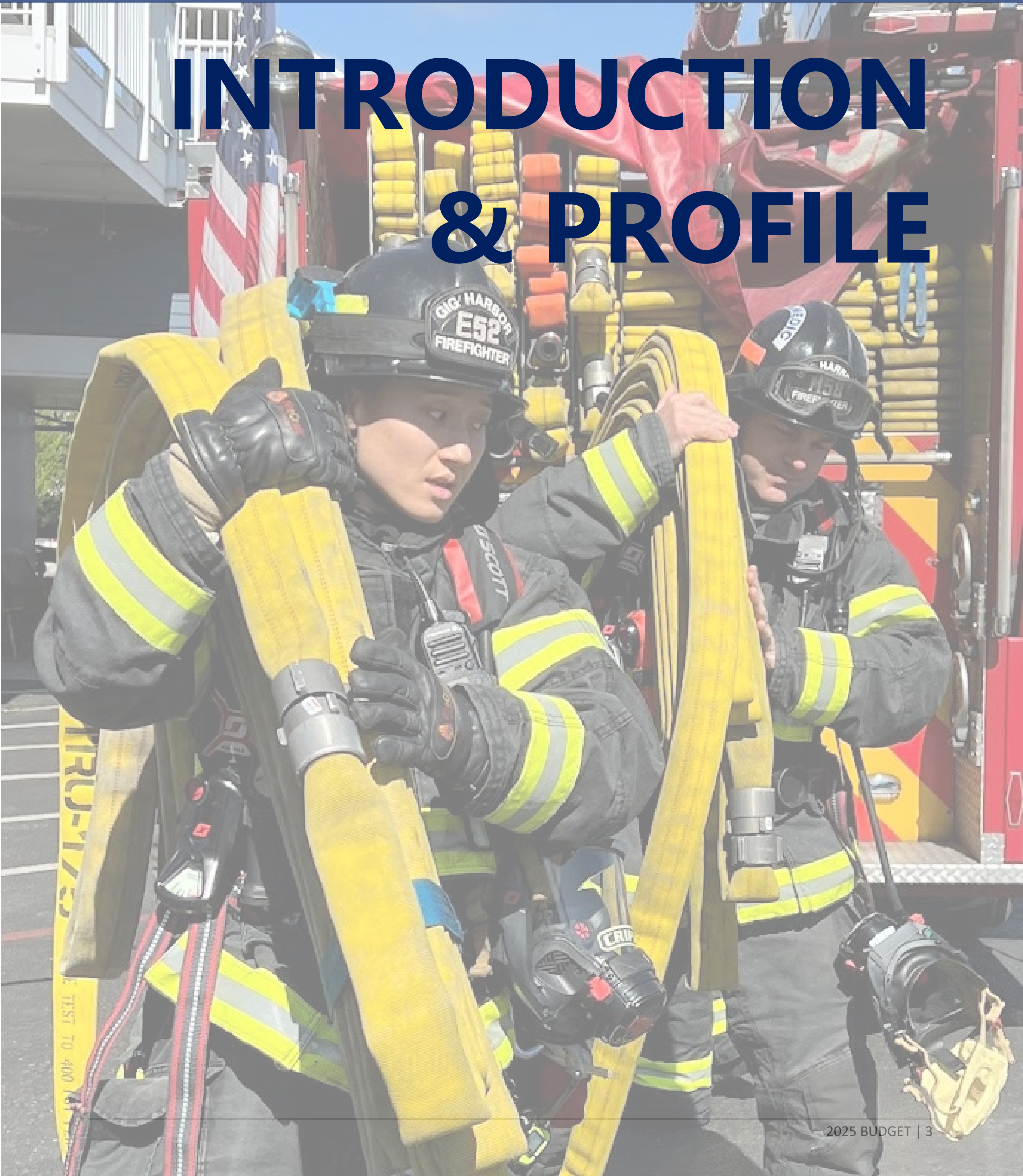
2025 BUDGET

TABLE OF CONTENTS

Budget Message 4
History of Gig Harbor 5
Demographics 6
Introduction 9
Department History 10
District Overview 12
Organizational Chart 14
Board of Commissioners 15
Command staff 16
Division & Battalion Chiefs 17
Fire Stations & Response Area 18
Annual Work Plan/thematic goal 19
Position Summary 20
Budget Procedures 22
Basis of Budgeting and Accounting 23
Budget Adjustments 24
Balanced Budget 24
Budget Calendar 25
Financial Policies 27
Fund Structure 30
Fund Descriptions 30
Fund Balances 31
Finance & Administrative Division 33
Operations Division 34
Health, Safety & Emergency Preparedness Division 36
Logistics Division 37

Revenue 39
Expenditures 44
2025 Budget Considerations 45
2025 Budget Updates 46
Budget Summary 47
Year to Year Budget Comparison 48
Revenue Detail – All Funds 49
Expenditures Detail by Division 51
Budget by Division Detail 53
Go Bond Fund Budget 54
Capital Fund Budget 55
Total Budget – All Funds 56
Long-Range Operating Financial Plans 58
Debt 60
Capital Program 61
Glossary 63

INTRODUCTION & PROFILE



BUDGET MESSAGE

From the Finance Director

As we present the 2025 Annual Budget, I am pleased to share that this financial plan reflects our district's ongoing commitment to fiscal responsibility and strategic growth. Now in the second year of our six-year levy, we remain dedicated to fulfilling the promises made to our community by investing in enhanced services, personnel, and infrastructure improvements.

This budget is built on a foundation of carefully considered financial assumptions and is aligned with our district's priorities. It serves not only as a roadmap for the year ahead but also as a testament to our proactive planning and adaptability in a dynamic fiscal environment. Our focus remains on ensuring the sustainability and effectiveness of our services while addressing the evolving needs of the district.

We believe this budget positions us to meet both immediate operational needs and future challenges, supporting our mission to protect and serve with excellence. We look forward to continuing collaboration with our community, stakeholders, and staff as we work together to build a strong and resilient future for our fire district.

Sincerely,

Krystal Hackmeister
Finance Director

HISTORY OF GIG HARBOR

In the early 1800s, the area now known as Gig Harbor was home to Native American communities, primarily the Puyallup, Nisqually, and Squaxin tribes, descendants of the S'Homamish people of the Pacific Northwest. In 1840, during the Wilkes Expedition, American explorers mapping the Puget Sound discovered the harbor. The expedition members named the area Gig Harbor after the small boat, a gig, they used to navigate the harbor. The name stuck, and Gig Harbor became its official designation.

During the mid-1800s, an influx of European settlers, primarily of Scandinavian and Croatian heritage, were drawn to this uncharted part of the United States, seeking new opportunities amidst its breathtaking landscapes. These settlers were attracted by the region's natural beauty and the promise of new opportunities in fishing, logging, and farming. By 1888, Gig Harbor had been officially founded as a fishing village, with commercial fishing becoming a cornerstone of the local economy.

Gig Harbor continued to grow throughout the late 19th and early 20th centuries. The construction of the Tacoma Narrows Bridge in 1940—and its subsequent replacement in 1950 after the original collapsed—significantly improved access to the area, spurring further development. In 1946, Gig Harbor was incorporated as a city, marking its transition from a small village to a recognized municipality.

Since then, Gig Harbor has evolved from a pristine, untamed estuary into a vibrant maritime city. The estuary remains a sanctuary for wildlife and boats, and the community continues to cherish the splendor of the Pacific Northwest. While it retains its historical charm and strong ties to the fishing industry, the city has expanded its economic base to include healthcare, education, retail, and tourism. The waterfront area has become a focal point, featuring marinas, parks, and recreational facilities that attract both residents and visitors.

Throughout the 20th and into the 21st century, Gig Harbor has maintained a strong sense of community. The city hosts numerous local events and festivals that celebrate its rich heritage and foster a close-knit community.

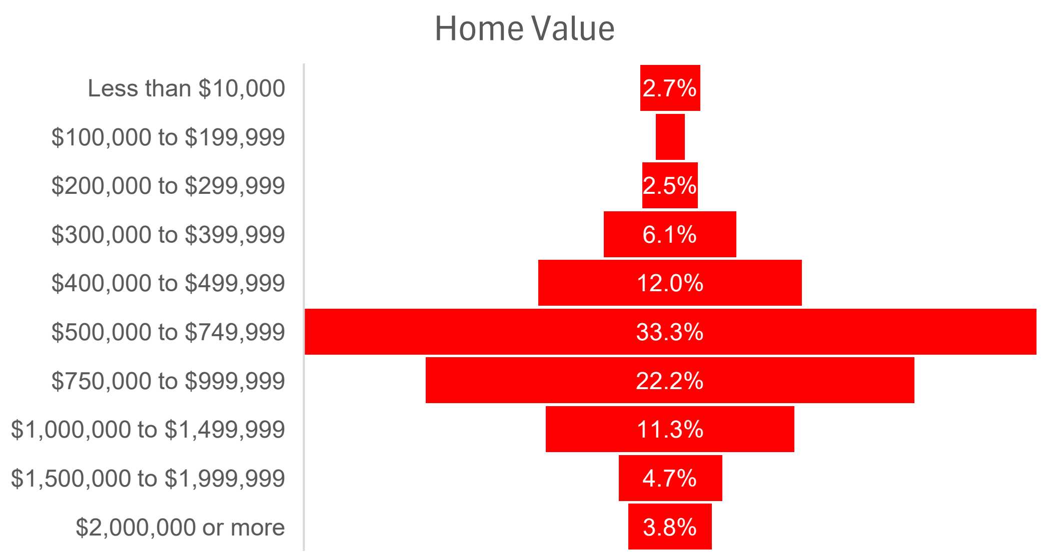
Efforts to preserve Gig Harbor's historical sites and natural beauty have remained paramount. Landmarks such as the Harbor History Museum offer insights into the city's past, while conservation initiatives ensure that the estuary and surrounding natural areas remain protected for future generations. Despite its growth and modernization, the city continues to honor its maritime roots and natural charm, striking a balance between preserving its history and looking toward the future.

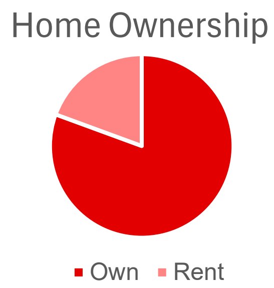
DEMOGRAPHICS

Gig Harbor is known for its picturesque waterfront, small-town charm, and proximity to the Puget Sound. The demographics reflect a blend of residential, suburban, and recreational lifestyles. Gig Harbor is a vibrant community that has experienced steady growth while offering a high quality of life, strong community spirit and diverse amenities. The demographic profile highlights a well-educated population with above-average income levels, and a range of residential options amidst a thriving local economy.

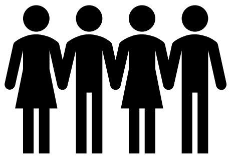
The following demographic information is obtained from the United States Census Bureau 2022.

Community Overview

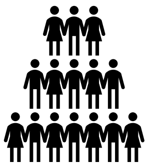




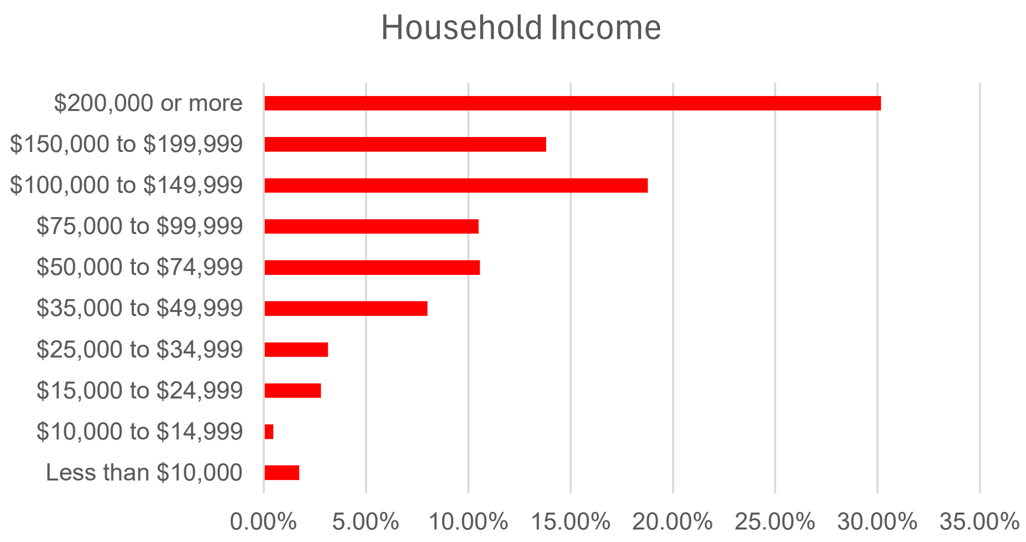
Average
Household Size
2.57

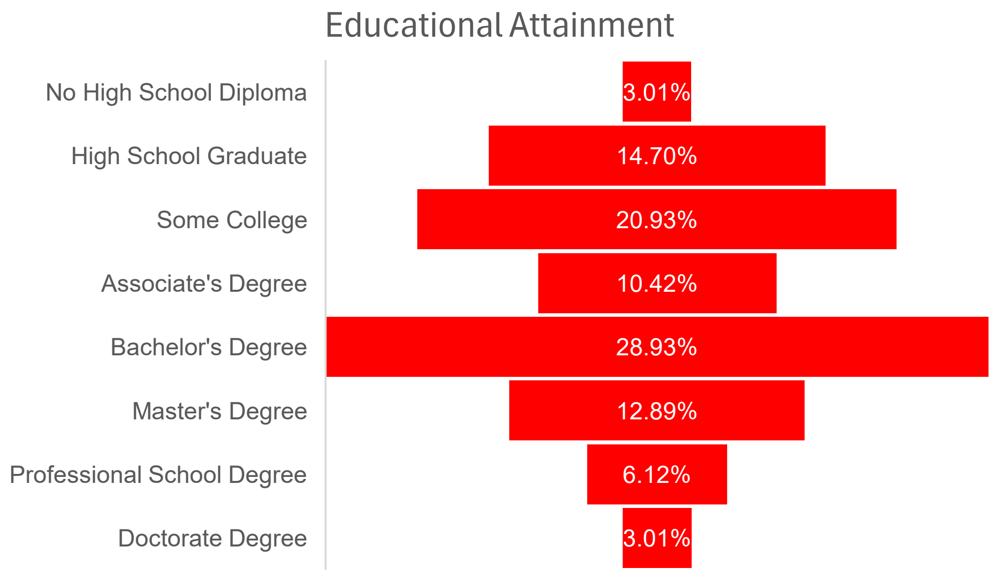


Median Age
47.6



Total Population
51,932

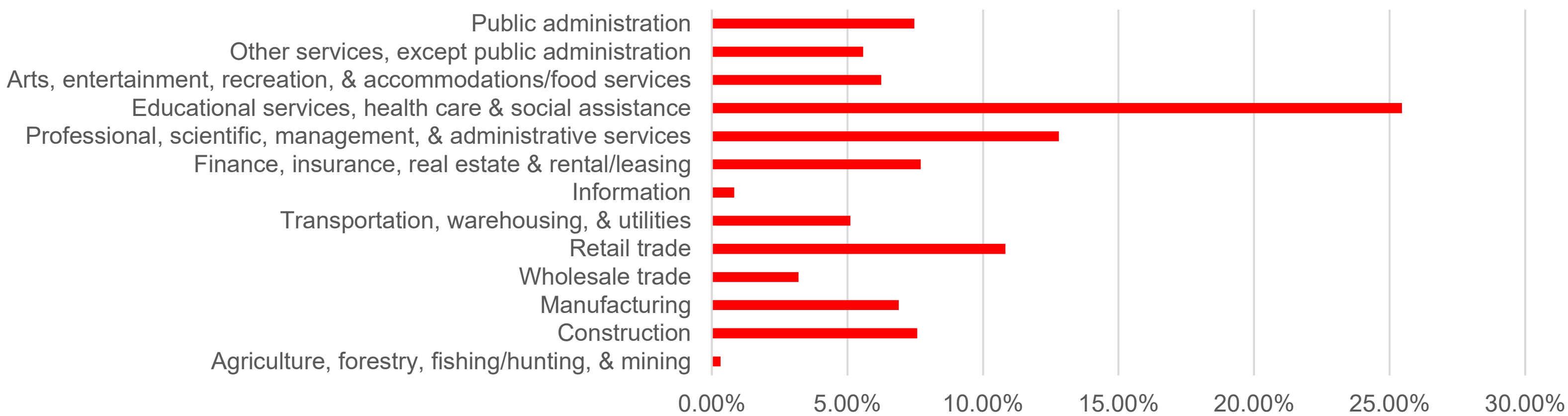

Household Income
$200,000 or more
$150,000 to $199,999
$100,000 to $149,999
$75,000 to $99,999
$50,000 to $74,999
$35,000 to $49,999
$25,000 to $34,999
$15,000 to $24,999
$10,000 to $14,999
Less than $10,000
0.00%
5.00%
10.00%
15.00%
20.00%
25.00%
30.00%
35.00%


Educational Attainment
No High School Diploma
3.01%
High School Graduate
14.70%
Some College
20.93%
Associate's Degree
10.42%
Bachelor's Degree
28.93%
Master's Degree
12.89%
Professional School Degree
6.12%
Doctorate Degree
3.01%

Workforce Overview

The Gig Harbor area has a predominant workforce engaged in educational services, health care and social assistance, with a total working population of 41,417 individuals.

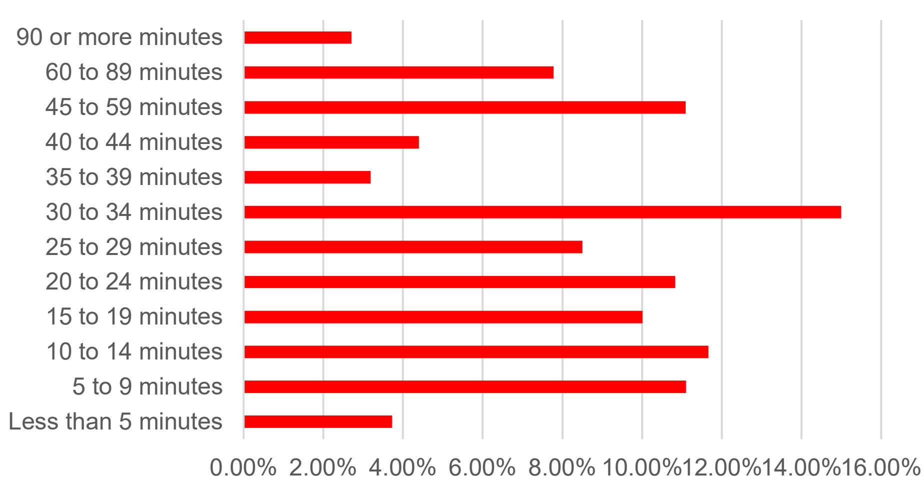
Workforce

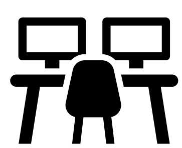


Transportation to Work

Drove Alone	Carpooled	Public Transportation	Motorcyle	Walked	Other Means	Work from Home
73.2%	**5.96%**	**0.88%**	**0.07%**	**1.73%**	**1%**	**17.17%**

Travel Time to Work





Total Working Population

41,417

Population Below Poverty Level

906

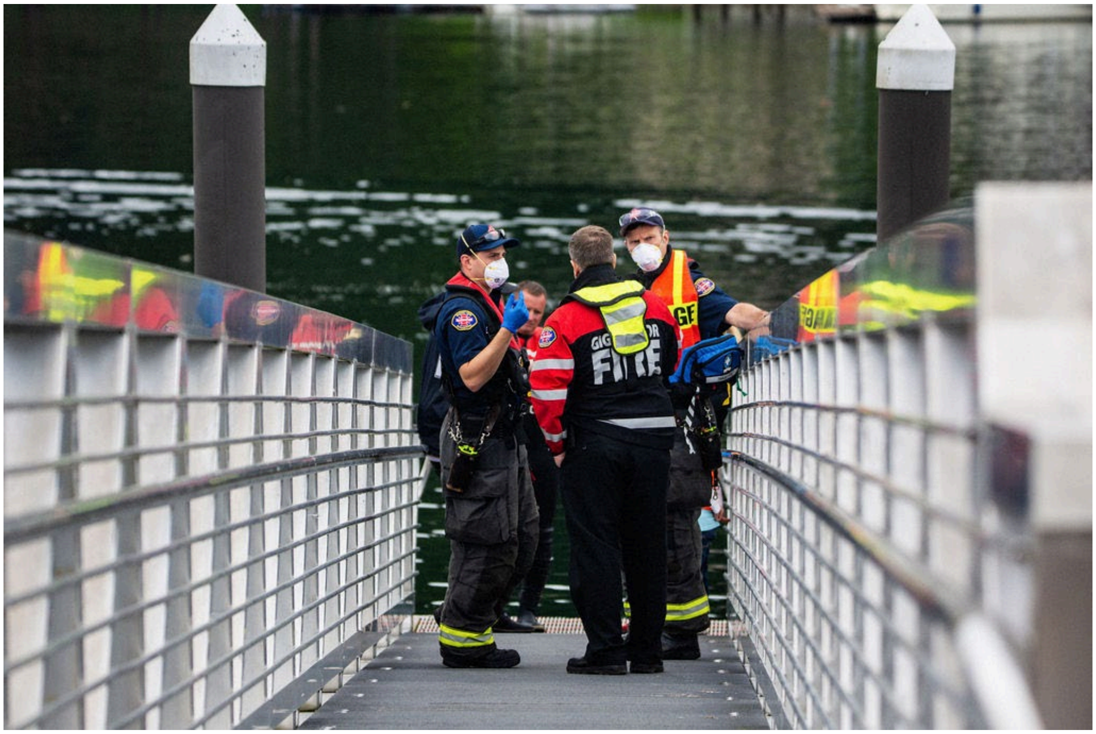
INTRODUCTION

Gig Harbor Fire & Medic One provides fire suppression, fire prevention, emergency medical services, basic life support (BLS) transportation, advanced life support (ALS) transportation, technical rescue, and wildland fire suppression. The district currently employs 143 staff members, including 126 uniformed and 17 non-uniformed personnel. We serve an estimated population of around 53,000, with approximately 13,000 residents within Gig Harbor city limits. Emergency response coverage is maintained across the district through five fully staffed stations operating 24/7, supported by four rotating shifts. Additionally, the district has administrative headquarters and four non-staffed stations.

Our district is located on the Gig Harbor Peninsula, which spans roughly 7 miles at its widest point and extends 13 miles in length. The peninsula is characterized by 59.2 miles of shoreline, featuring large bays and inlets, and is surrounded on three sides by the waters of Puget Sound. To the north, it is bordered by Kitsap County. The area is renowned for its stunning natural beauty.

Gig Harbor Fire & Medic One is dedicated to making our community safer, healthier, and stronger by mitigating the loss of life and property from fires, medical emergencies, and other disasters. This mission includes extensive training, public education, fire prevention, community outreach, and the use of well-maintained equipment to ensure maximum efficiency and safety for both our firefighters and the community. We also prioritize managing our resources in the most effective and efficient way possible, optimizing the allocation and utilization of personnel, equipment, and vehicles to enhance our emergency response efforts.

Founded on a strong commitment to community, Gig Harbor Fire & Medic One is honored to serve the people of Gig Harbor.



DEPARTMENT HISTORY

The history of Gig Harbor Fire & Medic One is marked by significant growth, both in the community we serve and the fire district that protects it. The fire district traces its origins back to the spring of 1944, when a devastating fire in North Gig Harbor destroyed several shoreside businesses, including a restaurant, a barber shop, Johnson Motors, the post office, and a shipyard. In response, John Finholm, along with friends and neighbors, gathered at Honest John's Café—known today as Anthony's—to discuss establishing a fire department.

By the fall of 1944, a petition signed by 15% of the qualified voters in the Gig Harbor community was presented to the Board of Commissioners of Pierce County, requesting permission to form a fire protection district for the peninsula. A formal "Notice of Hearing on Petition for the Formation of a Suburban Fire District" was published for three weeks in October 1944 in the *Tacoma Daily Index*. After public hearings, Pierce County Fire Protection District No. 5 was officially created on January 6, 1945, as a volunteer fire department serving the unincorporated portion of the Gig Harbor Peninsula and contracted to serve the City of Gig Harbor.

The newly formed fire district needed equipment, apparatus, and a location to store them. However, in the mid-1940s, access to vehicles, equipment, and materials was limited due to war efforts in Europe and the Pacific. The founding members petitioned the Secretary of War, who granted permission to purchase an olive drab Ford freight truck from the assembly plant in Dearborn, Michigan, for $6,000. Once delivered to Cornelius, Oregon, Western States Fire Apparatus retrofitted the truck, now known as Engine 1, and painted it red. In 1995, "Old No. 1" was restored and is now displayed in the main lobby of the district administration building.

The first temporary fire station was located northeast of the intersection of North Harborview Drive and Burnham Drive, in the garage of a volunteer firefighter's home. To access the fire engine, responding crews had to enter through the primary bedroom, where three sets of heavy canvas coats were available on a first-come, first-served basis.

The district later leased land for its first fire station at the intersection of Stinson Avenue and Harborview Drive, which was eventually donated to the district. Construction of the fire station began in 1949, and upon completion, Engine 1 was relocated to the new station.

Gig Harbor Fire & Medic One began service to Raft Island in 1958 following the completion of the Raft Island Bridge. Fox Island officially joined the district in 1964, once the Fox Island Bridge allowed the district's equipment and personnel to access the island. In 1973, the district hired its first paid personnel, and by March 1974, the first three paid firefighters were working 24-hour shifts. The City of Gig Harbor merged with the district by a vote of its citizens in 1986. Other areas now protected by the district include the eastbound Tacoma Narrows Bridge (since its completion in 2007) and the Tacoma Narrows Airport (since 2008, when it was transferred from the City of Tacoma to Pierce County).

From serving a population of approximately 2,000 people in 1960, the district has grown to serve more than 53,000 residents across 54 square miles of suburban and rural areas on the Gig Harbor Peninsula. As the area and population have grown, so too have the services provided by the district. Initially, the district's primary function was fire protection. In 1973, it began offering Basic Life Support (BLS) medical services after the first EMTs completed their training. The district purchased its first ambulance in 1988. In 1989, the district hired its first Advanced Life Support (ALS) paramedics, becoming the second district in Pierce County to offer emergency transport services. During the 1990s, the district expanded to include technical rescue, hazardous materials response, and wildland fire suppression services.

The history of Gig Harbor Fire & Medic One is one of growth and change. We continue to embrace this evolution by adapting to new challenges, preparing for shifting demographics, and staying ready to respond whenever our community calls for help.

DISTRICT OVERVIEW

Mission

Gig Harbor Fire & Medic One will provide exceptional service to our citizens and our members with dedication, compassion, and respect, while continually striving for improvement.

Vision

Gig Harbor Fire & Medic One will be an innovative leader in providing emergency medical services, fire suppression, and injury reduction and prevention services. We will lead by responding quickly to our community's needs, acting compassionately, and performing superbly.

Values

ACCOUNTABILITY

- Personal accountability is an integral part of professional growth. Organizational accountability is equally important to effectively and efficiently respond to the needs of our community.

CONTINUOUS IMPROVEMENT

- We recognize and understand that the constancy of change in our community and industry impacts our business daily. We are committed to continuous improvement and progressive thinking to effectively address change to efficiently benefit those we serve.

CUSTOMER SERVICE

- Our responsibility is to protect life, property, and the environment. We are committed to fulfilling our responsibility and no request or inquiry will go unanswered.

EXCELLENCE

- We believe the pursuit of peak performance and demonstrated high professional standards are critical to our work. To ensure the best possible service to our community, the fire district supports continuous training and encourages professional development.

INTEGRITY

- We understand the trust placed in us by the public and our colleagues is integral to the performance of our duties. We are committed to honest and ethical behavior and will hold ourselves accountable to these values.

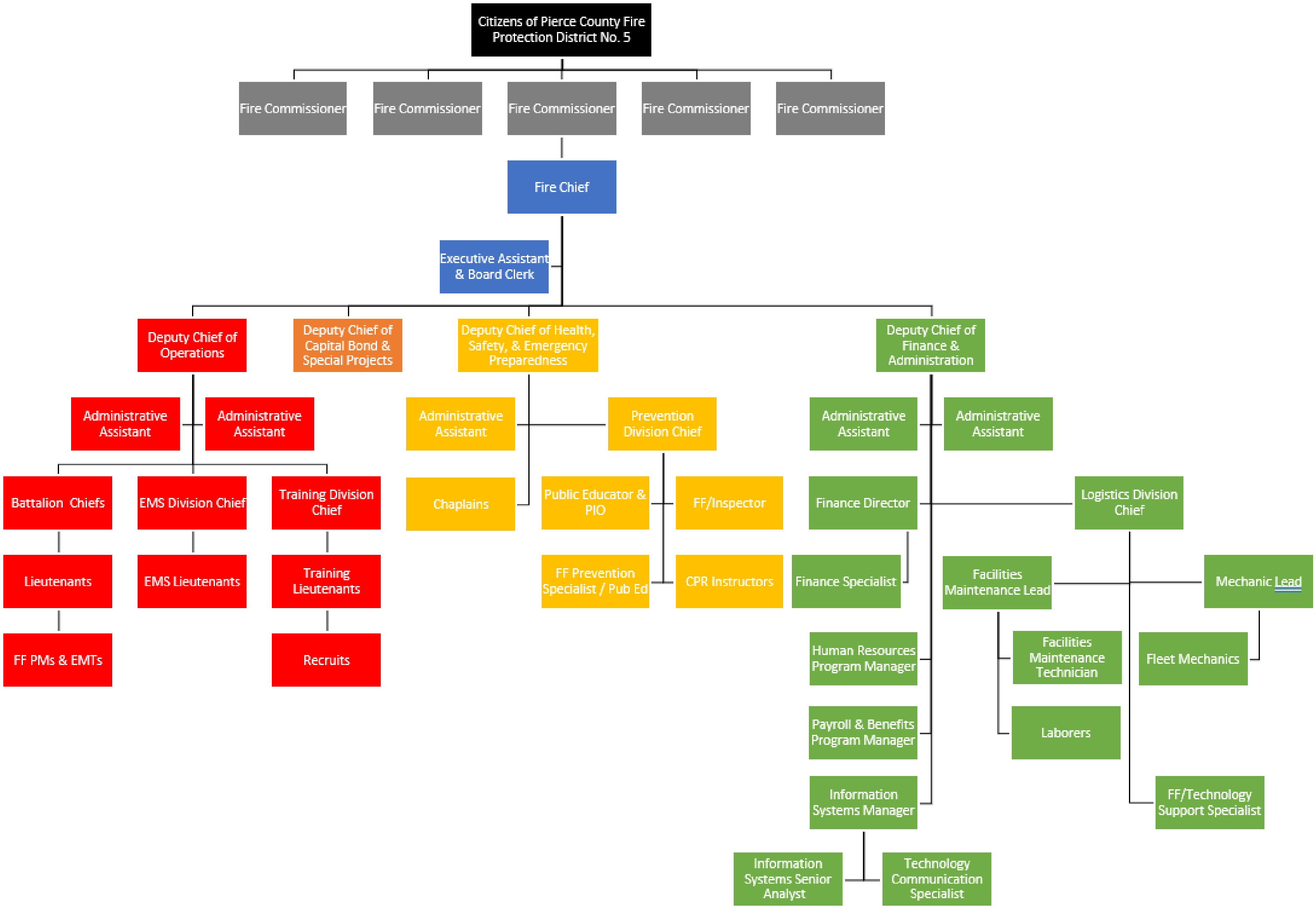
SAFETY

- We believe our health and safety are essential to fulfilling the fire district's mission. We are committed to providing the best health and safety programs for our members' well-being and operational readiness.

TEAMWORK

- We know working together is more effective than individuals working separately; our lives depend on it. We believe that our members have the capacity to work in effective teams and our organization values teamwork at all levels.

ORGANIZATIONAL CHART



BOARD OF COMMISSIONERS

Gig Harbor Fire & Medic One operates under a chain-of-command that has been established by the Board of Fire Commissioners, which are elected to represent the public they serve. A five-member Board governs the district, each representing the entire district and elected in a staggered term of office. As one of the most important parts of their contribution, the Board members represent the voice of the Gig Harbor community. Together, these individuals bring their civic and business experience to Gig Harbor Fire & Medic One and help guide our organization toward a path of success.

The Board meets twice per month to set budgets, establish policy, and provide administrative oversight. Regular board meetings are scheduled on the 2nd and 4th Tuesday of each month at 5:00pm. These meetings take place in person at district headquarters, with the option to attend virtually. Virtual meeting links, meeting minutes, agendas, and resolutions can be found at www.gigharborfire.org.

Chairman

Kevin Entze

Vice Chairman

Joe Urvina

Commissioner

Bryce Nelson

Commissioner

Tom Sutich

Commissioner

Alex Wilsie

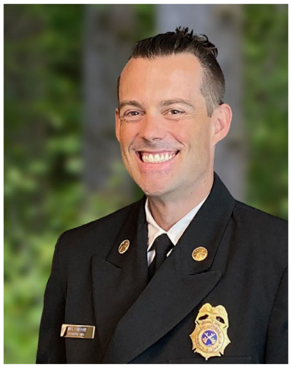
COMMAND STAFF

The Command Staff at Gig Harbor Fire & Medic One is comprised of the Fire Chief and four Deputy Chiefs. Together they provide executive level leadership to the district in support of its mission, vision, core values, and guiding principles. Collectively they maintain the district's day-to-day operations and ensure that service to our community is exemplary.

The Fire Chief is appointed by, and works under the direction of, the Board of Commissioners. Responsibilities include strategic planning, development of short- and long-range goals and policies to ensure operational readiness, effective life and property protection, successful administrative programs, and financial stability of the district. The Deputy Chiefs work under the direction of the Fire Chief to ensure response readiness and support the mission of the district through effective management of personnel, programs, and district assets. They are dedicated to developing, implementing, and providing the highest quality of leadership, direction, and support to all divisions within the district.

Fire Chief

Dennis Doan



Deputy Chief of Operations

Nick Langlow

Deputy Chief of Finance & Administration

Perry Oldenburg

Deputy Chief of Health and Safety

Scott Booth

Deputy Chief of Capital Bond & Special Projects

John Johnson

DIVISION & BATTALION CHIEFS

Division and Battalion Chiefs are key leadership roles within the district, each with distinct responsibilities and areas of focus. Each Division and Battalion Chief is responsible for supporting response readiness through effective and efficient management of their division or assigned shift. Division Chiefs focus on resource management and program development within their specialized division. Battalion Chiefs focus on the direct supervision and management of emergency responses, while ensuring that district personnel, apparatus, equipment, and facilities are always prepared to accomplish the mission of the district.

Training Division Chief

Scott Corrigan

Medical Division Chief

Mike Dumas

Logistics Division Chief

Steve Peterson

Prevention Division Chief

Tom Wescott

A-Shift Battalion Chief

Paul Stark

B-Shift Battalion Chief

Lance O'Leary

C-Shift Battalion Chief

Noah Falk

D-Shift Battalion Chief

Tom Voigt

FIRE STATIONS & RESPONSE AREA

STATION 51

6711 Kimball Dr

• **APPARATUS –** Engine, Medic Unit, and Battalion Chief

STATION 52

2217 Point Fosdick Dr

• **APPARATUS –** Engine

STATION 53

906 Kamus Drive Fox Island

NON-STAFFED STATION

STATION 54

4518 Ray Nash Dr NW

NON-STAFFED STATION

STATION 55

7710 Rosedale St NW

NON-STAFFED STATION

STATION 56

5210 144th St NW

• **APPARATUS –** Engine

STATION 57

10521 Crescent Valley Dr NW

NON-STAFFED STATION

STATION 58

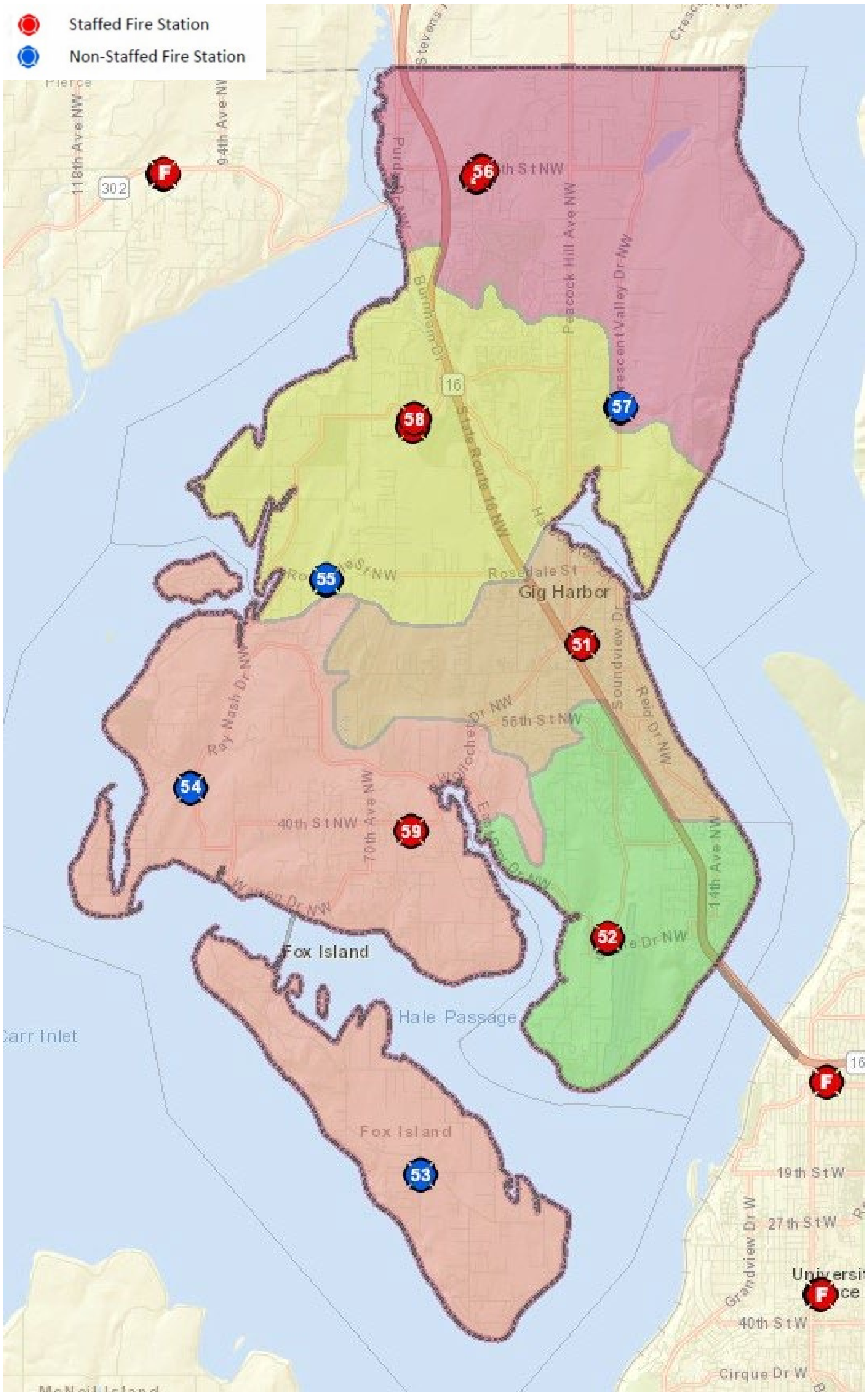
10302 Bujacich Rd NW

• **APPARATUS –** Engine and Medic Unit

STATION 59

3828 62nd Ave Ct NW

• **APPARATUS –** Engine and Medic Unit



ANNUAL WORK PLAN/THEMATIC GOAL

Our Annual Work Plan serves as Gig Harbor Fire & Medic One's strategic roadmap, outlining our short- and medium-term programs and projects. This plan details specific initiatives, identifies responsible parties, and sets clear deadlines and deliverables to ensure efficient management and accountability. A defining feature of the work plan is the identification of a single, overarching "thematic goal" the organization's top priority at any given time. This thematic goal, and the work plan, are central to our process for creating and maintaining organizational clarity and focus, aligning the department around one unified priority and ensuring that all team members are clear on what is most important now. While the work plan is a living document that can be reviewed and updated as necessary, it will always be guided by this thematic goal, reinforcing our commitment to focused, effective service for our community.

POSITION SUMMARY

The fiscal plan for staffing in 2025 includes the addition of four new positions to support our commitment to delivering operational excellence to both our community and team members. This includes two positions to enhance our information technology department, one position to strengthen our training department, and one new firefighter position to increase daily station staffing. These roles are essential in supporting the district's mission of providing high-quality emergency services and ensuring the safety and preparedness of all personnel.

The new training position will play a key role in ensuring the delivery of timely, well-planned training programs that meet the evolving needs of our team, ensuring our personnel are equipped with the skills and knowledge necessary to respond effectively to emergencies.

The addition of the firefighter position marks the start of a long-term, incremental plan to increase station staffing over the coming years, as budget allows. This gradual approach will enable us to meet growing community demands while maintaining operational readiness and efficiency. These staffing changes are also part of the district's broader strategy to support future station locations, ensuring we continue to provide the highest level of service to our residents as we expand.

Division Position Summary	2023 Budget	2024 Budget	2025 Budget
ADMINISTRATION	**11**	**11**	**12**
Administration	5	5	5
Finance	3	3	3
Human Resources	1	1	1
Technology/Communications	2	2	3
HEALTH, SAFETY, & EMERGENCY PREP	**6**	**6**	**6**
Health, Safety & Emergency Prep	2	2	2
Prevention	4	4	4
LOGISTICS	**8**	**8**	**8**
Logistics	3	3	3
Facilities	2	2	2
Fleet	3	3	3
OPERATIONS	**113**	**116**	**118**
Operations Admin	3	3	3
Emergency Medical Services	3	3	3
Response Operations	105	108	109
Training	2	2	3
Total Full Time Employees	**138**	**141**	**144**

BUDGET PROCESS

BUDGET PROCEDURES

Before initiating the budgeting process, a series of comprehensive analyses, strategic frameworks, and studies are conducted to inform the development of the operating budget, ensuring alignment with the district's priority objectives.

The process begins with the creation of the district's long-term financial plan. This thorough planning exercise uses a range of data points to project revenues and expenditures over the next several years. The goal is to ensure a balanced alignment between the district's priorities and its fiscal stability, guaranteeing that long-term goals are supported by a strong financial foundation.

The next phase involves reviewing the Capital Facilities Plan, which outlines capital projects over the next six years. This step is carefully aligned with an assessment to identify growth-driven projects and determine the most appropriate financing methods.

Following this, budget input is solicited from all divisions and team leaders. The operating budget is constructed based on these inputs and aligned with district priorities. The final approval of the budget rests with the Board of Commissioners, which, through resolution, approves fund-level appropriations and sets a cap on expenditures.

In preparing the operating budget, each division sets budgetary objectives through a comprehensive review of historical performance, current trends, and long-term goals. Each division then proposes a detailed line-item budget, using expenditure estimates and revenue forecasts.

The Finance Director, in collaboration with the Deputy Chief of Finance and Administration, consolidates these requests, compares them with current and previous financial performance, and highlights any significant differences. These findings are reviewed, discussed, and adjusted according to division goals and long-term district objectives. Adjustments are made to ensure that proposed expenditures align with projected revenues.

The Board of Commissioners then reviews the proposed budget in a public meeting, allowing for community input. After any necessary adjustments, a tentative budget is established. A public hearing follows, after which the Board adopts the final budget resolution. The budget is then published and filed with Pierce County, completing the budget process. By law, the process must be finalized by November 30th of each year.

BASIS OF BUDGETING AND ACCOUNTING

The Washington State Auditor is legally required to prescribe budgeting, accounting, and reporting requirements for local governments. The Washington State Budgeting, Accounting, and Reporting System (BARS) Manual provides the prescribed uniform chart of accounts, accounting and budgeting policies, guidance for preparing financial statements, and instructions for preparing supplemental schedules required for local government annual reports.

Gig Harbor Fire & Medic One's BARS Account Layout for Expenditures

Fund	BARS Code for Fire Protection	Division/Section	Expenditure Category	Expenditure Detail

Under the authority of Revised Code of Washington (RCW) 43.09.200, the Washington State Auditor allows local governments the option to report using either generally accepted accounting principles (GAAP) or a cash basis. This option was provided by the legislature in recognition of the effort and resources required for smaller local governments to fully comply with GAAP. Many larger local governments report financial information in accordance with GAAP, while other local governments report on a cash basis as prescribed by the BARS Manual, which serves as an acceptable alternative to GAAP.

As a result, any local government using cash basis accounting, as permitted by state law and the state auditor's office, may receive an adverse opinion on their financial statements because they do not comply with GAAP. This means that the financial statements do not fairly present the financial position, results of operations, and (when applicable) cash flows in conformity with GAAP. However, these statements may still be fully compliant and accurate according to the requirements set forth in the BARS Manual for cash basis accounting.

Gig Harbor Fire & Medic One has determined that using cash basis accounting, rather than the accrual method required by GAAP, provides sufficient transparency and represents the most effective use of the district's fiscal and administrative resources. Under cash basis accounting, the district records revenue when it is received and records expenses when they are paid. The district's budget is also based on a cash basis of accounting, with all funds budgeted on a cash basis, allowing for direct comparison to financial statements and the annual report.

All local governments, including fire districts, must file an annual financial report with the state auditor in accordance with RCW 43.09.230.

BUDGET ADJUSTMENTS

Total expenditures in each fund cannot exceed the appropriated amount. A budget adjustment modifies the total amount allocated within a fund and may be necessary if unexpected expenses or new revenue arise during the year. Any adjustment that increases or decreases revenue, appropriations, or transfers between funds requires approval from the Board of Commissioners, ensuring proper oversight of significant financial changes.

However, district management can authorize budget transfers within a fund if the total appropriated amount remains unchanged. This allows for flexibility in handling smaller adjustments without requiring Board approval. Budget control is maintained at the individual fund level.

BALANCED BUDGET

Gig Harbor Fire & Medic One maintains a balanced budget, with appropriations limited to the total estimated revenues expected to be available by the close of the current fiscal year, as required by RCW 52.16.070.

BUDGET CALENDAR

July 1, 2024	Call for budget input/specific requests – submit to appropriate program manager, Division Chief or responsible party
July 31, 2024	Division Budget submittal deadline
July 31, 2024	Capital/Bond Budget deadline
August 1-31, 2024	Review budget submittals/requests with proponents
September 10, 2024	Publish Budget Timeline in Board Packets
September 24, 2024	Budget Hearing – First Draft
October 8, 2024	Budget Hearing – Second Draft
October 22, 2024	Budget Hearing – Revenue Hearing and Final Draft
October 23 – Nov 6, 2024	Final Revisions
November 12, 2024	Budget Approved by Board of Fire Commissioners
November 30, 2024	Budget due to County Assessor's Office

Note: The Board of Fire Commissioners may conduct additional Special Meetings for the specific purpose of further considering budget issues.

RCW 84.55.120

"A taxing district, other than the state, that collects regular levies shall hold a public hearing on revenue sources for the district's following year's current expense budget."

FINANCIAL POLICIES

FINANCIAL POLICIES

Gig Harbor Fire & Medic One's financial policies are designed to guide the district in achieving both its immediate and long-term objectives. These policies are based on the following principles:

- **Accountability**: Gig Harbor Fire & Medic One is accountable to its citizens for the responsible use of public funds.
- **Balanced Budgets**: Structurally balanced budgets are essential to maintaining the district's fiscal integrity.
- **Financial Limits**: All activities supported by the district must operate within its financial resources.
- **Long-Term Focus**: These policies are applied over timeframes that extend well beyond the current budget period.
- **Guidance**: The individual policies outlined here serve as guidelines for financial planning and internal financial management.

Expense Fund Policy

The purpose of the Expense Fund Policy is to ensure the safekeeping, proper use, and management of district resources. Only operating expenditures supported by ongoing operating revenues will be proposed. As a general guideline, a minimum expense fund balance (cash and investments) equal to one month's operating cash should be maintained.

Reserve Fund Policy

The Reserve Fund Policy establishes guidelines for the use and funding of reserve funds to ensure the continued financial health of the district. Annual contributions to the reserve fund will be budgeted through transfers and the allocation of investment income. The reserve fund will be maintained at a minimum of 16.67% of the total budgeted expenses, representing approximately two months of operating expenses.

Debt Management Policy

The Debt Management Policy provides guidelines for the issuance and management of all district financing. Adherence to this policy ensures the district maintains a sound debt position and protects the credit quality of its obligations.

Capital Assets Policy

This policy provides guidelines to ensure adequate stewardship over district resources through control and accountability of capital assets. It also ensures the collection and maintenance of accurate capital asset information for the preparation of financial statements in accordance with generally accepted accounting principles (GAAP).

Procurement Policy

The Procurement Policy outlines the process for purchasing goods and services by the district, ensuring an accountable and efficient procurement process. The policy covers selection, bidding, leasing, and contracting requirements for goods, services, and public works projects, in compliance with all applicable laws and regulations, specifically Title 39 and 52 of the Revised Code of Washington. The policy is designed to allow flexibility while maintaining cost-effectiveness.

Credit Card Policy

The Credit Card Policy manages and controls the use of credit cards for official district purchases and acquisitions, in accordance with RCW 43.09.2855. Credit cards may be issued to authorized personnel for purchasing goods, supplies, and for expenses related to registration, training, or travel in the performance of their duties on behalf of the district.

Medical Billing Policy

The Medical Billing Policy is intended to ensure transparency for service recipients, establish a clear billing philosophy, provide guidance to third-party billing agents, and ensure compliance with insurance provider standards. Services are billed based on costs incurred for emergency medical care, patient transport, and rescue services. The district's programs are designed to reduce the financial burden on individuals who receive services, considering the taxpayer-supported levies, grants, and supplemental insurance payment programs available to the district.

FUND SUMMARIES

FUND STRUCTURE

The financial management of Gig Harbor Fire & Medic One is organized around distinct funds, each functioning as a separate fiscal and accounting entity with its own self-balancing set of accounts. Each fund serves a specific financial purpose and operates under a separate budget. For example, the **General Expense Fund** encompasses most revenue types and is allocated for maintenance and operations, while the **Reserve Fund** is dedicated exclusively to maintaining adequate reserves. Using fund accounting enhances transparency and accountability in the district's financial operations. The structure and purpose of Gig Harbor Fire & Medic One's funds are detailed below.

Under the Washington State Auditor's Budgeting, Accounting, and Reporting System (BARS), one of the system's functions is to allow for the comparison of financial data across similar municipal entities, even if they do not share the same fund structure. However, financial reporting, which is required to be presented in a simplified format for management purposes, may not fully reflect the fund structure.

FUND DESCRIPTIONS

General Expense (Operating) Fund

The General Expense Fund is Gig Harbor Fire & Medic One's primary operating fund, supported by taxes, fees, and other revenues that can be used for any lawful purpose. This fund accounts for all current expenditures, such as personnel services, materials, and other operational costs, that are not specifically allocated to other funds. A minimum fund balance (cash and investments) equivalent to one month of operating expenses is maintained.

Property taxes in Pierce County are collected in April and October, which results in most revenues being received during those months. Consequently, the General Expense Fund balance is typically at its lowest just before property tax receipts are received from the Pierce County Treasurer.

A healthy fund balance is essential to ensure cash flow for paying expenses when due. Maintaining a fund balance reserve provides the necessary liquidity while the district waits for tax collections. Additionally, the fund balance serves as a safeguard against unforeseen changes or needs. Funds not needed for immediate payment of salaries, benefits, supplies, services, or equipment purchases are invested through the Pierce County Office of Budget and Finance, in accordance with RCW 36.29.020.

Reserve Fund

Adequate reserves are a critical part of the district's overall financial management strategy and are a key indicator of financial strength for outside agencies. The Reserve Fund is primarily funded through transfers of end-of-year balances from the General Expense Fund.

The Reserve Fund maintains a minimum funding level equal to 16.67% of total budgeted expenses, which represents approximately two months of operating expenses. These reserves are held to address temporary revenue shortfalls, unbudgeted expenses deemed necessary by the Board, or approved expenditures during periods of inadequate cash flow. In addition, funds for specific future capital expenditures are set aside within the Reserve Fund.

To maintain the target Reserve Fund level, annual contributions are budgeted from available General Expense Fund resources. Reserve Fund monies not immediately needed for approved district expenditures are invested for the benefit of the fire district, in accordance with RCW 36.29.020.

Historical Reserve Fund Balance

Year	2019	2020	2021	2022	2023	2024
Fund Balance	$5,605,968	$6,541,221	$6,847,720	$6,961,915	$8,591,088	$9,052,000
Budget	$23,933,138	$28,035,939	$29,727,040	$33,111,113	$35,714,032	$41,656,395
% of Budget	23.4%	23.3%	23%	21%	24.1%	21.7%
Compliance?	Yes	Yes	Yes	Yes	Yes	Yes

Debt Fund

This fund is used for the purpose of paying the principal and any premium or interest on bonds.

Capital Fund

This fund is designated for covering the costs associated with carrying out and completing capital projects. It is used for the acquisition or construction of major capital facilities and the purchase of firefighting apparatus.

FUND BALANCES

Fund balance represents the accumulation of revenues minus expenditures over time. This balance can fluctuate from year to year due to various factors, such as unemployment claims, insurance deductibles, retirements, capital purchases, or other unexpected expenses that may arise but were not included in the budget. Maintaining an appropriate fund balance is crucial for managing these variables and ensuring financial stability.

DIVISIONS


GIG HARBOR
MARINA & BOATYARD
FIRE
EXTINGUISHER
IN CASE OF FIRE
BREAK GLASS
OPEN DOOR FROM INSIDE
GIG HARBOR
FIRE
ZITKUS
WARNING
24 HOUR
VIDEO

FINANCE & ADMINISTRATIVE DIVISION

The **Finance & Administrative Division** oversees the Finance, Human Resources, Information Systems/Communications, and Administrative sections of the district. This division provides essential leadership and management to ensure the efficient delivery of services to both the community and the district. As the demand for services has grown, so too have the demands on the finance and administrative staff. The district is working to increase efficiency through the implementation of electronic systems, which will provide the level of financial and administrative support necessary for effectively running Gig Harbor Fire & Medic One.

Finance

The Finance team is responsible for managing accounts payable, accounts receivable, financial forecasting, budget preparation, financial reporting/management, payroll, and revenue collections. An internal control framework is employed to safeguard assets and ensure compliance with both district policies and external regulations. Finance works closely with other divisions to provide support and to ensure legal, fiscal, and contract compliance with all applicable federal and state laws.

Human Resources

Human Resources plays a crucial role in achieving the district's strategic goals by attracting, developing, and retaining the talent necessary for a high-performing organization. Key areas include recruitment, hiring, promotions, job analysis, succession planning, benefits administration, leave management, labor relations, and performance management.

Information Systems/Communications

The Information Systems/Communications section is dedicated to improving emergency service delivery by utilizing advanced technology and communication systems. This specialized team monitors system security, enhances operational efficiencies, and provides expertise in addressing technological challenges, ensuring that the district stays at the forefront of technology.

Administrative

The Administrative section supports and manages office services for the district. Responsibilities include handling public records requests, records retention, program development, contract management, planning, and providing staff and program support to all divisions within Gig Harbor Fire & Medic One.

Program Objectives

- Automate business processes whenever possible to improve efficiency and accuracy across the district.
- Ensure financial stewardship, transparency, and operational excellence in all services.
- Create and support opportunities to recruit and retain a diverse workforce.
- Provide the necessary resources and infrastructure to serve the community effectively.
- Build and strengthen connections with the community we serve.

OPERATIONS DIVISION

The **Operations Division** oversees the Emergency Medical Services, Response Operations, and Training sections of the district. This division is responsible for delivering dependable, timely, and appropriately scaled responses to fires, medical emergencies, and other hazards that may impact on life, property, and the environment. In addition to emergency responses, the Operations Division connects individuals with social services and addresses various non-emergency situations to assist the community. As Gig Harbor's population and number of visitors continue to grow, so does the demand for fire and emergency medical services. The Operations Division works strategically to ensure firefighters are equipped with the necessary skills, equipment, and personnel to meet this increasing demand.

Emergency Medical Services (EMS)

Providing high-quality, timely Emergency Medical Services is one of the district's top priorities. The district delivers advanced life support (ALS), basic life support (BLS), and medical transport. Every firefighter is certified as either an Emergency Medical Technician (EMT) or Paramedic (PM), enabling them to respond to both medical emergencies and fires. EMS calls account for most of Gig Harbor Fire & Medic One's responses.

EMTs provide basic emergency care, focusing on quickly evaluating a patient's condition, maintaining the airway, breathing and circulation, controlling external bleeding, preventing shock, and immobilizing potential spinal or bone fractures. Paramedics receive advanced medical training, enabling them to stabilize critically ill patients, monitor cardiac conditions, administer medications and IV fluids, and insert breathing tubes when necessary.

Response Operations

Effective response and resource management are critical, and deploying the right apparatus to a scene is essential. The district maintains emergency response coverage through five fully staffed stations operating 24/7, supported by four rotating shifts. Daily minimum staffing includes 22 personnel across five engines, three medic units, and one battalion chief. When initial units arrive and assess the situation, additional alarms can be requested to bring in more resources, if necessary. The district also collaborates with neighboring fire districts to maximize response effectiveness and ensure additional resources are available when needed.

Gig Harbor's diverse landscapes present unique fire risks. To address these, the district is equipped to manage both wildland fires and urban wildfires. While the district's five fire engines are the first line of defense, specialized brush trucks are also utilized to increase response effectiveness in challenging wildland fire situations.

Gig Harbor Fire & Medic One (GHFMO) strives to meet the following objectives:

- Achieve compliance with GHFMO Standard of Cover response standards 90% of the time.
- Prioritize emergency scene safety procedures to minimize firefighter injuries.
- Respond to, control, and recover from emergency incidents as rapidly and effectively as possible.
- Provide equipment, training, and personnel to support an effective emergency communication system.

Training

Training and education are crucial for maintaining and enhancing the firefighting, rescue, and medical skills of personnel. Training ensures that firefighters stay current with regulations, industry best practices, and familiar with equipment and procedures, allowing them to respond efficiently in a variety of emergency situations.

The Training section is responsible for assessing training needs, developing training calendars and curricula, coordinating specialized training programs, and maintaining training records and certifications. This section also conducts evaluations of probationary personnel, oversees crew-based training drills, and manages testing for new hires and promotional processes. Training ensures that personnel have the necessary knowledge, skills, and abilities to respond safely and effectively to emergency calls.

New recruits undergo up to 36 weeks of intensive training, both in the classroom and in realistic training environments, to prepare for the challenges of firefighting. Upon completion, they receive certification as Washington State Emergency Medical Technicians (EMT) and credentialing as IFSAC Firefighter I, Firefighter II, and in Hazardous Materials Operations.

After completing initial training, recruits are assigned to one of four shifts, working as firefighters on a district engine, where they complete an additional 12 months of training.

In addition to their initial training, Gig Harbor Fire & Medic One firefighters engage in ongoing education and exercises throughout the year to stay sharp and in peak condition. All firefighters are trained to meet or exceed national (NFPA), State, and department standards, procedures, and laws. Ensuring that our teams have the right knowledge, experience, and support to keep themselves and our community safe is of utmost importance to our district.

Program Objectives

- Achieve GHFMO Standard of Cover response standards 90% of the time.
- Prioritize safety through training, SOG’s, and resource deployment.
- Maintain operational readiness with modern equipment, staffing, and skills.
- Enhance emergency response through training, collaboration, and evaluation.
- Continuously improve patient care in both emergency and non-emergency services.

HEALTH, SAFETY & EMERGENCY PREPAREDNESS DIVISION

The **Health, Safety & Emergency Preparedness Division** oversees the Prevention and Fire Inspector sections of the district. This division also supports the chaplains and peer support team, in addition to providing mental health education for our members. The goals of this division are to eliminate accidents, injuries, exposures, and damage to equipment or facilities, while promoting the mental and physical wellness of the workforce.

Prevention

The Prevention team is dedicated to protecting life and property through education, pre-incident planning, public information, community engagement, and community risk reduction programs. By educating the public, the team aims to reduce the risk and severity of fires and other life safety incidents. They work closely with property owners, managers, and business owners to help them navigate fire codes and ensure fire safety for the community's benefit.

Fire Inspector

The Fire Inspector is responsible for conducting annual inspections of commercial-use buildings within Gig Harbor city limits. The inspector collaborates with building owners, property managers, and business owners to ensure compliance with fire codes, improving safety for customers, employees, and the broader community. If fire code violations are identified during an inspection, a reinspection is conducted to ensure all violations are corrected in a timely manner. We strive to make fire safety as straightforward and accessible as possible, enhancing safety across the community.

Program Objectives

- Manage physical and behavioral wellness, workplace safety, and foster community resilience during emergencies.
- Empower employees to achieve greater health and well-being through education, programs, and support initiatives.
- Identify, intervene, and prevent acute and chronic behavioral health issues, while providing a path for returning to work in good health.

LOGISTICS DIVISION

The **Logistics Division** oversees the Fleet, Facilities, and Logistics sections of the district. Their responsibilities include the procurement and maintenance of Gig Harbor Fire & Medic One's supplies, apparatus, equipment, and services that are essential to daily operations. This includes building and equipment maintenance, landscaping, utilities, and custodial contracts.

Logistics ensures the smooth operation of all aspects of the fire district, maintaining efficiency and readiness. They manage supplies, maintain the vehicle fleet, oversee facility upkeep, and handle the procurement, distribution, and tracking of firefighting equipment and personal protective gear. Additionally, they provide crucial support during emergencies by coordinating resources and supplies, ensuring all necessary equipment, supplies, and facilities are available and functional for both daily operations and emergency responses.

Program Objectives

- Ensure all facilities and equipment are kept in safe and reliable operating condition.
- Maintain apparatus and equipment to guarantee 24-hour operational readiness.
- Provide members with the necessary equipment and supplies to care for the community safely and effectively.

OPERATING BUDGET

REVENUE

Sources of Revenue for Gig Harbor Fire & Medic One

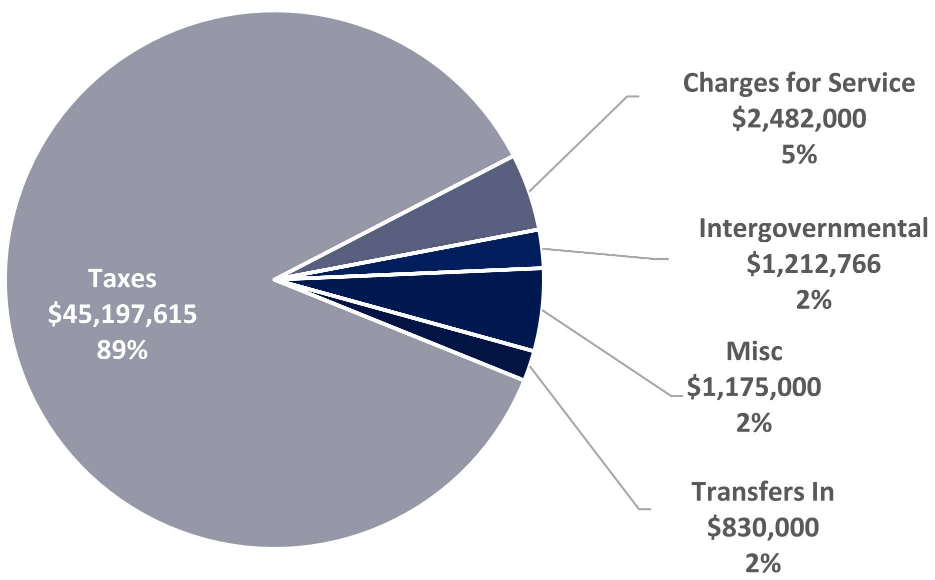
Taxes	Intergovernmental	Charges for Goods & Services	Miscellaneous
• Property Tax • EMS Levy • General Expense Levy • Capital Excess Levy[1]	• Grants[2] • GEMT[2] • Excise Taxes (Leasehold & Timber Tax)	• Fire Inspection Fees • Wildland Cost Reimbursement[2] • Ambulance Transport[3]	• Investment Interest • Donations • Sale of Surplus

1 Capital Levy Approved in 2022, first year of collections started in 2023.

2 Reimbursement revenue tied to actual expenses as incurred.

3 Subject to Insurance and Medicare allowable limits and EMS residency program.

2025 General Fund Revenue - All Fund Sources



Property Tax & Assessed Valuation (AV)

2024	2025
2023 AV used to calculate Real Property Taxes payable in 2024.	2024 AV used to calculate Real Property Taxes payable in 2025.
$19,290,553,767*	$20,493,497,941 6.24 % Increase

*2024 Final AV resulted in a lower amount than Sept preliminary estimates from the county.

Property Taxes

Property tax levy is the traditional method for funding fire and emergency medical services. Each taxpayer's contribution is based on the assessed value of their home. The Fire Levy lid lift was approved by voters in 2023, and 2025 marks the second year of the six-year lift. The statutory limit for the Fire Levy is $1.50 per $1,000 of assessed value.

Assessed value is determined by valuing the property at its highest and best use. According to RCW 84.40.030, assessors are required to value all taxable property at 100% of its true and fair market value. Pierce County conducts revaluations of real property annually based on current market value trends, and all property is physically inspected at least once every six years, in compliance with RCW 84.40.030 and 84.41.041. Revaluation also accounts for new construction, remodeling, and other property changes.

Funding critical fire and emergency services through property taxes has both advantages and disadvantages. While it provides consistent funding year by year, the amount can fluctuate significantly depending on economic conditions. For example, during the recent recession, property values declined, resulting in reduced financial resources for fire departments providing services to the community.

In Washington State, property tax increases are not primarily based on rising property values but rather on the highest lawful levy amount, usually the previous year’s levy. Each year, taxing districts may increase their levy by no more than 1% unless a higher increase is approved by voters, or the jurisdiction uses banked capacity. Banked capacity allows a jurisdiction to utilize unused levy increases from previous years. A voter-approved increase permits a return to statutory limits, but the annual levy increase is capped at 6% in years two through six for specific multi-year levies.

2024	2025
Levy Rate is $1.50 per $1,000 AV	Levy Rate is $1.49 per $1,000 AV
$28,935,830*	$30,739,811 6% Increase

*2024 Final AV resulted in a lower amount than September preliminary estimates from the county.

EMS Levy

Local governments in Washington State may, with voter approval, impose a property tax of up to $0.50 per $1,000 of assessed value for emergency medical services (EMS), as authorized under RCW 84.52.069. An EMS levy may be imposed by any city, town, county, fire protection district, regional fire authority, EMS district, urban EMS district, or public hospital district, provided no other taxing authority within its boundaries has already imposed an EMS levy. Voters approved an EMS levy lid lift in 2022, and 2025 will mark the third year of the six-year levy.

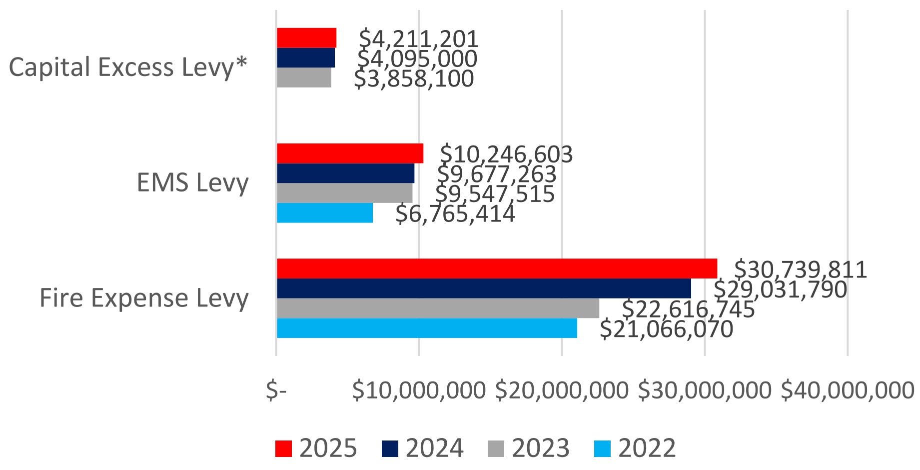
2024	2025
Levy Rate is $0.50 per $1,000 AV	Levy Rate is $0.49 per $1,000 AV
$9,645,277*	$10,246,603 6% Increase

*2024 Final AV resulted in a lower amount than September preliminary estimates from the county.

Capital Excess Levy

In 2022, voters approved an $80 million Capital Excess Levy aimed at funding bonds for infrastructure development. Following this, in October 2022, commissioners passed Resolution 2022-11, authorizing up to $50 million in bond issuance as part of the initial bond sale, which concluded in December of the same year. The levy rate was set to cover principal and debt service obligations tied to the bond issuance, with the annual levy amount determined according to a 20-year Unlimited Tax General Obligation (UTGO) bond schedule. The second bond sale, anticipated at $30 million, is projected for late 2025. Based on an assessed value (AV) of $20,358,940,734 the projected excess levy rate is estimated at $0.206.

Property Tax Comparison - All Funds



*Capital Excess Levy approved by voters in 2022.

Property Tax Summary – All Funds

Levy	2025 Levy Amount
Fire Expense Levy	$30,739,811
EMS Levy	$10,246,603
Capital Levy	$4,211,201
Total	$45,197,615

Property Tax Rate Summary – All Funds

Transport Fees

Transport fees are charges associated with emergency medical responses when the district provides patient transport and based upon the Fee Schedule in Resolution 2021-12. These fees include payments from the Ground Emergency Medical Transportation (GEMT) program. Gig Harbor Fire & Medic One contracts with Systems Design West to process transport billing.

The GEMT program, established by House Bill 2007 during the 2015-2016 legislative session, provides supplemental payments to publicly owned or operated GEMT providers, such as Gig Harbor Fire & Medic One. These intergovernmental fees address the funding gap between a provider's actual costs per transport and the reimbursement received from Washington Apple Health (Medicaid) and other sources.

Contracts for Service

In Washington State, tax-exempt government entities located within a fire district are required to contract for fire protection services in accordance with RCW 52.30.020. Gig Harbor Fire & Medic One currently has contracts with Pierce County, the Washington Corrections Center for Women, Peninsula Metropolitan Park District, and the Peninsula School District to provide fire protection, fire suppression, emergency medical services, non-emergency medical services, and other services.

In addition to contracts for fire protection services, the district also collects fees for fee-based registrations and the following contracts for service:

- Wildland reimbursement
- FEMA
- DNR

Miscellaneous Revenue

Miscellaneous revenue includes any income that does not have a specific budgeted line item. This may include investment interest, donations, proceeds from the sale of surplus items, and fees or tuition charges.

Transfers In

Transfers in accommodate capital expenditures in 2025.

Revenue Summary – Expense Fund

Operating Revenue Type	2025 Amount
Real Property Tax Levy	$40,986,414
Intergovernmental	$1,212,766
Charges for Service	$2,482,000
Miscellaneous Revenue	$1,175,000
Transfer In	$830,000
Total	**$46,686,180**

EXPENDITURES

Salaries and Wages

Salaries encompass the base pay and premiums for all full-time employees of Gig Harbor Fire & Medic One, as well as overtime for full-time non-exempt employees. In accordance with state and federal labor laws, overtime is paid to non-exempt employees when they work more than the standard hours outlined in their employment agreements, as specified under the Fair Labor Standards Act (FLSA) and relevant provisions of Washington State law.

Payroll Taxes and Benefits

Payroll taxes and benefits include a range of employee benefits and required taxes. This covers medical, dental, and vision insurance, retirement contributions through the Washington State Department of Retirement Systems (DRS), life insurance, long-term disability insurance, and deferred compensation matching. These benefits align with requirements under RCW 41.26, which governs benefits for public employees, including firefighters.

Supplies

Supplies refer to all items that are necessary for the district's operations but do not fall under services or capital projects. This includes tools and equipment costing less than $10,000, as well as expendable materials such as office supplies, firefighting gear, and other items that support day-to-day activities.

Services

Services include expenditures for external services purchased by the district, such as legal services, healthcare services, auditing, and professional consulting. These services are acquired to meet operational needs and maintain compliance with various state and federal laws, including RCW 39.26, which governs public procurement and contracts for services.

Maintenance and Operations

Maintenance and operations include all expenses related to the upkeep and efficient functioning of district facilities and equipment. This covers repair costs, routine maintenance, utilities, and other necessary expenditures to ensure the district's infrastructure and equipment remain operational and in compliance with safety standards outlined in RCW 49.17, the Washington Industrial Safety and Health Act (WISHA).

Capital Improvements

Capital improvements refer to all expenditures for major capital projects, including the construction, acquisition, or significant renovation of facilities, and the purchase of large equipment. These expenditures are generally for items costing over $10,000 and are considered long-term investments in district infrastructure. Capital improvement projects are guided by RCW 39.36, which sets forth limitations and guidelines for public indebtedness and capital expenditures.

2025 BUDGET CONSIDERATIONS

Budget Priorities

- Balanced Budget (GFOA Best Practice)
- Reserve Requirements Met (2 months of General Expense Budget)
- Commitments/Obligations Met
- Incorporate strategic priorities identified in the Multi-Year Capital Asset Plan

2025 Base Budget Assumptions

- Base budget includes replacement staff for known retirements
- Includes Collective Bargaining Agreement (2025 is year 3 of 3)
- 2024 one-time budget items removed
- Includes increases for contractually committed budget items
- Includes transfers for LOCAL Program, Reserves, and Capital Asset Replacement Plan
- Includes planned investments from Capital Asset Replacement Plan

2025 Key Budget Drivers

- Implement Capital Asset Replacement Plan
    - Initial Multi-Year Capital Asset Plan developed in 2023
    - Committed funds for arriving apparatus, LOCAL Program payments, and updating IT infrastructure
- Aging Fleet and Facilities and Inflation
    - Continued additional maintenance on aging capital until ordered replacements arrive

Key Considerations

- Includes Fire Levy Lid Lift at $1.50, as approved by voters in August 2023
- Includes preliminary Assessed Valuation estimates from Pierce County (as of 9/12/2024)

2025 Budget Structure

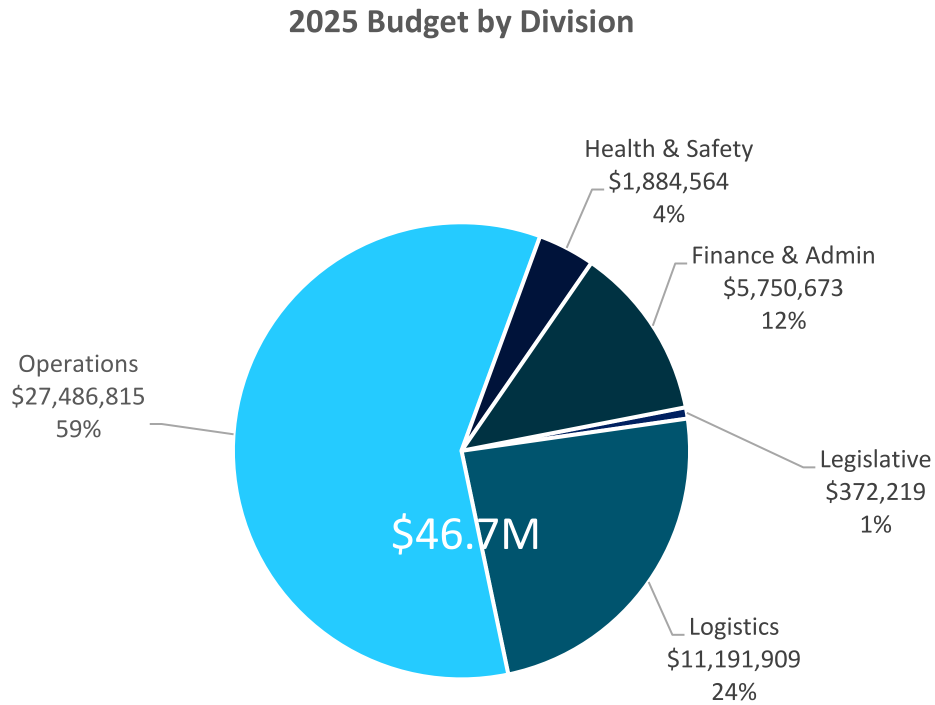
Legislative	Logistics	Operations	Health & Safety	Finance & Administration	Capital (Bond)
• Legislative	• Vehicles • Facilities • Communications*	• Suppression • EMS • Training • Specialty Teams	• Prevention • Wellness • Disaster Prep	• Administration • Finance • Human Resources • Information Technology/Data	• New Training Campus • Fire Stations

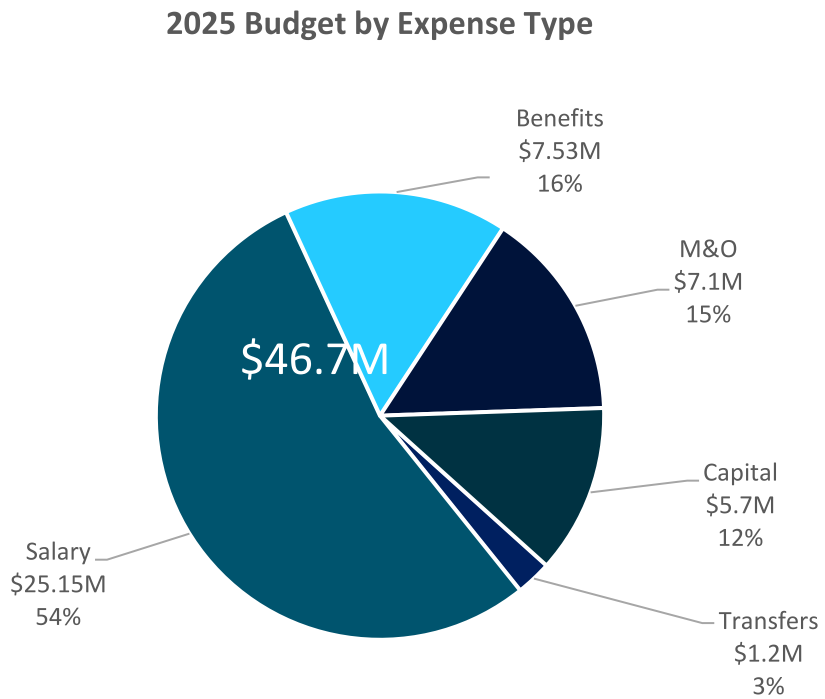
*Communications to be realigned under Finance & Administration in 2025

2025 BUDGET UPDATES

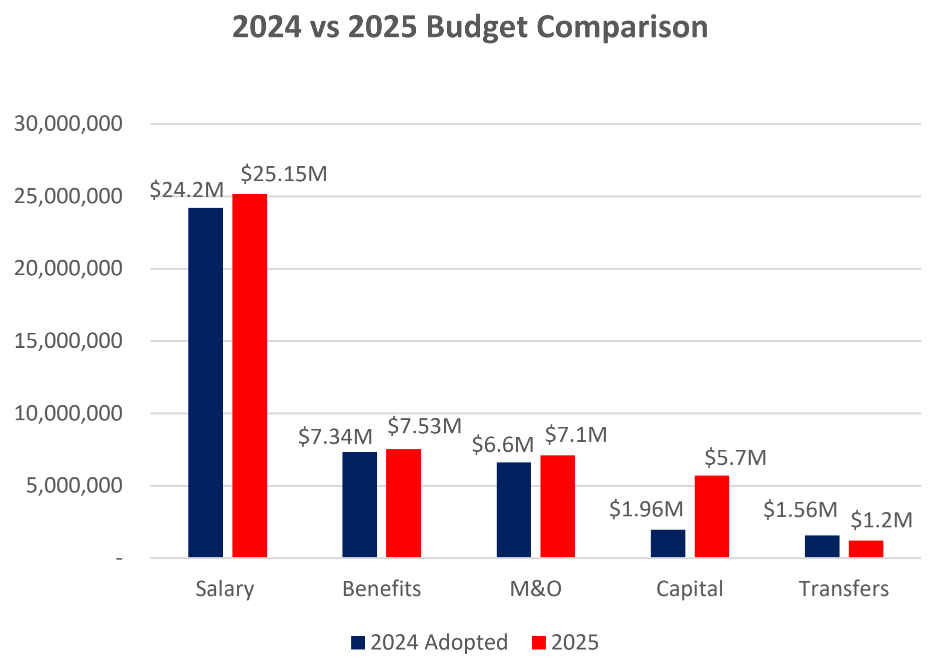
- Personnel forecast updated to include anticipated retirements
- Rates for Labor & Industries updated
- Capital investments include:
  - Planned debt payments for SCBA and EMS equipment purchased in 2024
  - Facilities repair and maintenance for locations at stations 50, 52, 55 and 56
  - Arriving engines in 2025 and associated necessary equipment and upfit
  - Replacement of vehicles at the end of their 10–15-year life cycle

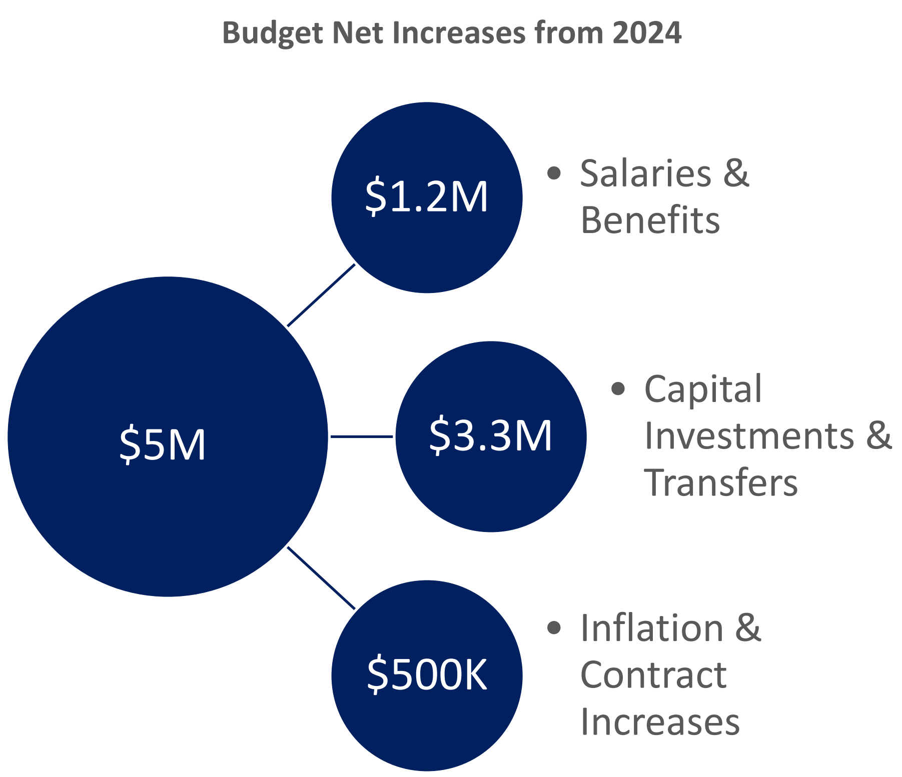
BUDGET SUMMARY





YEAR TO YEAR BUDGET COMPARISON





REVENUE DETAIL – ALL FUNDS

Fund Type	Description	2025 Adopted Budget	2024 Adopted Budget	2023 Adopted Budget
Taxes	Property Taxes - Regular	$30,739,911	$28,886,631	$22,605,858
Taxes	Property Taxes - EMS	$10,246,603	$9,628,877	$9,547,515
Taxes	Property Taxes - Capital	$4,211,201	$4,062,240	$4,056,868
Grant	Federal Direct Grant from the Dept of Homeland Security	-	-	$19,000
Intergovernmental	GEMT Payment Program	$1,167,000	$905,687	$1,690,000
Intergovernmental	State Grants	$766	$560	$1,125
Intergovernmental	Leasehold Excise Taxes	$33,000	$26,000	$26,000
Intergovernmental	Timber Excise Taxes	$12,000	$8,000	$8,000
Charges for Service	Ambulance & Emergency Aid	$1,982,000	$1,628,000	$1,260,000
Charges for Service	Fire Protection Services	$500,000	$427,861	$415,399
Misc Revenue	Investment Interest	$2,439,000	$2,426,000	$80,135
Misc Revenue	Contributions & Donations	$3,000	$3,000	$3,000
Misc Revenue	Other Fees/Tuition Charges	$20,000	$12,500	$49,000
Misc Revenue	Other Misc Revenue	$10,000	$28,800	
Misc Revenue	Sale of Surplus & Assets	$110,000	$10,000	$10,000
Misc. Revenue	Insurance Recoveries	$532,000		
	Total	**$52,006,382**	**$48,054,156**	**$39,572,132**

*Excludes transfers between funds

Revenue Type	2025 Adopted Budget	2024 Budget Amount
Real Property Taxes	$45,197,615	$42,610,508
Intergovernmental	$1,212,766	$940,247
Charges for Service	$2,482,000	$2,055,861
Investment Interest	$2,439,000	$2,426,000
Miscellaneous Revenue	$675,000	$54,300
Total	**$52,006,382**	**$48,086,916**

*Excludes transfers between funds

EXPENDITURES DETAIL BY DIVISION

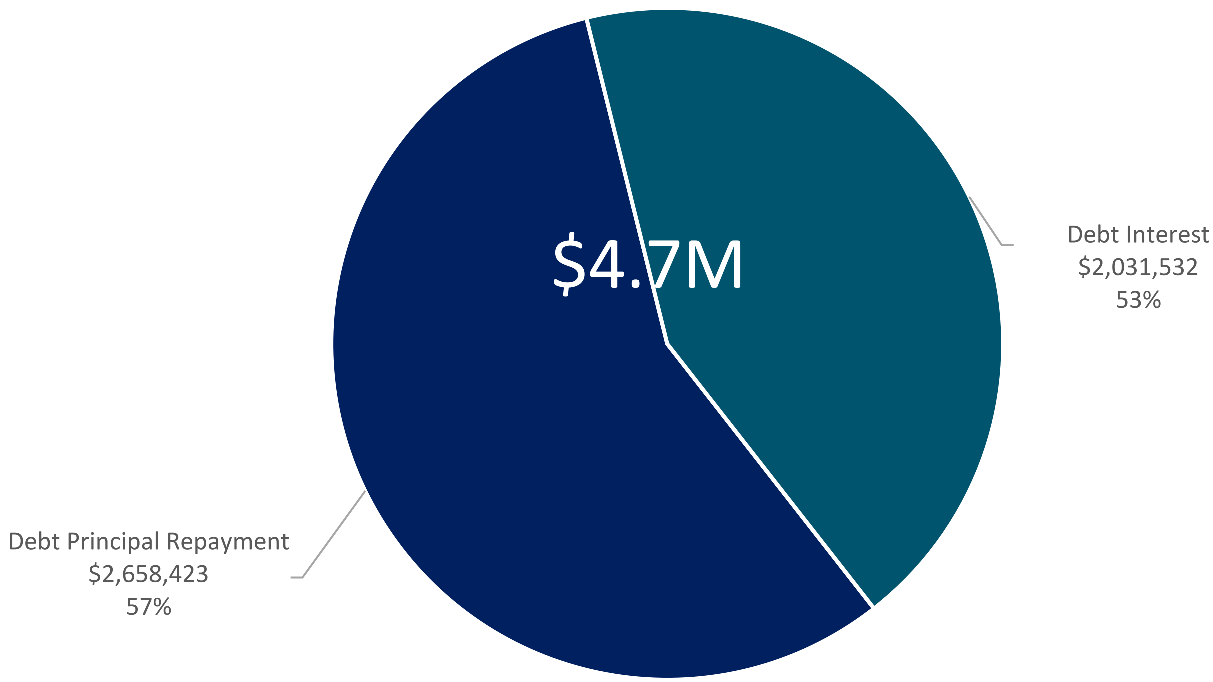
Program	Department	2025 Adopted Budget	2024 Adopted Budget	Change
Legislative	Legislative	$372,219	$335,580	$36,639
	Legislative Total	**$372,219**	**$335,580**	**$36,639**
Finance & Admin	Admin	$3,832,684	$4,074,994	$(242,310)
	HR	$111,864	$101,275	$10,589
	IT & Data	$1,806,125	$1,544,593	$261,532
	Finance & Admin Total	**$5,750,673**	**$5,720,862**	**$29,811**
Operations	Suppression	$17,199,514	$17,399,212	$(199,698)
	EMS	$8,592,479	$7,743,357	$849,122
	Training	$1,679,822	$1,417,304	$262,518
	Specialty Teams	$15,000	$15,000	-
	Operations Total	**$27,486,815**	**$26,574,873**	**$911,942**
Logistics	Logistics	$1,584,538	$1,408,123	$176,415
	Communications	$718,097	$574,544	$143,553
	Facilities	$3,554,095	$1,908,274	$1,645,821
	Specialty Teams	$83,046	$79,500	$3,546
	Vehicles	$5,252,133	$2,971,335	$2,280,798
	Capital Facilities	-	$359,923	$(359,923)
	Logistics Total	**$11,191,909**	**$7,301,699**	**$3,890,210**
Health & Safety	Prevention	$1,508,757	$1,411,567	$97,190
	Wellness	$365,807	$301,814	$63,993
	Disaster Prep	$10,000	$10,000	-
	Health & Safety Total	**$1,884,564**	**$1,723,381**	**$161,183**
	Operating Fund Total	**$46,686,180**	**$41,656,395**	**$5,029,785**

Program	Department	2025 Adopted Budget	2024 Adopted Budget	Change
Capital	Debt	$4,689,955	$4,579,901	$110,054
	Debt Fund Total	**$4,689,955**	**$4,579,901**	**$110,054**
Bond	Bond Project Management	$443,416	$383,923	$59,493
	Training Campus	$13,528,637	$15,289,937	$(1,761,300)
	Fire Station 51	$7,863,623	$1,248,244	$6,615,379
	Fire Station 53	$2,643	$1,305,668	$(1,303,025)
	Fire Station 57	$2,643	$1,424,607	$(1,421,964)
	Fire Station 59	$817,970	$432,080	$385,890
	Capital Equipment	-	$5,000,000	$(5,000,000)
	Logistics Facility	$185,185	-	$185,185
	Fire Station 50	$1,200,000	-	$1,200,000
	Fire Station 58	$382,609	-	$382,609
	Capital Fund Total	**$24,426,726**	**$25,084,459**	**$(657,733)**
	Total All Funds	**$75,802,861**	**$71,320,755**	**$4,482,106**

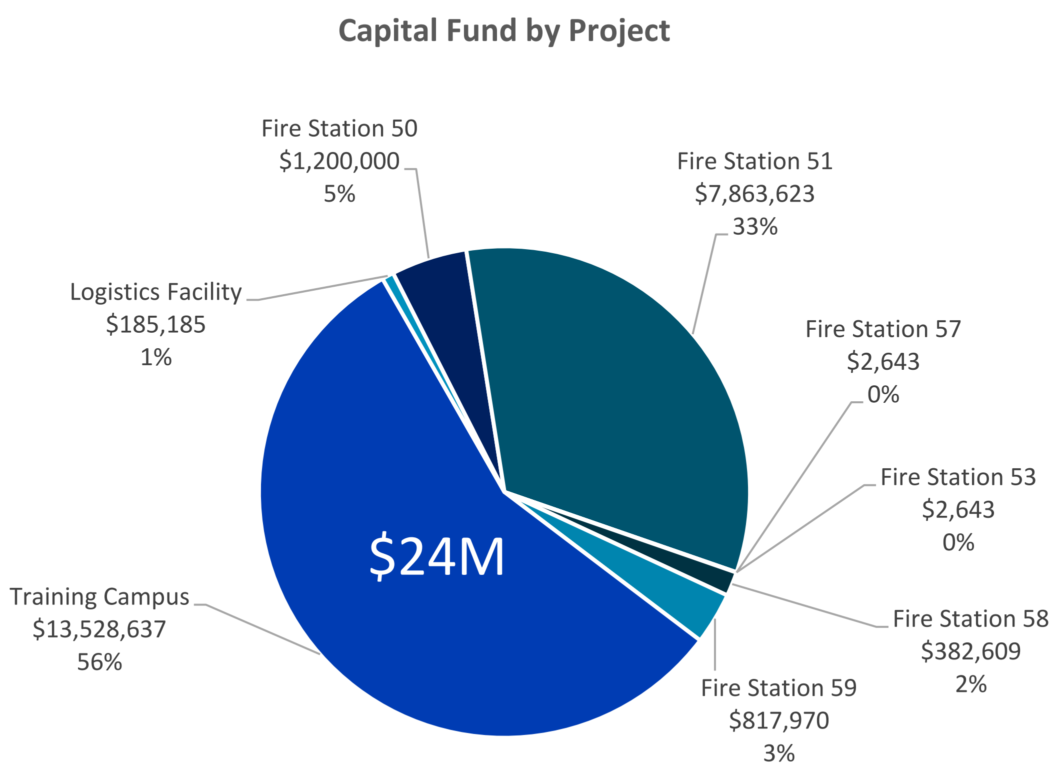
BUDGET BY DIVISION DETAIL

Division		Salary & Wages	Benefits	M&O	Capital & Transfers	Total
Legislative						$372,219
	Legislative	$30,000	$194,219	$148,000	-	$372,219
Finance & Admin						$5,750,673
	Admin	$1,578,982	$387,859	$662,090	$1,203,753	$3,832,684
	HR	$20,000	$2,204	$89,660	-	$111,864
	IT & Data	$454,876	$176,849	$1,174,400	-	$1,806,125
Operations						$27,486,815
	Suppression	$13,244,879	$3,916,720	$37,915	-	$17,199,514
	EMS	$6,176,987	$1,823,418	$592,074	-	$8,592,479
	Training	$1,138,106	$178,717	$362,999	-	$1,679,822
	Specialty Teams	-	-	$15,000	-	$15,000
Logistics						$11,191,909
	Logistics	$596,615	$273,558	$599,365	$115,000	$1,584,538
	Communications	-	-	$718,097	-	$718,097
	Facilities	$287,349	$110,710	$1,173,036	$1,983,000	$3,554,095
	Vehicles	$416,785	$152,089	$1,087,209	$3,596,050	$5,252,133
	Capital Facilities	-	-	-	-	-
	Specialty Teams	-	-	$83,046	-	$83,046
Health & Safety						$1,884,564
	Prevention	$1,126,786	$314,101	$67,870	-	$1,508,757
	Wellness	$73,722	$4,508	$287,577	-	$365,807
	Disaster Prep	-	-	$10,000	-	$10,000
	Expense Type Total	**$25,145,087**	**$7,534,952**	**$7,108,338**	**$6,897,803**	**$46,686,180**

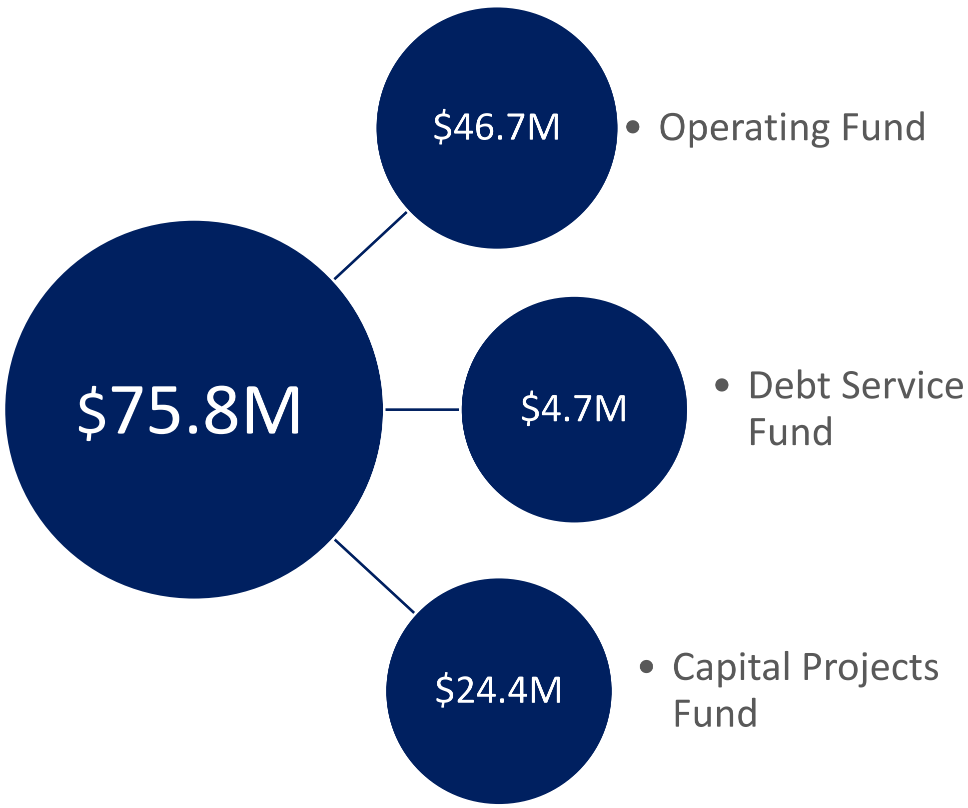
GO BOND FUND BUDGET



CAPITAL FUND BUDGET



TOTAL BUDGET – ALL FUNDS



LONG TERM PLANS

LONG-RANGE OPERATING FINANCIAL PLANS

Strategic Financial Planning

Gig Harbor Fire & Medic One strategically projects the district's financial condition over multiple years, considering the financial impact of organizational needs, staffing plans, and capital requirements. This planning involves forecasting resources and expenditures, while also strategizing to meet both current and future community needs. A long-term financial forecast is developed to project revenues and expenditures using assumptions about economic conditions, future spending scenarios, and other variables. One of the district's challenges during this process is managing the gap between rising expenses and constitutionally limited increases in tax revenue.

Major Expenditure Projections

The largest expenditure for the district is salaries and benefits, which typically account for around 75% of the district's budget. Collective bargaining agreements for the district were negotiated at the end of 2022, covering the years 2023-2025.

Key Planning Objectives

- **Fostering trust** through continuous communication and engagement with the community.
- **Prudent resource management** to ensure financial sustainability.

It is crucial for the community to observe that the district is managing their tax dollars judiciously, ensuring the continuation of current service levels well into the future.

Current Financial Environment

- The tax levy has been restored to $1.50 per $1,000 in assessed value.

Strategies for Maintaining Financial Balance

1. **Levy Lid Lift**
   A taxing jurisdiction collecting less than its maximum statutory levy rate may ask voters to approve a "lift" in the levy amount by more than 1% (RCW 84.55.050, WAC 458-19-045). The new levy rate cannot exceed the maximum statutory rate. Levy lid lifts can generate revenue for any purpose, but if the increase for a particular year exceeds the statutory maximum, the assessor will levy only the maximum allowed by law. In 2023, voters approved restoring the tax levy to $1.50.
2. **Healthy Fund Balance**
   Maintaining a healthy fund balance helps ensure financial stability.
3. **Ground Emergency Medical Transport (GEMT) Program**
   Gig Harbor Fire & Medic One will continue participating in the GEMT program, which provides supplemental payments to publicly owned or operated GEMT providers. These payments cover the gap between actual costs for GEMT transport and the allowable reimbursement from Washington Apple Health (Medicaid) and other sources.

4. **Grants**
   The district will continue to pursue grants to help fund its operations and capital projects.
5. **Monitoring Major Revenues and Expenses**
   Monthly budget reports are posted to SharePoint, giving all personnel access to track actual expenditures and ensure their accounts stay within the allocated budget, preventing overspending.
6. **Division Chiefs' Budgeting**
   Budgeting should start at the division level, as Division Chiefs have the most current and detailed information about their needs. They can best explain why funds are needed and how they will be used.
7. **Staffing**
   The district seeks opportunities to limit the impact of overtime by maintaining adequate staffing levels, tracking data, adjusting staffing plans, and anticipating vacancies. The goal is to reduce the need for overtime while keeping firefighters safe and operations efficient.
8. **Capital Reserve Funds**
   The district will continue to appropriately fund capital reserves to avoid costly deferred maintenance and ensure long-term sustainability.

Assumptions in Long-Range Operating Plans

- **Conservative Projections**: Revenue is projected modestly and held flat when in doubt, while expenditures are projected aggressively to account for potential increases.
- **Cost Increases**: The cost of goods and services is expected to increase by 3% annually, slightly higher than projected CPI increases according to data from **WA State Economic and Revenue Forecast Council**. Below are the projected values from the June 2024 Forecast:

Year	2025	2026	2027	2028	2029
CPI	2.8%	2.5%	2.5%	2.5%	2.4%

- **Cost Containment and Revenue Enhancement**: The district will continue efforts to contain costs, seek savings, and explore ways to enhance revenue streams.
- **GEMT Revenue**: The long-term revenue from the GEMT program is uncertain due to ongoing legislative changes, it is projected in alignment with forecasting transport service needs.
- **Fund Balance**: In case of a shortfall in any given year, the district has sufficient fund balance to cover excess expenditures.
- **Levy Lid Lift**: The projection includes the levy lid lift as passed by voters in 2023.
- **Bond Payments**: Payments for bond-funded building projects are projected at **$4 million** per year starting in **2024**.

DEBT

The LOCAL Program

The LOCAL program (Local Option Capital Asset Lending) provides Washington municipalities with a cost-effective way to finance equipment and real estate projects. It allows participants to benefit from the state's very low, tax-exempt interest rates, making it an attractive option for public agencies seeking financing. In 2023, Gig Harbor Fire & Medic One utilized the LOCAL program to finance the purchase of Self-Contained Breathing Apparatus (SCBA) and emergency medical equipment. The payment plan is structured over five years, with the final payment scheduled for 2028.

Capital Facilities Projects and Bond Authorization

In November 2022, voters authorized an $80 million bond to fund multiple capital facilities projects aimed at improving public safety and firefighter health. These projects include the renovation of Stations 53 (Fox Island), 57 (Crescent Valley), 58 (Swede Hill), and 59 (Artondale). These stations currently lack adequate living quarters to accommodate present and future staffing levels, as well as a diverse workforce. Additionally, some of these stations do not meet ADA (Americans with Disabilities Act) requirements or comply with current seismic standards.

The bond will also finance the construction of a fire training facility on district-owned land adjacent to Station 58. This facility will enhance the training capabilities of the district. Furthermore, the bond will fund the replacement of Station 51 (Gig Harbor), the district's busiest station, to accommodate additional personnel and modern emergency apparatus.

Firefighter Health and Safety Improvements

As part of the renovations and replacements, decontamination areas will be improved at the stations to remove carcinogens and toxic chemicals encountered during fire and medical calls. Cancer is the leading cause of death among firefighters, and these enhanced decontamination areas will provide a healthier work environment for emergency personnel.

Bond Financing

The financing for these capital facility projects is through bonds totaling $80 million. The first bond issuance was completed in 2022 with a 20-year maturity. For homeowners, the cost is projected at approximately $9.90 per month for a $500,000 home. The district began collecting tax revenue from this bond in January 2023. There is an additional $30 million remaining under the bond authorization, which will be part of the second and final issuance planned under the voter-approved bond authorization.

CAPITAL PROGRAM

Capital Expenditures

Capital expenditure refers to purchases exceeding $10,000 with a useful life of more than one year. These include major assets like fire engines, vehicles, communications system upgrades, and IT infrastructure. According to RCW 43.09.200 and Washington State Auditor's Office guidelines, these expenditures must be tracked and reported separately from operating expenses to ensure transparency and fiscal responsibility. They are subject to annual audits under the state's Budgeting, Accounting, and Reporting System (BARS) to ensure compliance.

Gig Harbor Fire & Medic One (GHFMO) Program

Gig Harbor Fire & Medic One (GHFMO) manages capital expenditures to maintain critical infrastructure and equipment. The program covers procurement and management of essential assets like firefighting apparatus and medical vehicles, aligning with the district's long-term financial planning to ensure operational readiness and public safety.

GLOSSARY

Account

A term used to identify an individual asset, liability, expenditure control, revenue control, or fund balance.

Appropriation

A formal approval to allocate public funds for a specific purpose, ensuring that government spending is legally authorized and aligned with the budgetary priorities of the government.

Assessed Valuation (AV)

The dollar value assigned to a home or other piece of real estate for property tax purposes. It takes into account the value of comparable properties in the area.

Balanced Budget

A financial plan where total revenues are equal to or greater than total expenditures over a specified period, usually a fiscal year.

Battalion Chief (BC)

A senior officer responsible for the daily leadership, management, and supervision of personnel and resources on their shift. They act as the primary incident commander during emergency responses, making critical decisions regarding tactics, resource allocation, and safety.

Board of Fire Commissioners

The governing body of Gig Harbor Fire & Medic One.

Budget

The process of allocating limited resources to meet the prioritized needs of an organization over a set period, based on estimates of revenues and expenditures.

Budgeting, Accounting and Reporting System (BARS)

A manual that prescribes accounting and reporting for local governments in accordance with RCW 43.09.200. Its purpose is to provide (1) uniform accounting and financial reporting to allow for meaningful use and comparison of financial data; (2) accounting and reporting instructions as a resource for local government managers; and (3) a consistent framework for financial reporting to intended users, including managers, governing bodies, granting and regulatory agencies, the state Legislature, and the general public.

Capital Assets

Tangible or intangible items purchased that cost over $10,000 and have a useful life of more than one year.

Capital Facilities Plan

A list of capital projects with estimated costs and proposed methods of financing.

Chaplain

A trained provider who offers emotional, spiritual, and psychological support to firefighters, emergency responders, and their families, as well as assistance to community members affected by emergencies or disasters.

Contingency

The budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for, providing a financial safety net for unexpected costs.

Deputy Chief

A senior-ranking officer who supports the Fire Chief in overseeing the department's operations, administration, and strategic planning.

Division Chief (DC)

A senior officer responsible for managing a specific division and overseeing the activities, personnel, and resources to ensure the division operates efficiently and in alignment with the department's overall goals.

Driver Operator (DO)

The individual responsible for driving the fire apparatus and operating the fire pump.

Emergency Medical Services (EMS)

The treatment and transport of people in crisis health situations that may be life-threatening.

Expenditure

Charges incurred for operations, maintenance, interest, and other costs that benefit the current fiscal period, whether paid or unpaid.

Firefighter

A first responder trained to control and extinguish fires and rescue people and property from fire and other dangers.

Fiscal Year (FY)

A 12-month period used for accounting purposes. Gig Harbor Fire & Medic One's fiscal year begins on January 1st and ends on December 31st.

Fund

An accounting entity with a self-balancing set of accounts used to record financial resources, liabilities, and operating activities.

Fund Balance

The excess of a fund's assets over its liabilities and reserves.

Government Finance Officers Association (GFOA)

A professional association of approximately 19,000 state, provincial, and local government finance officers in the United States and Canada.

Grant

A sum of money awarded to an organization to fund a specific project or activity, typically with certain conditions or requirements.

Ground Emergency Medical Transportation Program (GEMT)

A federal program providing supplemental payments to publicly owned or operated GEMT providers. These payments cover the gap between the provider's actual costs per transport and the allowable amount received from Medicaid.

Levy Lid Lift

A voter-approved measure that allows a taxing district to increase its property tax levy beyond the standard limit imposed by state law to support essential services.

Lieutenant (LT)

A firefighter responsible for the emergency response of a specific company, managing resources and personnel during calls.

LOCAL Program

A program that provides municipalities with a cost-effective way to finance equipment and real estate projects.

Low Acuity

Refers to patients with illnesses or injuries that do not require immediate treatment but still need supervised patient transport.

Multi-Year Capital Asset Plan

A prudent approach that identifies and prioritizes expected needs based on a strategic plan. It establishes project scope and cost, details estimated funding from various sources, and projects future operating and maintenance costs.

Mutual Aid

A formal agreement between fire departments, emergency services, or other organizations to aid each other during emergencies, disasters, or other situations requiring additional resources.

National Fire Protection Association (NFPA)

A global non-profit organization that promotes safety standards, education, training, and advocacy on fire and electrical hazards.

Probationary Firefighter

New fire recruits undergoing training and evaluation during their first few months of employment to ensure they meet the high standards of the fire service.

Procurement

The process of obtaining goods or services.

Property Taxes

A mandatory tax charged to finance emergency services provided to Gig Harbor Fire & Medic One area residents for their protection and assistance.

Protection Class Rating

Represents the Washington Survey and Rating Bureau's (WSRB) evaluation of Gig Harbor Fire & Medic One, used by insurance companies in setting property insurance rates.

Reserve Funds

Funds set aside to cover future costs or financial obligations, especially those that arise unexpectedly, providing financial security and stability.

Revenue

Income of a government from taxation, excise duties, customs, or other sources, used to cover public expenses.

Self-Contained Breathing Apparatus (SCBA)

A respirator worn to provide an autonomous supply of breathable gas in an atmosphere that is immediately dangerous to life or health from a gas cylinder.

Special Team

An operational team assigned to a specific task requiring specialized training.

Strategic Plan

A systematic process of envisioning a desired future and translating that vision into defined goals or objectives.

Technical Rescue Team (TRT)

A specialized unit within the fire and rescue service trained in six disciplines: rope rescue, confined space rescue, vehicle/machinery rescue, structural collapse rescue, trench rescue, and water rescue. TRT-certified personnel are emergency response firefighters trained in treating and rescuing victims trapped in complex or confined spaces.

Urban Wildfires

Uncontained fires that spread through vegetation and landscaping, often threatening residential and commercial structures in urban environments.

Wildland Firefighting

The suppression of fires in woodlands, forests, grasslands, and other vegetation not contained within buildings or structures.

WSRB

Washington Survey and Rating Bureau, an independent organization responsible for evaluating fire protection capabilities for use by insurance companies in setting property insurance rates.

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