

- A. Overview, Discussion and Possible Action on Draft 2025-2026 Baseline Budget Package and Limited Assessed Property Values for Tax Year 2025-2026; Possible General Fund and Capital Fund Additions to the Draft 2025-2026 Baseline Budget; Any and All District Revenues and Expenses May Be Discussed and Acted Upon; The 2025-2026 Budget Process May Also Be Discussed; The Draft Budget's Potential Impact on the District Tax Rate May Also Be Discussed; Advantages and Disadvantages of any Budget Options May Also Be Discussed; Proposed Timing of Capital Expenses May Also Be Discussed

**FISCAL YEAR 2025-2026  
BUDGET STUDY  
SESSION**

**MARCH 12, 2025**



**NORTHWEST  
FIRE DISTRICT**

## **AGENDA**

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- **BUDGET DEVELOPMENT**
- **TAXING PROCESS**
- **LEGISLATIVE CHALLENGES**
- **DEVELOPMENT**
- **MEDICAL COSTS**
- **ASSESSED VALUE AND PROPOSED TAX RATE**
- **ESTIMATED RESOURCES & REQUIREMENTS**
- **FUND BALANCE POLICY CONSIDERATIONS**
- **CAPITAL IMPROVEMENT PROGRAM**
- **FUTURE BOND CONSIDERATIONS**
- **HISTORICAL TAX RATE INFORMATION**
- **CONSIDERATIONS FOR THE BOARD**

# BUDGET DEVELOPMENT

## Accreditation

- Northwest Fire District maintains accredited status through the Center for Public Safety Excellence (CPSE) Commission on Fire Accreditation International (CFAI).
- NWFD is evaluated on 250 performance measures, of which 94 are core competencies that must be met.
- 13% of the U.S. population is protected by an accredited agency.

## Insurance Service Office (ISO) Status

- ISO collects and analyzes data on fire protection efforts in communities throughout the United States. ISO assigns a Public Protection Class (PPC) from 1 to 10 (with 1 being the highest rating).
- NWFD maintains a Class 1/Y rating.
- Class 1 places NWFD's fire protection in the top 1% of U.S. communities.
- Class 1 secures lower fire insurance premiums for our community.

**0.3% OF U.S. FIRE SERVICE AGENCIES MAINTAIN BOTH ISO CLASS 1 AND CFAI ACCREDITED STATUS**

## Strategic Plan

- NWFD's goals and objectives, as outlined in the 2024-2029 Strategic Plan, directly determine how financial resources are allocated in the budget.
- This ensures that spending aligns with the overall strategic directions of the District as adopted by the Board and informed by internal and external stakeholders.

### Fire District Taxing Process for Fiscal Year 25/26



**2025 FIRE DISTRICT LEVY LIMIT WORKSHEET**

**PIMA COUNTY - NORTHWEST FIRE DISTRICT**

ADJUSTMENTS FOR ANNEXED PROPERTY		2024
A.1. Net Assessed Value of Property Annexed for TY 2025		\$1,481,632
A.2. A.1. divided by 100		\$14,816
A.3. Prior Year Actual Tax Rate (excluding debt service tax rate)		\$2.9719
A.4. Adjustment for Annexed Property (A.2. multiplied by A.3.)		\$44,032

MAXIMUM ALLOWABLE LEVY LIMIT		2025
B.1. Prior Year Maximum Allowable Levy Limit (B.4 from prior year)		\$89,080,537
B.2. Line B.1. multiplied by 1.08		\$96,206,980
B.3. Plus amount attributable to annexed property (Line A.4.)		\$44,032
B.4. MAXIMUM ALLOWABLE LEVY LIMIT (Line B.2. + B.3.)		\$96,251,012

CURRENT YEAR NET ASSESSED VALUES		2025
C.1. Centrally Assessed Property		\$47,039,230
C.2. Locally Assessed Real Property		\$1,676,062,420
C.3. Locally Assessed Personal Property		\$40,808,026
C.4. Total Net Assessed Values (C.1. through C.3.)		\$1,764,809,696
C.5. C.4. divided by 100		\$17,648,097

CURRENT YEAR TAX RATE / LEVY LIMIT CALCULATION		2025
D.1. Current Year Net Assessed Values / 100 (Line C.5.)		\$17,648,097
D.2. Maximum Allowable Levy Limit (Line B.4.)		\$96,251,012
D.3. Tax Rate (D.2. divided by D.1.; rounded to 4 decimals)		\$5.4539
D.4. Maximum Tax Rate (lesser of D.3. or \$3.75)		\$3.7500
D.5. Current Year Allowable Tax Rate <sup>1)</sup>		\$3.7500
D.6. Current Year Allowable Levy Limit (D.5. multiplied by D.1.)		\$66,180,364
D.7. Prior Year Excess Collections		
D.8. Prior Year Excess Levy		
D.9. Current Year Allowable Levy Limit (D.6. - D.7. - D.8.)		\$66,180,364

<sup>1)</sup> Adjusted D.5. to avoid a levy that exceeds the maximum allowable levy limit (Line B.4.)

New revenue from annexations

+ Prior year Maximum Allowable Levy Limit  
 + 8% allowable levy limit annual increase  
 + New revenue from annexations  
 = Maximum Allowable Levy Limit

Net Assessed Property Values

Based on NWFD assessed values, if the District reached its Maximum Allowable Levy Limit, the associated operating tax rate would be \$5.4539

AZ State Statute limits the allowable tax rate to \$3.75 for FY25/26. Based on a \$3.75 operating rate, the maximum allowable levy for the District is \$66,180,364.

## CURRENT LEGISLATIVE CHALLENGES

### **Arizona Revised Statutes §48-807**

- (1992) The fire district tax rate cap was first established at \$3.00.
- (2005) Capped the maximum tax rate of \$3.25 per \$100 of assessed property value.
- (2021) Capped the maximum tax rate per \$100 of assessed value at \$3.375 for tax year 2022, \$3.50 for tax year 2023, \$3.75 for tax year 2024 and each tax year thereafter.

### **Senate Bill 1421 (2009)**

- Limited the increase in total tax levy for fire districts to no more than 8% over the prior year's actual levy.

### **House Bill 2001 (2011)**

- Reduced tax assessment of Class One (commercial) and centrally valued properties (utilities) from 20% to 18% further transferring the tax burden to homeowners (with no additional tax rate cap adjustments).

### **Proposition 117 (2012)**

- Amended the Arizona Constitution.
- Set a limit on the annual percentage increase to property values for taxing purposes at 5% above the previous year.
- Established a single Limited Property Value (LPV) as the basis for determining all property taxes on real property starting in fiscal year 2015-2016.
- Consequently, it took approximately 10 years for most Arizona first district values to return to 2008 levels while inflationary costs for expenditures continued to increase annually.

## CURRENT LEGISLATIVE CHALLENGES

### **Senate Bill 1108** (2021)

- Reduced tax assessment of Class One (commercial) property from 18% to 17.5% for tax year 2022, further reducing one-half percent each year until tax year 2027. *The rate for FY25/26 is 16%.*

### **House Bill 2028** (2023)

- Contribution rate for members in PSPRS is reduced to 7.65% from 11.654%; Retroactive to July 1, 2023.
- Beginning July 1, 2023, the amount of the member's contribution that exceeds 7.65% and that was accumulated from July 1, 2011, through June 30, 2023, may be used in calculating the employer's contributions.

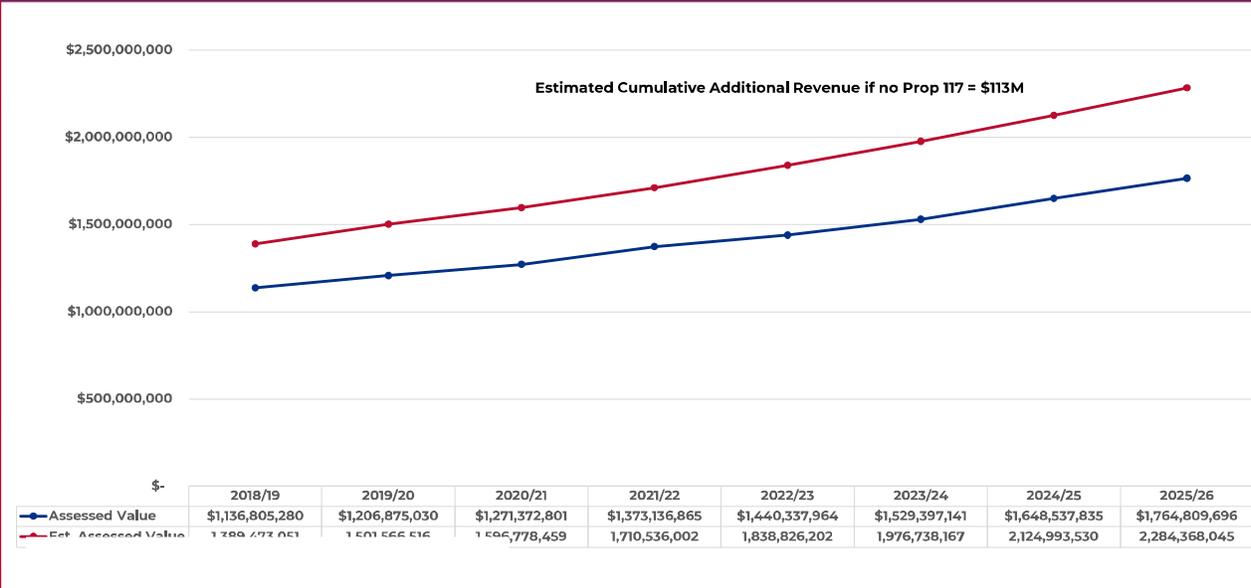
### **House Bill 2064** (2023)

- Property tax exemption for persons with total and permanent disabilities defined as unable to engage in any substantial gainful activities by reason of any physical or mental impairment expected to last for a continuous period of at least 12 months or result in death within 12 months as certified by a "competent medical authority".

### **House Bill 2446** (2023)

- Modifies distributions from the Smart and Safe Fund by adding Indian reservation police and firefighting agencies, university police departments under the jurisdiction of the Arizona Board of Regents, the Department of Public Safety, and Joint Powers of Authorities to the list of entities that receive 31.4% of the monies generated by the associated tax. (Retroactive to January 1, 2021)

# NWFD ASSESSED VALUE



# ESTIMATED REVENUE IMPACTS FROM REDUCTION IN CLASS ONE PROPERTY SB1108

Projections based on 5-year average increase to Class One Net Taxable Value of 5.38%

Fiscal Year	Tax Year	Limited Full Cash Value	Assessed % Pre-SB1108	Revenue @ Pre-SB1108 Rate	Assessed % Post-SB1108	Revenue Post-SB1108 Rate	Estimated Revenue Loss	Estimated Cumulative Revenue Loss	Equivalent Increase to Tax Rate
22/23	CY2022	\$ 1,954,069,901	18%	\$ 9,529,445	17.5%	\$ 9,245,024	\$ (284,421)	\$ (284,421)	\$ 0.02
23/24	CY2023	\$ 2,070,515,200	18%	\$ 10,119,007	17.0%	\$ 9,516,282	\$ (602,725)	\$ (887,146)	\$ 0.04
24/25	CY2024	\$ 2,273,943,209	18%	\$ 11,132,899	16.5%	\$ 10,139,981	\$ (992,918)	\$ (1,880,064)	\$ 0.06
25/26	CY2025	\$ 2,404,375,514	18%	\$ 12,151,168	16%	\$ 10,713,928	\$ (1,437,240)	\$ (3,317,304)	\$ 0.09
26/27	CY2026	\$ 2,533,730,917	18%	\$ 12,804,900	15.5%	\$ 10,911,697	\$ (1,893,203)	\$ (5,210,507)	\$ 0.13
27/28	CY2027	\$ 2,670,045,640	18%	\$ 13,493,804	15%	\$ 11,099,734	\$ (2,394,070)	\$ (7,604,577)	\$ 0.15

The Class One (commercial) ratio for most centrally valued commercial properties (utilities) was 50% in 1979, gradually dropped to 25% by 1999, cropped to 20% in 2012, and 18% in 2011 for a total reduction of 64%. Current legislation will further drop the ratio to 15% by 2027.

# MARANA DEVELOPMENT UPDATE



## COMMERCIAL

- Town of Marana Community Aquatic Center
- Gladden Farms K-8
- Tangerine/I-10
  - Burger King, Starbucks, Ace Hardware, O'Reilly's
- Heritage Park Shops
  - AutoZone, Dunkin Donuts, Valvoline, Brakes Plus
- Fry's Marketplace In-Fill
  - Jersey Mikes, My Doctor Now, Supercuts, UPS, Heartland Dental, Black Rock Coffee, Thai Chili

## RESIDENTIAL

- Projected 1,150 new single-family residences to be permitted in FY25/26 with an additional 240 rental units.
- 3 subdivisions are in the platting stage

## MULTI-FAMILY

- 664 units currently under construction and scheduled to be completed within the next 9-12 months

## YEAR OVER YEAR MEDICAL COSTS

	2021 CIGNA	2022 UHC	2023 UHC	2024 UHC
Administration Fees + Reinsurance Premiums	\$ 533,172	\$ 385,857	\$ 393,243	\$ 488,156
Medical Claims	\$ 1,830,856	\$ 1,565,562	\$ 2,184,132	\$ 2,075,693
RX Claims	\$ 536,407	\$ 422,639	\$ 711,217	\$ 682,840
Stop Loss Recovery	\$ -	\$ -	\$ (78,658)	\$ -
District HSA Contributions	\$ 196,000	\$ 218,600	\$ 250,010	\$ 261,140
<b>Total</b>	<b>\$ 3,096,435</b>	<b>\$ 2,374,058</b>	<b>\$ 3,459,944</b>	<b>\$ 3,507,829</b>
<b>% Increase/Decrease Year Over Year</b>		<b>-23.33%</b>	<b>45.74%</b>	<b>1.38%</b>

## ASSESSED VALUE FISCAL YEAR 2025-2026

Limited Assessed Value (LAV) **\$1.764 billion**

Increase over prior year (7.05%) **\$116.2 million**

Additional revenue at current tax rate **\$3.45 million**

Additional revenue budgeted at 98% collections **\$3.38 million**

## STATIC COMBINED TAX RATE

In FY24/25, the operating rate was increased \$0.0209 to mirror the decrease in the bond rate and maintain a static combined tax rate. This resulted in \$344,545 in operating revenue that was dedicated to future stations (to be used as an offset of future tax rate increases resulting from a bond issuance).

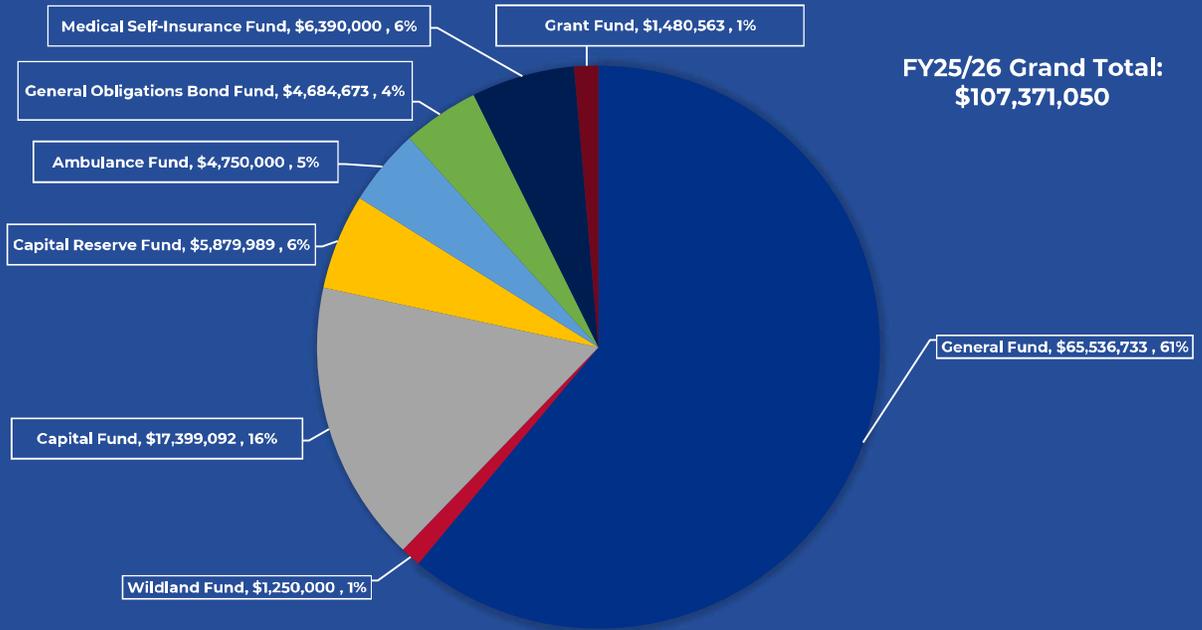
**PROPOSAL:** Apply the same methodology for FY25/26 to keep the static combined tax rate.

RATE PROPOSAL	Current	Proposed	Change
Operating Tax Rate	\$2.9719	\$2.9888	\$0.0169
Debt Tax Rate	\$0.2323	\$0.2154	\$(0.0169)
Combined Rate	\$3.2042	\$3.2042	\$(0.00)
<b>Additional Revenue</b>	<b>\$3.45M</b>	<b>\$3.75M</b>	<b>\$300K*</b>

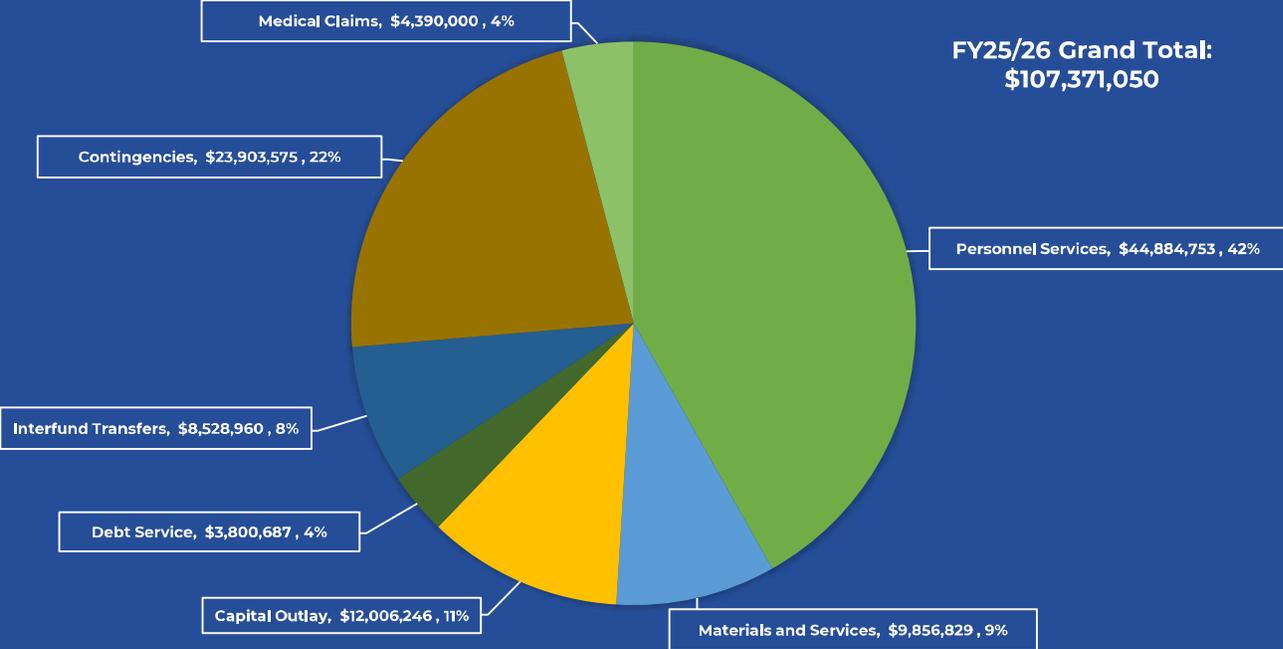
FY25/26 DEDICATED TO FUTURE STATIONS	Operating Tax Rate	Revenue
Rate Offset Established FY24/25	\$0.0209	\$368,845
Additional Rate Offset Proposed FY25/26	\$0.0169	\$298,252
<b>TRANSFER TO CAPITAL RESERVE</b>	<b>\$0.0378</b>	<b>\$667,097</b>

\*budgeted at 100%

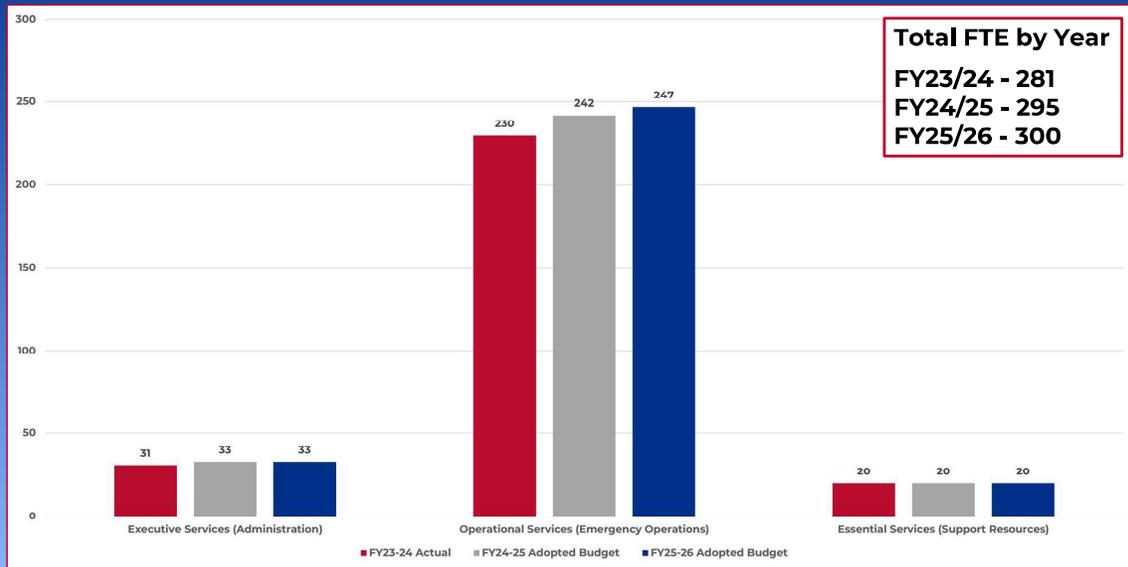
# FISCAL YEAR 2025-2026 TENTATIVE BUDGET RESOURCES BY FUND



# FISCAL YEAR 2025-2026 TENTATIVE BUDGET REQUIREMENTS BY FUND



# FULL TIME EMPLOYEES



# ALL FUNDS

## FY25/26 RESOURCES & REQUIREMENTS

Description	All Funds	Description	All Funds
Available cash on hand	\$ 30,418,111		
<b>Resources</b>		<b>Requirements</b>	
Ambulance Revenues	\$ 4,000,000	Personnel Services	\$ 44,884,753
FDAT	\$ 390,000	Materials & Services	\$ 9,856,829
Dispatch revenue	\$ 583,478	Capital Outlay	\$ 12,006,246
Communications Contract	\$ 132,010	Debt Service Payments	\$ 3,800,687
Grant Proceeds	\$ 280,563	Medical Claims	\$ 4,390,000
Prevention review fees	\$ 414,006	Transfers Out	\$ 8,528,960
Intergovernmental agreements	\$ 837,550	Contingency	\$ 23,903,575
Facility use	\$ 10,000		
Training revenue	\$ 10,000		
Investment Revenue	\$ 800,000		
Smart & Safe AZ - Prop 207	\$ 600,000		
Previously levied taxes estimated to be received	\$ 560,000		
Transfers from other funds	\$ 8,528,960		
Billings from other funds	\$ 4,390,000		
Total resources, except taxes to be levied	\$ 21,536,567		
Taxes estimated to be received	\$ 55,416,372		
<b>TOTAL RESOURCES</b>	<b>\$ 107,371,050</b>	<b>TOTAL REQUIREMENTS</b>	<b>\$ 107,371,050</b>

# ALL FUNDS

## YEAR OVER YEAR COMPARISON

Description - All Funds	Adopted FY2024/25	Tentative FY2025/26	Change	Comments
Available cash on hand	\$ 29,990,868	\$ 30,418,111	\$ 427,243	estimate based on Jan 2025 cash
<b>Resources</b>				
Ambulance Revenues	\$ 3,300,000	\$ 4,000,000	\$ 700,000	increased BLS transports
FDAT	\$ 390,000	\$ 390,000	\$ -	
Dispatch revenue	\$ 599,883	\$ 583,478	\$ (16,405)	2% increase & reduced for AMR cancellation
Communications Contract	\$ 128,293	\$ 132,010	\$ 3,717	contract escalations
Grant Proceeds	\$ 835,121	\$ 280,563	\$ (554,558)	based on grants available
Prevention review fees	\$ 389,000	\$ 414,006	\$ 25,006	based on plans review projections
Intergovernmental agreements	\$ 837,550	\$ 837,550	\$ -	
Rents/leases	\$ 71,504	\$ -	\$ (71,504)	reduced for AMR cancellation
Facility use	\$ 10,000	\$ 10,000	\$ -	
Training revenue	\$ 4,875	\$ 10,000	\$ 5,125	Training Center re-opened
Technology maintenance revenue	\$ 39,154	\$ -	\$ (39,154)	combined in Dispatch revenue
Investment Revenue	\$ 500,000	\$ 800,000	\$ 300,000	based on current fiscal year activity
Smart & Safe AZ - Prep 207	\$ 390,000	\$ 600,000	\$ 210,000	based on historical revenue
Prior Yrs levied taxes estimated to be received	\$ 560,000	\$ 560,000	\$ -	
Transfers from other funds	\$ 3,126,113	\$ 8,528,960	\$ 5,402,847	driven by capital needs
Billings from other funds	\$ 4,057,305	\$ 4,390,000	\$ 332,695	medical self-insurance
Total resources, except taxes to be levied	\$ 15,238,798	\$ 21,536,567	\$ 6,297,769	
Taxes estimated to be received	\$ 51,785,676	\$ 55,416,372	\$ 3,630,696	assessed value increase
<b>TOTAL RESOURCES</b>	<b>\$ 97,015,342</b>	<b>\$ 107,371,050</b>	<b>\$ 10,355,708</b>	
<b>Requirements</b>				
Personnel Services	\$ 43,465,320	\$ 44,884,753	\$ 1,419,433	3% overall for steps/benefits
Materials & Services	\$ 9,413,910	\$ 9,856,829	\$ 442,919	4% contract increases/inflation
Capital Outlay	\$ 10,632,123	\$ 12,006,246	\$ 1,374,123	based on capital requests
Debt Service Payments	\$ 3,829,142	\$ 3,800,687	\$ (28,455)	change in principal/interest bond payments
Medical Claims	\$ 4,057,305	\$ 4,390,000	\$ 332,695	8% increase on medical costs
Transfers Out	\$ 3,126,113	\$ 8,528,960	\$ 5,402,847	driven by capital & capital reserve
Contingency	\$ 22,491,429	\$ 23,903,573	\$ 1,412,144	anticipated ending fund balance
<b>TOTAL REQUIREMENTS</b>	<b>\$ 97,015,342</b>	<b>\$ 107,371,050</b>	<b>\$ 10,355,708</b>	

# FUND BALANCE POLICY

- 1. General Fund Unassigned Fund Balance** – The District shall strive to maintain the General Fund unassigned fund balance at 20 percent of regular general fund operating revenues. After completion of the annual audit, if the unassigned fund balance exceeds 20 percent, the excess must be specifically designated for subsequent year expenditures or transferred to the Capital Projects Fund. (The use of this Fund shall be guided by the Capital Expenditures and Improvements Policy Statements.)
- 2. Use of Fund Balance** – Fund Balance shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year savings. Should such use reduce the balance below the appropriate level set as the objective for that fund, restoration recommendations will accompany the decision to utilize said balance.

	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015
<b>General Revenues</b>	\$ 52,096,573	\$ 50,693,633	\$ 44,617,697	\$ 40,375,197	\$ 37,414,786	\$ 34,672,117	\$ 32,563,348	\$ 30,601,292	29,519,577	\$ 27,556,999	\$ 27,140,991
<b>20%</b>	\$ 10,419,315	\$ 10,268,811	\$ 8,923,539	\$ 8,075,039	\$ 7,482,957	\$ 6,934,423	\$ 6,512,670	\$ 6,120,258	\$ 5,903,915	\$ 5,511,400	\$ 5,428,198
<b>Unassigned FB</b>	\$ 10,210,928	\$ 9,940,112	\$ 8,819,465	\$ 7,516,993	\$ 5,620,400	\$ 5,976,213	\$ 6,488,073	\$ 5,164,700	\$ 5,329,844	\$ 5,750,826	\$ 6,354,350
<b>Unassigned FB %</b>	19.60%	19.61%	19.77%	18.62%	15.02%	17.24%	19.92%	16.88%	18.06%	20.87%	23.41%
<b>% Over/(Under) Policy</b>	-0.40%	-0.39%	-0.23%	-1.38%	-4.98%	-2.76%	-0.08%	-3.12%	-1.94%	0.87%	3.41%
<b>\$ Over/(Under) Policy</b>	\$ (208,386)	\$ (348,699)	\$ (104,074)	\$ (558,047)	\$ (1,862,557)	\$ (958,210)	\$ (24,597)	\$ (955,558)	\$ (574,071)	\$ 239,426	\$ 926,152
<b>Operating Tax Rate</b>	\$ 2.9719	\$ 2.9719	\$ 2.9110	\$ 2.9110	\$ 2.7095	\$ 2.7095	\$ 2.7095	\$ 2.6995	\$ 2.6995	\$ 2.6086	\$ 2.6083

\* FY2025 is estimated based on revenues through January 2025

# PROPOSED FUND BALANCE & RESERVES POLICY

The purpose of a fund balance and reserves policy is to protect against financial instability, ensure stable service delivery, meet future needs, demonstrate prudent fiscal responsibility, and indicate future funding needs.

## Considerations:

- Create a Budget Stabilization Reserve and an Operating Reserve. These funds would be committed through a Board Resolution to meet specific needs should they arise.
- Gradually increase the minimum 20% general fund balance by 2% per year over the next 5 years for a total of 30%. This is based on our financial risk assessment recommendation of 35% or higher fund balance. The risk assessment was developed by the Government Finance Officers Association and considers such factors as the ability to fund and respond to an extreme event, having one main revenue source, sensitivity to expenditure volatility, growth needs, and the negative impact of an economic downturn.

**Budget Stabilization Reserve** – Maybe be used to provide funding to deal with fluctuations within the fiscal cycle(s) and operating requirements that exceed \$350,000. Must be approved by the Governing Board and include a repayment plan, based on a multi-year projection that would restore the reserve within three fiscal years from the fiscal year in which the event occurred.

**Operating Reserve** – Intended to be a reserve for unexpected events whose impact exceeds \$500,000. Any use of reserves must be approved by the Governing Board and include a repayment plan, based on a multi-year projection that would restore the reserve within three fiscal years from the fiscal year in which the event occurred.

# FUND 400

## CAPITAL IMPROVEMENT

SOURCES	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Master Plan	TOTAL
Beginning Fund Balance	\$ 12,300,000	\$ 5,765,673	\$ 8,007,409	\$ 10,705,519	\$ 14,421,842	\$ 18,500,255	\$ 843,245
Communications Contract Revenue	\$ 132,010	\$ 135,310	\$ 138,693	\$ 142,160	\$ 145,714	\$ 149,357	\$ 843,245
Debt Proceeds	\$ -	\$ -	\$ -	\$ 15,350,000	\$ 24,700,000	\$ 5,600,000	\$ 45,650,000
Transfers In	\$ 4,967,082	\$ 5,215,436	\$ 5,476,208	\$ 5,750,018	\$ 6,037,519	\$ 6,339,395	\$ 33,785,659
<b>Total Revenue</b>	<b>\$ 5,099,092</b>	<b>\$ 5,350,746</b>	<b>\$ 5,614,901</b>	<b>\$ 21,242,179</b>	<b>\$ 30,883,234</b>	<b>\$ 12,088,752</b>	<b>\$ 80,278,904</b>
<b>Total Sources</b>	<b>\$ 17,399,092</b>	<b>\$ 11,116,419</b>	<b>\$ 13,622,310</b>	<b>\$ 31,947,698</b>	<b>\$ 45,305,075</b>	<b>\$ 30,589,008</b>	
USES	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Master Plan	TOTAL
<b>Engines (2) - FY23-24 (carryover)</b>	\$ 1,774,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,774,007
<b>Aerial Platform Apparatus - FY23-24 (carryover)</b>	\$ 1,880,961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,880,961
<b>Aerial Platform Equipment Load - FY24-25 (carryover)</b>	\$ 270,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270,155
<b>Aerial Platform Apparatus - FY24-25 (carryover)</b>	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Code 3 Vehicles (5)	\$ 499,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 499,000
Ambulances (2)	\$ 650,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650,000
Ambulance Equipment Load (2)	\$ 163,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,835
Styker Gurney Replacement Plan	\$ 82,583	\$ -	\$ 42,000	\$ -	\$ 42,000	\$ -	\$ 166,583
Station 332 Hot Water & Bay Heat Improvement	\$ 178,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178,500
Design/Engineering for Future Station Builds	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000
Network Infrastructure Replacement	\$ 72,500	\$ 125,000	\$ 155,400	\$ -	\$ -	\$ -	\$ 352,900
Vehicle/Apparatus Replacement Program (Transfer to 450)	\$ 1,784,617	\$ 1,873,847	\$ 1,609,227	\$ 1,689,689	\$ 1,576,633	\$ 1,119,701	\$ 9,653,734
Cardiac Monitor Replacement (Transfer to 450)	\$ 336,167	\$ 336,167	\$ 336,167	\$ 336,167	\$ 336,167	\$ -	\$ 1,680,835
SCBA Cylinder Replacement (Transfer to 450)	\$ 623,996	\$ 623,996	\$ 623,997	\$ -	\$ -	\$ -	\$ 1,871,989
Future Station Build Needs Non-Bond (Transfer to 450)	\$ 667,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 667,098
Pavement Replacement Program (Transfer to 450)	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 900,000
Expansion of Fleet Building to Combine Essential Services	\$ -	\$ -	\$ -	\$ 1,700,000	\$ 1,700,000	\$ -	\$ 3,400,000
Station 340 Construction	\$ -	\$ -	\$ -	\$ -	\$ 8,400,000	\$ 5,600,000	\$ 14,000,000
Aerial Platform & Engine Apparatus for Station 340	\$ -	\$ -	\$ -	\$ 3,400,000	\$ -	\$ -	\$ 3,400,000
Station 331 Demolition & Rebuild	\$ -	\$ -	\$ -	\$ 8,400,000	\$ 5,600,000	\$ -	\$ 14,000,000
Station 342 Land Purchase & Construction	\$ -	\$ -	\$ -	\$ 750,000	\$ 9,000,000	\$ -	\$ 9,750,000
Engine Station 342	\$ -	\$ -	\$ -	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
<b>Total Uses</b>	<b>\$ 11,633,419</b>	<b>\$ 3,109,010</b>	<b>\$ 2,916,791</b>	<b>\$ 17,525,856</b>	<b>\$ 26,804,820</b>	<b>\$ 6,869,701</b>	<b>\$ 68,859,597</b>
<b>Ending Fund Balance</b>	<b>\$ 5,765,673</b>	<b>\$ 8,007,409</b>	<b>\$ 10,705,519</b>	<b>\$ 14,421,842</b>	<b>\$ 18,500,255</b>	<b>\$ 23,719,307</b>	

New Bond Authorization November 2026

# FUND 400

## VEHICLE REPLACEMENT PLAN

SHOP #	TYPE	YEAR	STATUS	2025/26	2026/27	2027/28	2028/29	2029/30
1006	ENGINE	2010	FRONT LINE	\$ 177,401	\$ 186,271	\$ 195,584	\$ 205,363	\$ 215,632
1007	ENGINE	2010	FRONT LINE	\$ 177,401	\$ 186,271	\$ 195,584	\$ 205,363	\$ 215,632
1616	ENGINE	2016	FRONT LINE	\$ 80,637	\$ 84,668	\$ 88,902	\$ 93,347	\$ 98,014
1707	ENGINE	2017	FRONT LINE	\$ 73,917	\$ 77,613	\$ 81,493	\$ 85,568	\$ 89,846
1708	ENGINE	2017	FRONT LINE	\$ 73,917	\$ 77,613	\$ 81,493	\$ 85,568	\$ 89,846
1809	ENGINE	2018	FRONT LINE	\$ 63,357	\$ 66,525	\$ 69,851	\$ 73,344	\$ 77,011
1810	ENGINE	2018	FRONT LINE	\$ 63,357	\$ 66,525	\$ 69,851	\$ 73,344	\$ 77,011
2101	ENGINE	2021	FRONT LINE	\$ 59,134	\$ 62,090	\$ 65,195	\$ 68,454	\$ 71,877
NEW	ENGINE	2024	FRONT LINE	\$ 44,350	\$ 46,568	\$ 48,896	\$ 51,341	\$ 53,908
NEW	ENGINE	2024	FRONT LINE	\$ 44,350	\$ 46,568	\$ 48,896	\$ 51,341	\$ 53,908
NEW	ENGINE	2024	FRONT LINE	\$ 44,350	\$ 46,568	\$ 48,896	\$ 51,341	\$ 53,908
NEW	ENGINE	2024	FRONT LINE	\$ 44,350	\$ 46,568	\$ 48,896	\$ 51,341	\$ 53,908
1501	AMBULANCE	2015	FRONT LINE	\$ 325,000	\$ -	\$ -	\$ -	\$ -
1502	AMBULANCE	2015	RESERVE	\$ 325,000	\$ -	\$ -	\$ -	\$ -
1614	AMBULANCE	2016	FRONT LINE	\$ 162,500	\$ 170,625	\$ -	\$ -	\$ -
1615	AMBULANCE	2016	FRONT LINE	\$ 162,500	\$ 170,625	\$ -	\$ -	\$ -
1803	AMBULANCE	2018	FRONT LINE	\$ 81,250	\$ 85,313	\$ 89,578	\$ 94,057	\$ -
1811	AMBULANCE	2018	FRONT LINE	\$ 81,250	\$ 85,313	\$ 89,578	\$ 94,057	\$ -
1901	AMBULANCE	2019	FRONTLINE	\$ 65,000	\$ 68,250	\$ 71,663	\$ 75,246	\$ 79,008
NEW	AMBULANCE	2024	FRONTLINE	\$ 32,500	\$ 34,125	\$ 35,831	\$ 37,623	\$ 39,504
NEW	AMBULANCE	2024	FRONTLINE	\$ 32,500	\$ 34,125	\$ 35,831	\$ 37,623	\$ 39,504
NEW	AMBULANCE	2024	FRONTLINE	\$ 32,500	\$ 34,125	\$ 35,831	\$ 37,623	\$ 39,504
NEW	LADDER	2024	FRONT LINE	\$ 94,048	\$ 98,750	\$ 103,688	\$ 108,872	\$ 114,316
NEW	LADDER	2024	FRONT LINE	\$ 94,048	\$ 98,750	\$ 103,688	\$ 108,872	\$ 114,316
1806	BC331 F-250	2018	FRONTLINE	\$ 110,000				
1808	BC332 F-250	2018	FRONTLINE	\$ 110,000				
2103	CHEVY TAHOE	2021	FRONTLINE	\$ 93,000				
2201	CHEVY TAHOE	2022	FRONTLINE	\$ 93,000				
2308	CHEVY TAHOE	2023	FRONTLINE	\$ 93,000				

CIP REQUEST BY YEAR

	2025/26	2026/27	2027/28	2028/29	2029/30
\$	2,933,617	1,873,847	1,609,227	1,689,689	1,576,653
\$	(650,000)	Requested as a FY25-26 CIP project - (2) Ambulances			
\$	(499,000)	Requested as a FY25-26 CIP project - (%) Code 3 Support Vehicles			
\$	1,784,617	Total FY25-26 Vehicle Replacement Plan to Transfer into Capital Reserve Fund			

## POTENTIAL FUTURE BOND NEEDS

Capital Project	Estimated Cost
Combine Essential Services Divisions to One Location	\$3,400,000
Construction of Station 340	\$14,000,000
Aerial Platform Apparatus for Station 340	\$2,300,000
Station 331 Demolition & Rebuild	\$14,000,000
Land Purchase for Station 342	\$750,000
Construction of Station 342	\$9,000,000
Engines (2) for Future Stations	\$2,200,000
<b>TOTAL</b>	<b>\$45,650,000</b>

## ESTIMATED FY25/26 DEBT LIMITATION

Estimated FY25/26 Net Limited Assessed Property Valuation:	\$1,764,809,696
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Estimated FY25/26 Debt Limitation: (6% of Net Limited Assessed Property Value)	\$105,888,582
Less: General Obligation Bonds Outstanding <sup>1</sup>	(22,945,000)
Less: Original Issue Premium <sup>2</sup>	(1,615,500)
<b>Projected Unused Borrowing Capacity</b>	<b><u>\$81,328,082</u></b>

<sup>1</sup> Represents the District's principal balance following the July 1, 2025, debt service payment.

<sup>2</sup> Represents the unamortized portion of premium that was utilized for project purposes.



## Northwest Fire District of Pima County

### Debt Service and Tax Rate Analysis

**EXAMPLE: \$45,650,000 - November 2026 Bond Authorization**

	(1)	(2)	(3)	EXISTING		PROPOSED			PROPOSED			PROPOSED			COMBINED PROPOSED		ESTIMATED AGGREGATE				
				Outstanding Debt Service		Plus: \$19,400,000 Series 2026			Plus: \$14,000,000 Series 2027			Plus: \$11,850,000 Series 2028			Total Debt Service	Proposed Tax Rate	Estimated Debt Service		Combined Tax Rates		
				Annual P & I (b)	Estimated Tax Rate (c)	Principal	Interest (d)	Capitalized Interest	Annual P&I	Principal	Interest (d)	Annual P&I	Principal	Interest (d)			Annual P&I	Aggregate P&I	Estimated Tax Rate (c)	Operations Tax Rate (c)	Est Combined Tax Rate (c)
Historical																					
	2017	\$1,050,000,440	4.2%		\$2,916,929	\$0.7452											\$2,916,929	\$0.7452	\$2,916,929	\$0.7452	
	2018	1,080,073,247	4.3%		3,773,820	0.3726											3,773,820	0.3726	2,695	3.0724	
	2019	1,136,605,290	5.3%		3,656,068	0.3406											3,656,068	0.3406	2,705	3.0501	
	2020	1,206,875,030	6.2%		4,083,771	0.2964											4,083,771	0.2964	2,706	3.0490	
	2021	1,271,536,393	5.3%		3,885,325	0.2900											3,885,325	0.2900	2,706	2.9965	
	2022	1,373,138,865	8.0%		3,703,025	0.2700											3,703,025	0.2700	2,795	3.0465	
	2023	1,440,337,964	4.5%		3,723,175	0.2585											3,723,175	0.2585	2,910	3.1856	
	2024	\$1,593,397,141	6.2%		3,869,626	\$0.2332											\$3,869,626	\$0.2332	\$2,910	\$3.1842	
	2025	1,668,573,635	7.8%		3,829,142	0.2320											3,829,142	0.2320	2,970	3.2042	
Current	2026	1,764,029,656	7.1%		3,800,897	0.2154											3,800,897	0.2154	2,988	3.2042	
	2027	1,863,282,246	7.1%		3,665,709	0.1940											3,665,709	0.1940	3,012	3.2042	
	2028	1,963,744,336	5.0%		2,801,750	0.1412	1,034,667	(\$25,000)	\$259,867	296,000	860,000	860,000					789,867	0.0598	3,271	3.1717	
	2029	2,062,920,316	5.0%		2,922,900	0.1346	200,000	774,000	976,000	560,000	860,000						1,536,000	0.0737	4,238	3.0603	
	2030	2,167,060,340	5.0%		2,660,772	0.1208	400,000	768,000	1,168,000	500,000	560,000	860,000	\$159,333	\$159,333	0.1000	4,968,105	0.2228	2,959	3.2185		
	2031	2,208,96,140	1.0%		2,660,988	0.1216	350,000	752,000	1,102,000	200,000	548,000	748,000		478,000	478,000	2,328,000	0.1054	5,013,898	0.2270	2,959	3.2250
	2032	2,231,040,875	1.0%		2,622,000	0.1175	250,000	738,000	938,000	150,000	346,000	690,000	\$200,000	478,000	678,000	2,306,000	0.1034	4,928,700	0.2230	2,959	3.2188
	2033	2,253,338,052	1.0%		2,585,700	0.0913	250,000	710,000	960,000	250,000	534,000	684,000	\$50,000	470,000	570,000	2,334,000	0.1238	4,990,700	0.2170	2,959	3.2128
	2034	2,275,694,531	1.0%		1,464,300	0.0687	400,000	710,000	1,150,000	600,000	639,000	1,070,000	\$90,000	450,000	440,000	3,040,000	0.1348	5,096,300	0.2293	2,944	3.1944
	2035	2,298,844,338	1.0%		1,562,250	0.0980	400,000	704,000	1,104,000	700,000	500,000	1,200,000		430,000	1,180,000	3,484,000	0.1518	5,048,250	0.2195	2,959	3.2154
	2036	2,321,626,873	1.0%		800,000	0.0680	800,000	668,000	1,188,000	750,000	472,000	1,222,000	750,000	400,000	1,150,000	3,586,000	0.1533	5,036,250	0.2178	2,959	3.2137
	2037	2,344,046,172	1.0%		1,500,000	0.0644	800,000	668,000	1,268,000	1,200,000	442,000	1,742,000	1,000,000	370,000	1,370,000	4,390,000	0.1968	4,390,000	0.1968	2,959	3.1627
	2038	2,368,294,633	1.0%		1,500,000	0.0643	800,000	644,000	2,144,000	1,100,000	390,000	1,490,000	1,050,000	330,000	1,380,000	5,014,000	0.2117	5,014,000	0.2117	2,959	3.2078
	2039	2,391,977,580	1.0%		1,800,000	0.0640	1,800,000	584,000	2,384,000	1,000,000	348,000	1,348,000	1,000,000	298,000	1,288,000	5,018,000	0.2098	5,018,000	0.2098	2,959	3.2057
	2040	2,416,089,750	1.0%		2,200,000	0.0640	2,200,000	2,712,000	1,800,000	306,000	1,306,000	1,306,000	750,000	246,000	846,000	5,016,000	0.2076	5,016,000	0.2076	2,959	3.2035
	2041	2,440,656,329	1.0%		2,800,000	0.0640	2,800,000	424,000	3,024,000	1,000,000	248,000	1,268,000	680,000	218,000	1,088,000	5,338,000	0.2196	5,338,000	0.2196	2,959	3.2155
	2042	2,464,456,892	1.0%		2,800,000	0.0640	2,800,000	320,000	3,120,000	1,800,000	228,000	2,028,000	1,100,000	184,000	1,284,000	6,430,000	0.2609	6,430,000	0.2609	2,959	3.2668
	2043	2,488,101,481	1.0%		2,000,000	0.0640	2,000,000	208,000	2,208,000	1,750,000	154,000	1,904,000	280,000	140,000	1,360,000	4,502,000	0.1809	4,502,000	0.1809	2,959	3.1781
	2044	2,488,101,481	1.0%		3,200,000	0.0640	3,200,000	128,000	3,328,000	2,300,000	80,000	2,380,000	3,250,000	130,000	3,380,000	8,092,000	0.3572	8,092,000	0.3572	2,959	3.3511
					<b>\$19,400,000</b>	<b>\$10,358,007</b>	<b>3</b>	<b>(\$25,000)</b>	<b>\$28,918,847</b>	<b>\$14,000,000</b>	<b>\$7,009,000</b>	<b>\$21,008,000</b>	<b>\$11,850,000</b>	<b>\$4,773,333</b>	<b>\$4,773,333</b>	<b>\$18,722,333</b>	<b>\$8,705,500</b>			<b>\$101,114,174</b>	
					<b>DTD</b>	<b>1st Yr. Int</b>		<b>DTD</b>	<b>1st Yr. Int</b>		<b>DTD</b>	<b>1st Yr. Int</b>		<b>DTD</b>	<b>1st Yr. Int</b>				<b>Avg. Tax Rate for Proposed Bonds</b>	<b>\$0.1690</b>	
					3/1/26	7/1/27		3/1/27	7/1/27		3/1/30	7/1/30									

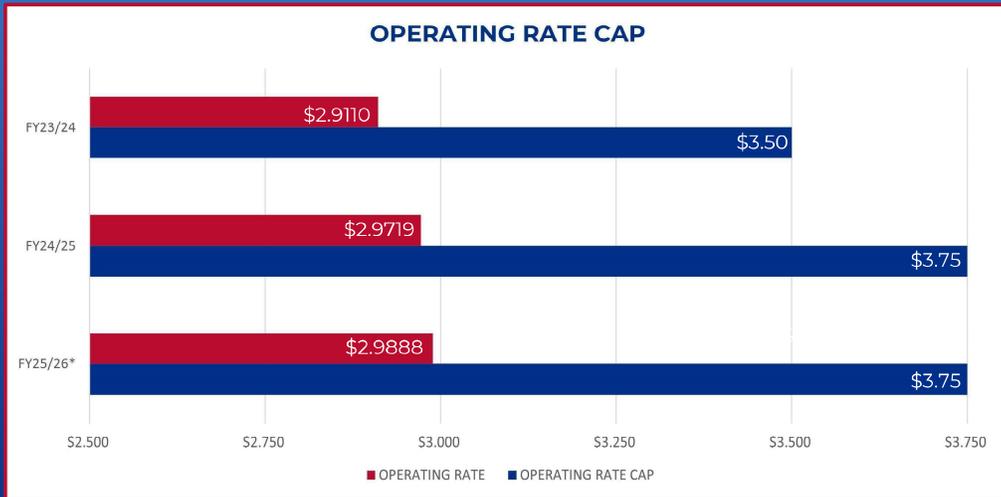
(a) The FY 24/25 Net Assessed Limited Property Value is preliminary. FY26 FY30 assume the 10 year average growth of 5.4%. Assessed valuations thereafter assume 20% of the 10 year average.  
 (b) Bond debt service (P&I) is actual.  
 (c) Tax Rates through and including 2024 are actual.  
 (d) Interest estimated at 4.0%.

# HISTORICAL TAX RATE INFORMATION

<u>Fiscal Year</u>	<u>Operating</u>	<u>Debt Service</u>	<u>Combined</u>	<u>Below Tax Rate CAP</u>
2011	\$2.1761	\$0.2885	\$2.4646	\$0.8602
2012	\$2.4103	\$0.3006	\$2.7109	\$0.8397
2013	\$2.5253	\$0.3130	\$2.8383	\$0.7247
2014	\$2.6926	\$0.3287	\$3.0213	\$0.5574
2015	\$2.6083	\$0.3189	\$2.9272	\$0.6417
2016	\$2.6086	\$0.3052	\$2.9138	\$0.6414
2017	\$2.6995	\$0.2925	\$2.9920	\$0.5505
2018	\$2.6995	\$0.3739	\$3.0734	\$0.5505
2019	\$2.7095	\$0.3406	\$3.0501	\$0.5405
2020	\$2.7095	\$0.2954	\$3.0049	\$0.5405
2021	\$2.7095	\$0.2900	\$2.9995	\$0.5405
2022	\$2.7795	\$0.2700	\$3.0495	\$0.4705
2023	\$2.9110	\$0.2585	\$3.1695	\$0.4640
2024	\$2.9110	\$0.2532	\$3.1642	\$0.5890
2025	\$2.9719	\$0.2323	\$3.2042	\$0.7781
<b>2026</b>	<b>\$2.9719</b>	<b>\$0.2154</b>	<b>\$3.1873</b>	<b>\$0.7781</b>
<b>2026**</b>	<b>\$2.9888</b>	<b>\$0.2154</b>	<b>\$3.2042</b>	<b>\$0.7612</b>

**\*\* Recommended Option**

# OPERATING TAX RATE CAP INFORMATION



\*proposed operating rate

## CONSIDERATIONS



Direction from Board to maintain static combined tax rate



Direction from Board regarding proposed changes for fund balance and reserves policy