

## **Category 4: Financial Resources**

This category evaluates an agency's financial condition to determine its ability to fund operational priorities and its prognosis for long-range quality of service. Resources must be adequate to maintain the various programs to which an agency made a commitment. Whether the agency is public or private, stability of revenues (demonstrated by a consistent history through at least the past three years) is fundamental.

The chief fire officer or chief executive officer, professional staff, and governing board share responsibility for planning, management, and stability of financial resources. Since the budget is the financial expression of agency programs and priorities, it should be developed through appropriate consultation with the governing board of the authority having jurisdiction (AHJ), departments, divisions, and other units.

Financial policies covering financial planning, revenue, and expenditures should be developed by the professional staff and adopted by the governing board. Financial policies should be reviewed and revised on at least an annual basis to ensure continued relevance and address any gaps.

In approving the budget, the governing board approves the acquisition and allocation of resources consistent with agency goals, objectives, and stated priorities.

*NOTE: An agency that received the Distinguished Budget Presentation and Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for their Budget and Comprehensive Annual Financial Report may submit those certificates and reports as prima facie compliance with criterion 4B and therefore does not need to address performance indicators 4B.1 through 4B.9.*

#### **Criterion 4A: Financial Planning**

Agency planning involves broad staff and community participation in financial planning and resource allocation. The agency's financial planning and budget process reflects sound strategic planning and a commitment to its stated goals and objectives. The agency prepares a balanced budget, which adequately maintains level of service and personnel resources.

#### **Summary:**

The Meridian Fire Department participates in the annual budget planning process with the City of Meridian, as organized by the finance department. The annual budget calendar outlines the budget process and the budget policy outlines responsibilities of individual departments, the mayor, city council, and the finance department.

The fire chief works with the mayor to develop the department's budget, using the *Meridian Fire Department Strategic Plan 2022-2024 and City of Meridian's 2021-2025 Strategic Plan* as guiding planning documents. The department also submits an updated Capital Improvement Plan for inclusion in the city's long term Comprehensive Financial Plan as part of the annual budget process. The mayor's budget is then submitted to the city council for review and approval. The finance department works with the council to ensure that the budget is balanced. The public is given input into the city's budget through public hearings and budget workshops.

Throughout the budget cycle, departments may submit budget amendment requests. Amendment requests follow a similar process as the annual budget process, and are reviewed by city council, available for public comment, and ultimately approved by city council.

## **Performance Indicators:**

4A.1 The governing body and regulatory agencies give the agency appropriate direction in budget and planning matters within the agency's scope of services.

### **Description**

The City of Meridian's mayor and city council are the governing body on budget planning matters. The city follows the finance division's budget policy and annual budget calendar. The mayor works with department heads to develop each department's budget using tools such as the 10-year Comprehensive Financial Plan (CFP), trend analysis, budget reviews, strategic plans, as well as the budget calendar. The budget calendar follows the Gregorian calendar. The City of Meridian operates on a government fiscal year beginning October 1st and ending September 30th of the following year.

### **Appraisal**

The budget plan was clearly defined and communicated at the beginning of the most recent budget cycle. The department followed the budget process as outlined in the proposed FY 2023 budget process and met all deadlines according to the annual budget calendar. The leadership team of the fire department assigned budget areas to their appropriate managers within the department. All but one of the fire department's budget requests (for an additional administrative assistant) were ultimately approved in the 2023 budget.

### **Plan**

At the time of writing, the department is currently working through the FY2024 budget process. The department will follow the FY 2024 annual budget calendar and meet all deadlines.

### **References**

- Proposed Budget FY 2023, pg. 109 - 122
- Proposed Budget FY 2024
- Annual Budget Calendar FY 2024

- FY 23 Budget Review Assignments

**Performance indicators:**

4A.2 The agency has formally adopted financial policies that address: general fund reserves, reserves in other funds, fund balances, grants, debt, investment, accounting and financial reporting, risk management and internal controls, procurement, long-term financial planning, structurally balanced budgets, capital, revenues, expenditures, operating budgets and charges/fees. The agency reviews financial policies at least every three years and updates as needed.

**Description**

The City of Meridian’s Finance Department has formally adopted the following policies: accounts payable policy, accounts receivable policy, banking policy, budget policy, business credit account policy, capital improvement management policy, credit card policy, debt management policy, economic development incentive policy, financial audit policy, financial reporting & accounting policy, financial stability policy, fixed asset policy, funds and fund balances policy, grant management policy, internal controls policy, and investment policy, among others. All financial management policies are reviewed and updated at least annually, as outlined in Meridian City Code of Ordinances. Other financial policies are reviewed and updated at least every two years. The city’s financial management policies are outlined in city code as adopted through ordinance 19-1866. All policies are available on the city intranet for all employees.

**Appraisal**

The city’s financial policies were designed to establish guidelines for the fiscal stability of the city. All financial policies have been compliant with State of Idaho code and conformed to Generally Accepted Accounting Principles (GAAP). All policies have been reviewed and updated at least once every two years.

**Plan**

The city’s finance department will continue to be responsible for the management of the city’s financial policies. The finance department will ensure that all policies are consistent with Idaho State Code and GAAP. The finance department will review and update all

financial policies at least once every two years and communicate any changes with the city.

### **References**

- Meridian City Code – Chapter 9 – City Finances
- City Ordinance 19-1866
- Citywide Finance Policies List Screenshot

**CC 4A.3 Guidelines and processes for developing the operating and capital budgets are defined and followed.**

**Description**

The guidelines and processes for developing the operating and capital budgets are defined in the city’s budget policy, the annual budget calendar, the capital improvement management policy, and the city’s proposed budget document. The finance department is responsible for communicating the annual budget process with all city staff and for developing and deploying all policies and procedures necessary to facilitate the annual budget process. The department and the fire chief are responsible for developing their own department budgets with the mayor and adhering to the approved budget.

**Appraisal**

The fire department has followed all budget policies, guidelines, schedules and processes as set by the city and the finance department. The budgeting process has been clearly outlined and communicated with the department, and all departments participated in “March Madness” meetings with finance to prepare for annual budget cycles.

**Plan**

The city’s finance department will continue to guide the budget development process. The mayor will continue to be responsible for working with the department directors to develop the budget proposal and the city council will continue to be responsible for approving, adopting, and appropriating budget.

**References**

- Budget Policy
- Annual Budget Calendar FY 2023
- Capital Improvement Management Policy
- Proposed Budget FY 2023, pg. 27-28
- March Madness Meeting Records

4A.4 The financial planning/budget adoption process provides internal and external transparency for all expenditures and revenues for the agency.

### **Description**

The City of Meridian’s budget process is transparent to both internal city employees and the citizens of Meridian. The city publishes all budget and financial information online, including the results of the annual budget audit. The city also operates a transparency portal where anyone can review real time budget data from *OpenGov.com*. The city holds regular public budget workshops throughout the budget process and holds public hearings on the budget annually. The proposed annual budget is published online several months before final adoption so that citizens and employees alike can review it.

### **Appraisal**

The city has maintained its commitment to transparency through its policies, website and public updates, and use of the *OpenGov.com* transparency portal. The city has met all legal requirements for public notice. The public hearing held for the FY 2023 budget showed positive reception from both the public, employees, and the city council.

### **Plan**

The city’s finance department will maintain its financial reporting system, follow all department policies, and conform to Generally Accepted Accounting Principles to continue providing internal and external transparency.

### **References**

- *OpenGov.com* Transparency Portal Screenshot
- Meridian Finances Website Screenshot
- Financial Management and Budget Screenshot
- Financial Reporting and Accounting Policy
- City of Meridian Public Budget Hearing Notice
- Annual Budget Calendar FY 2024



- Public Budget Hearing Minutes for FY 2023 Budget, Pg. 12-19

4A.5 The agency's operating and capital budgets serve as policy documents, operations guides, financial plans and communication devices.

### **Description**

Following the approval of the annual budget in September, department budgets are updated in the city's internal *Questica* budgeting software and MIP fund management system. This allows departments to internally track and monitor their department budgets and plan for the year. The annual budget serves as the guide for each department. Departments are able to track their own budgets through these internal software programs daily in real time. The financial reporting policy guides the finance departments communications plan both internally and externally.

### **Appraisal**

Departments have been able to view their budget summaries in real time through the city's budgeting software. The finance department provided quarterly budget reports to the city and posted them online for the public. The finance department was responsible for informing the mayor, council, and department of any revenue or expenditure concerns in a timely manner.

### **Plan**

The department will continue to monitor its budget daily through department software and review quarterly budget reports prepared by the finance department. The department will use the budget amendment form for any changes to the budget during the fiscal year, and will track any overspend requests.

### **References**

- Budget Amendment Form
- MIP Software Screenshot
- Proposed Budget FY 2023
- Financial Reporting and Accounting Policy

4A.6 The agency considers internal and external stakeholders' input in the budget process.

### **Description**

The department holds internal meetings with division heads to develop the department's budget during the budget process. Members of senior staff are assigned to examine budgets in appropriate areas and develop any new budget requests relevant to their department. The department also meets with the mayor as part of the budget process to gather input. Public input from external stakeholders is garnered during public hearings held according to the annual budget calendar.

### **Appraisal**

The department has worked with all the appropriate internal stakeholders, including senior staff and the mayor, to develop its annual budget. For the FY 2023 budget, the division chief of logistics requested a new ladder truck, while the fire chief, deputy chief of prevention, and deputy chief of operations requested new positions for their departments. The department met with the mayor to review the Mayor's Budget Report and Trend Analysis as part of the FY 2024 budget planning process. The public was able to provide input during the public budget hearings in August of 2022 for the FY 2023 budget.

### **Plan**

The department will continue to engage all the appropriate stakeholders in its budget process, both internally and externally. The City of Meridian will continue to adhere to Idaho State Code regarding public meetings and hearings, and public notice.

### **References**

- Ladder Truck Budget Request Form
- Mayor Budget Review Report
- Mayor Trend Analysis
- Annual Budget Calendar FY 2023
- City of Meridian Public Budget Hearing Notice

- FY23 Budget Review Assignments

**CC 4A.7      The agency’s budget, short and long-range financial planning, and capital project plans are consistent with the agency’s strategic plan and support achievement of identified goals and objectives.**

**Description**

The department’s budget decisions are based on the *Meridian Fire Department Strategic Plan 2022-2024*, the Comprehensive Financial Plan (CFP), and the *City of Meridian’s 2021-2025 Strategic Plan*. Short term objectives are addressed in the annual budget.

**Appraisal**

Some of the goals in both the city and the fire department’s strategic plans were to improve the department’s Idaho Surveying and Ratings Bureau (ISRB) rating from a 3 to a 2, achieve an improved response time for emergency calls, and to implement a comprehensive community risk reduction plan for the city. In FY 2023, the city passed a budget that included funding for 30 new firefighters to staff two new fire stations, funding for an additional ladder truck, and a newly created community risk reduction coordinator position, in an effort to meet those strategic plan goals.

**Plan**

The department will continue to use the department and city’s strategic plans when prioritizing budget requests. The department will include members of the finance department when developing its next strategic plan in 2025.

**References**

- *Meridian Fire Department Strategic Plan 2022-2024*, pg. 22, 32
- *City of Meridian’s 2021-2025 Strategic Plan*, pg. 13
- Meridian City Strategic Plan Screenshot 4
- Comprehensive Financial Plan, pg. 11-16

4A.8 The agency maintains a long-term financial operating and capital plan, inclusive of all appropriated funds, for a five- to 10-year period. The agency should analyze the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, and strategies for achieving and maintaining financial balance to include plan monitoring mechanisms.

### **Description**

The city maintains a Comprehensive Financial Plan (CFP) that is both a short-term and long-term guide for capital, operating, and personnel expenditures. The CFP is managed according to the city's capital improvement management policy. The CFP is published each year in the annual budget. All departments are required to prepare an internal capital improvement plan (CIP) annually for submission to the finance department as part of the annual CFP update.

### **Appraisal**

The department has prepared an annual CIP for inclusion in the city's CFP according to policy. The department and city recognized the rapid growth of the city of Meridian in 2019 and were able to adjust the CFP through the capital improvement management policy process to accelerate the building and staffing of stations 7 and 8 by nearly 5 years total.

### **Plan**

The department will continue to prepare an annual CIP as part of the CFP process. The city will publish the CFP in the annual budget. The department will work with its strategic planning process and the city to forecast the long-term public safety needs of the city.

### **References**

- Comprehensive Financial Plan, pg. 11-16
- Fire Department 5 Year Capital Improvement Plan
- Fire Department Capital Improvement Plan FY 2023-2040

4A.9 For each budget cycle, the agency prepares balanced operational and capital budgets.

**Description**

The City of Meridian follows the city’s budget policy which states “the city will develop and approve annually a balanced budget.” This policy follows Idaho State Statute 50-1003, which sets the requirement for city councils to pass a balanced budget.

**Appraisal**

The City of Meridian and all of its departments, working through the budget process, have prepared a balanced budget annually. Financial policies were put in place and adopted by city ordinance to ensure the annual adoption of a balanced budget.

**Plan**

The department and the City of Meridian will continue to follow all financial policies, Idaho State Statute, and prepare an annual balanced budget.

**References**

- Budget Policy
- Idaho State Statute 50-1003
- Meridian City Code – Chapter 9, City Finance
- City Ordinance 19-1866

## **Criterion 4B: Financial Practices**

Agency financial management demonstrates sound budgeting and control, proper recording, reporting, and auditing.

***NOTE:** An agency that received the Distinguished Budget Presentation and Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for their Budget and Comprehensive Annual Financial Report may submit those certificates and reports as prima facie compliance with criterion 4B and therefore does not need to address performance indicators 4B.1 through 4B.9.*

### **Summary:**

The City of Meridian Finance Department is responsible of the financial management of the city and its departments, including the Meridian Fire Department. The finance department has developed policies that adhere to Idaho State Statute and Generally Accepted Accounting Principles (GAAP), and adopted those policies into the Meridian City Code of Ordinances. The city completes an annual audit using an independent auditor and the full report is published online and presented to city council.

The finance department's financial management policies are designed to establish guidelines for the fiscal stability of the city. The scope of the financial management policies of the city generally spans, among other issues, accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control, asset management, procurement, and debt management, in order to:

- demonstrate to the citizens of Meridian, the investment community, and community partners that the City is committed to a strong fiscal operation;
- provide precedents for future policy-makers and financial managers on common financial goals and strategies;
- present fairly, transparently, and with full disclosure the financial position and results of the financial operations of the City in conformity to Generally Accepted Accounting Principles (GAAP); and



- determine and demonstrate compliance with finance-related legal and contractual issues in accordance with provisions of the State of Idaho Government Code and other pertinent legal documents and mandates.

## **Performance Indicators:**

4B.1 Financial resources management adheres to generally accepted accounting practices as used by Government Finance Officers Association of the United States and Canada, National Advisory Council on State and Local Budgeting Practices, or authority having jurisdiction (AHJ), and all financial management including: budgeting, accounting and reporting. Appropriate safeguards are in place for expenditures, fiscal reports are provided for administrative decision-making with sufficient flexibility to meet contingencies.

### **Description**

The City of Meridian’s financial reporting and accounting policy states “[the] finance department will be responsible for establishing policies and procedures that conform to generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA) for all practices relating to City Financial Management.”

### **Appraisal**

The city has commissioned an annual financial audit of the city by an independent audit firm for many years. Per the city’s financial audit policy, the financial audit must “present fairly, transparently, and with full disclosure the financial position and results of the financial operations of the city in conformity to Generally Accepted Accounting Principles (GAAP).” The audits from the past three years confirmed that the city has conformed to GAAP.

### **Plan**

The city will continue to follow GAAP as outlined in city policy and will continue to obtain a financial audit annually. The city will consider the solicitation of competitive proposals for annual financial services at least every seven (7) years following the city's purchasing policy.

### **References**

- Financial Reporting and Accounting Policy

- Financial Audit Policy
- FY 2022 Financial Audit Report, pg. 28

4B.2 The agency has established and implemented a comprehensive internal control framework that includes the control environment, risk assessment, control activities, information and communication, monitoring, and reporting.

**Description**

The City of Meridian has an established internal controls policy which outlines the internal control framework for the city’s financials. The city also has policies addressing credit card use, business credit accounts, legal tender handling, and banking which provides further control and risk management. The annual financial audit also examines all internal control policies and the finance department is responsible for verifying and implementing all control recommendations from the audit.

**Appraisal**

The most recent financial audit completed for FY 2022 did not identify any internal control weaknesses in the city’s financial reporting. One weakness was identified in a federal award grant program, a recommendation was made and the financial department implemented the recommendation.

**Plan**

The city will continue to follow its internal controls policy as well as other policies regarding risk management. Policies will be reviewed and updated every other year or sooner, if needed.

**References**

- Internal Controls Policy
- Credit Card Policy
- Business Credit Account Policy
- Legal Tender Handling Policy
- FY 2022 Financial Audit Report, pg. 65-66

4B.3 The agency explains projected operating deficit (expenditures exceeding revenues in a budget year) and develops a plan to rectify the deficit.

**Description**

The City of Meridian maintains a balanced budget according to the city’s budget policy and Idaho State Statute 50-1003. At any time during the fiscal year, following the adoption of the budget, if the chief financial officer/city treasurer determines the current year revenues will not cover the annual operating expenses, they shall report to council and recommend a spending holdback. City council will approve such spending holdback up to the amount necessary to ensure current revenue will cover current operating expenses.

**Appraisal**

The City has not had any operating deficits in the last 15 years.

**Plan**

The city will continue to plan, maintain, and operate a balanced budget. Any deficits discovered during the course of the fiscal year will be handled according to policy.

**References**

- Budget Policy
- Idaho State Statute 50-1003

4B.4 The agency reviews its financial position including actual and budgeted expenditures on a monthly basis and reviews overall financial performance with the authority having jurisdiction on an annual basis.

### **Description**

City of Meridian department heads have access to a daily financial report through the city's MIP fund management software. The actual financials of the city and individual departments update in real time, and are also available to the public through the *OpenGov.com* transparency portal. Any questions on the daily financial report are handled by the city's chief financial officer. The finance department prepares a detailed annual report and budget which are presented to the city council annually. The finance department also publishes a quarterly financial statement which is presented to council and available on the city's website.

### **Appraisal**

The use of the MIP fund management software and the *OpenGov.Com* transparency reporting ensured that all department heads, citizens, and employees of the city have access to the most real-time financial information of the city. The city's annual budget report was given to the city council following the audit report and accepted in May 2023.

### **Plan**

The finance department will continue to provide real time, daily financial reports to department heads through the *OpenGov.com* platform. The financial department will continue to review the city's financial performance with city council annually through the annual report and audit process and produce quarterly financial statements.

### **References**

- *OpenGov.Com* Transparency Portal Screenshot
- MIP Software Screenshot
- Quarterly Financial Statement Q1 2023
- Proposed Budget FY 2023

- 2023-05-02 City Council Work Session Minutes, pg. 12-20

**CC 4B.5      Qualified auditors conduct annual independent financial audits for the prior fiscal year. If deficiencies exist, the agency prepares a plan to resolve audit exceptions for approval by the AHJ.**

**Description**

The City of Meridian follows its financial audit policy which states “[the] city will have a financial audit performed annually by an independent audit firm for all city financial transactions in a timely manner adhering to Idaho State Statute Section 67-450B.” The policy also states that the city will provide the state, citizens, and community partners a copy of the audit no later than eight (8) months following the close of the fiscal year. The city follows Idaho State Statute Section 67-450B regarding Filing Requirements for Independent Financial Audits of Local Governmental Entities.

**Appraisal**

Annual audits for the last five fiscal years are posted online on the city’s website. The finance department presented the latest financial audit for FY 2022 to the city council in May of 2023.

**Plan**

The finance department will be responsible for establishing the annual contract at the direction of the city council for audit services to be conducted by an independent audit firm for the completion of an annual financial audit on all financial transactions. The city will consider the solicitation of competitive proposals for annual financial services at least every seven (7) years following the city's purchasing policy.

**References**

- Financial Audit Policy
- FY 2022 Financial Audit Report
- Audits on City Website Screenshot
- Idaho State Statute 67-450B
- 2023-05-02 City Council Work Session



4B.6 The agency and any subsidiary entities or auxiliaries have financial risk management policies and programs that identify and evaluate risks, establish risk management strategies, and evaluate the risk management program to protect the agency, its assets and employees.

### **Description**

The City of Meridian’s finance department has multiple internal business management policies addressing a variety of financial risks and how the city manages them. These policies include an accounts payable policy, accounts receivable policy, banking policy, credit card policy, legal tender handling policy, and procurement policy, among others. The city’s internal controls policy outlines general provisions for safeguarding the city’s assets. In addition, the city’s information technology department has multiple policies addressing digital security, also meant to safeguard the city’s finances.

### **Appraisal**

In the financial audit for FY 2022, the Financial Statements section of the audit consistently graded the city’s financial risk as low in its investments, interest rates, credit risk, and custodial credit, and ranked the city as a “low-risk auditee.”

### **Plan**

The city will continue to follow all financial policies regarding risk management. All financial management policies will be reviewed and updated at least annually, as outlined in Meridian City Code of Ordinances. Other financial policies will be reviewed and updated at least every two years. The finance department and information technology department will keep abreast of a rapidly changing digital landscape and implement other policies as new threats present themselves.

### **References**

- FY 2022 Financial Audit Report, pg. 34-38, pg. 65
- Citywide Finance Policies List Screenshot
- Meridian City Code – Chapter 9, City Finances
- Meridian Information Technology Policies Screenshot

4B.7 Programs designed to solicit financial support from external sources are aligned with the objectives of the agency. Agency policies govern all fundraising activities, comply with generally accepted accounting practices and other recognized financial principles, and are subject to public disclosure and periodic independent financial audits.

### **Description**

The City of Meridian does not fundraise for any department programs. Any donations from outside entities are deposited into the general fund and then allocated to the appropriate budget by the finance department. The city has a grant management policy which provides guidance to city staff that seek out federal, state, local, or other grants. The mayor and council president are the only authorized individuals of the city to sign grant agreements or contracts. Department directors are authorized to sign grant applications. The finance department is responsible for all financial reporting procedures associated with grant management. All grant proposals and applications submitted by or on behalf of the city greater than \$25,000 annually and/or will be in place three years or more, whether submitted to the granting entity electronically or as hardcopy, requires approval by the grant committee prior to submission.

### **Appraisal**

According to policy, no grants have been used by any department agency to meet ongoing service delivery needs or to supplant agency funds. The fire department has not held any fundraisers for its services. The Light My Fire non-profit held an annual fundraiser for fire departments in the Treasure Valley and donated proceeds to the Meridian Professional Firefighters L4627 benevolent fund and the department's public education division. All donations to the department were transmitted to the general fund and then transferred to the public education budget. No funds from the donation were used to fund ongoing program expenses, but rather were used to enhance existing safety program by providing educational materials to children or increase the number of smoke detectors the department could give away.

### **Plan**

The department will not fundraise or solicit financial support from external sources. The department will accept donations and follow the appropriate procedures for depositing them in the general fund, and to not use them for any ongoing program expenses.

### **References**

- Grant Management Policy

4B.8 Any revenue-producing organizations authorized to use the agency's name and/or reputation comply with agency principles of financial operation.

**Description**

There are no revenue-producing organizations that are authorized to use the fire department name.

**Appraisal**

The fire department has not partnered with any revenue-producing organization that has used its name in the past.

**Plan**

The department will not partner with any revenue producing organization in the next 1-3 years. Should this change, the fire department will work with the city's financial department to ensure that a policy is in place to address compliance with agency financial policies.

**References**

- Revenue Producing Organizations Email

4B.9 The agency is in compliance with all granting agency requirements.

**Description**

The department follows the City of Meridian’s grant management policy. The policy states that the city shall at all times be compliant with a grant's terms and conditions. The policy also states that any grant application for an amount over \$25,000 and/or that will be in place for more than three years shall be reviewed by and needs approval from the city’s grant committee. The city’s grant committee is responsible for ensuring that the city can adhere to the terms of the grants, and it is the responsibility of the department head to ensure continuous compliance.

**Appraisal**

In 2018 the department was a sub-recipient as part of a county-wide Homeland State Security Program grant to equip all fire and EMS agencies with ballistic vests and rapid trauma kits to better respond to mass-casualty and active shooter events. One of the requirements is that the office manager at Ada County Emergency Management performs a site visit annually to evaluate the department’s inventory and condition of the items received in the grant. The department met the requirements for grant compliance during every annual site visit.

**Plan**

The department will continue to follow the city’s grant management policy and abide by the terms and conditions of the Homeland State Security Program grant. The fire chief will be responsible for ensuring that the department is capable of abiding by the terms of any future grants.

**References**

- Grant Management Policy
- Ballistic Vest Grant Compliance Email
- Grant Certification Sheet

#### **Criterion 4C: Resource Allocation**

Appropriately allocated financial resources support the organizational mission, stated long-term plan, goals and objectives and maintains the quality of programs and services. The agency must ensure that programs and services provided can be supported by adequate fiscal resources using sound budgetary practices.

#### **Summary:**

The City of Meridian budget process supports the long-term plan, goals, and objectives of the city and the Meridian Fire Department. All budget requests must include one-time costs and ongoing operational expenditures for at least 5 years. Each department must update its capital improvement plan as a part of the annual budget process. Long term needs are identified in each department's Capital Improvement Plan and the Comprehensive Financial Plan.

The Comprehensive Financial Plan assists the city in anticipating and communicating community needs in advance; ranking capital, operational, and personnel improvement needs by priority; planning for ongoing maintenance and operations costs; and provides the basis for capital, operating, and personnel requests and part of the annual budget.

## **Performance Indicators:**

**CC 4C.1      Given current and forecasted revenues, the agency sustains the level of service adopted by the AHJ.**

### **Description**

Based on current and forecasted revenues, the fire department will be able to sustain the level of service adopted by the City of Meridian. The fire department participates in the annual budget process following the city's budget policy and annual budget calendar. All operating expenses must not exceed the annual amount of revenue in accordance with Idaho State Statute 50-1003 and the city's budget must be balanced.

### **Appraisal**

In 2022 the city approved the expansion of the department by nearly 30%, with the addition of two new fire stations and 30 new firefighters. The city was able to accommodate this budget request by using revenue from impact fees and from the public safety fund to fund the one-time expenses of the building of stations 7 and 8, and was able to incorporate the ongoing cost of new personnel into the budget. The city has been conservative in nature of its budgeting and has operated according to the funds and fund Balances policy, which states that the city will maintain a minimum fund balance of at least 3% of the total capital assets of the general fund, as well as a minimum of 3 months of personnel and operating expenses. During the financial crisis of 2007-2008, the fire department did not have to lay off any firefighters or reduce any emergency services. The fire department has not had to lay off or reduce any emergency services since the financial crisis up to the present due to a lack of funding.

### **Plan**

The Meridian Fire Department will continue to provide the level of service adopted by the City of Meridian. The fire department and city will work according to the budget policy and annual budget calendar to ensure the continuation of emergency services to the citizens of Meridian.

### **References**

- Meridian Fire Department FY23 New Requests Executive Report

- Budget Policy
- Annual Budget Calendar FY 2024
- Proposed Budget 2023, pg. 109-122
- Financial Crisis of 2007-2008 Email



4C.2 Adequate resources are budgeted for the payment of long-term liabilities and debts.

**Description**

The City of Meridian holds zero debt.

**Appraisal**

The City of Meridian has not held any debt for the last 20 years, and it has been the adopted practice of the city council to not hold any debt.

**Plan**

The city has no plans to assume any debt in the next ten years. The will abide by the debt management policy should they take on any debt.

**References**

- Debt Management Policy
- FY 2022 Financial Audit Report, pg. 11

4C.3 The agency budgets future asset maintenance and repair costs are projected with related funding plans.

### **Description**

All budget requests must be submitted in a budget request form, which includes sections for one-time and ongoing costs. Budget request forms also identify any personnel costs associated with budget requests as well as any funding needed from capital outlay. Budget requests must project costs over a 5-year time span. The 10-year Comprehensive Financial Plan (CFP) contains the long-term financial needs of the department, including the replacement of items such as SCBAs or hydraulic tools. If ongoing costs related to maintenance and repair change, the department uses the budget amendment request which also includes a section for projecting future costs associated with any budget changes.

### **Appraisal**

The department has used the budget request form as part of the budget process. For the FY 2023 budget, the department requested a new ladder truck and new personnel, and projected the one-time and long-term costs, as well as identified funds from the capital improvement fund that could be used. Both budget requests were successful. The department has regularly updated its section of the CFP.

### **Plan**

The department will continue to follow the budget process, budget policy, and annual budget calendar, including the use of the budget request form. The department will use the budget amendment form if any ongoing costs regarding maintenance and repairs change.

### **References**

- Budget Policy
- Annual Budget Calendar FY 2024
- Budget Amendment Form
- Ladder Truck Budget Request Form
- Fire Station 7 Staff (15) Budget Request Form

4C.4 Budgets avoid the use of one-time funding sources for recurring standard annual operating expenses.

**Description**

The City of Meridian’s financial stability policy states that the city will never use one-time revenue sources to pay for ongoing expenditures. The city’s Budget Policy also states that the city will develop a balanced budget annually where one-time revenue cannot be used to balance annual ongoing operating expenses. Even if fund balances resources must be used to balance the annual budget proposal, the use of fund balance resources are limited to one-time expenses only.

**Appraisal**

The city has followed the budget policy and financial stability policy. Any use of fund balances, such as from the capital improvement fund or the public safety fund, have only been used to fund one-time expenses. The budget for a new ladder truck in FY 2023 used finding from the capital improvement fund for the one-time cost of purchasing the truck. Other costs such as ongoing maintenance were budgeted in the annual operating budget.

**Plan**

The city and the department will continue to follow the budget and financial stability policies. The department will identify the use of one-time funding sources such as from fund balances in the budget request form, and only use them for one-time expenditures. The department will continue to regularly update their section of the Comprehensive Financial Plan, in accordance with the capital improvement management policy, so that the city may forecast any needed future capital expenditures.

**References**

- Financial Stability Policy
- Budget Policy
- Ladder Truck Budget Request Form
- Comprehensive Financial Plan, pg. 11-15

- Capital Improvement Management Policy

**CC 4C.5      The agency maintains contingency funds in accordance with generally accepted accounting practice recommendations and anticipates budgetary restrictions and/or shortfalls.**

**Description**

The City of Meridian maintains minimum fund balances as outlined in the funds and fund balances policy. The City maintains minimum balances for economic uncertainties, local disasters, financial hardships, or contingencies for unseen operating or capital needs. The city maintains an operating reserve of at least 3 months of personnel and operating expenses. The emergency reserve contains a fund balance of at least 3% of the total capital assets of the general fund. The fund balances are determined and maintained using generally accepted accounting principles (GAAP).

**Appraisal**

The department and the City of Meridian maintained their fund balances following the funds and fund balances policy and GAAP. The FY 2022 Financial Audit indicated that the city had over 20 million in its operating reserve and almost 5 million in its emergency reserve.

**Plan**

The city will continue to follow the funds and fund balances policy and maintain its reserve funds accordingly.

**References**

- Funds and Fund Balances Policy
- FY 2022 Financial Audit Report, pg. 17