

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT

2025 BUDGET ANALYSIS REPORT:

PRIORITY-BASED BUDGETING APPROACH

GENERAL OPERATING FUND BUDGET

Introduction

This report provides an analysis of the **2025 Budget** for the North Tooele Fire District, explained through **Priority-Based Budgeting (PBB)**. Priority-Based Budgeting is a strategic method of budgeting that allocates resources based on the priority and impact of various programs and services. The goal is to ensure that funding is directed toward the most critical and impactful areas of the fire district, aligning the budget with the district's core mission and strategic goals.

Overview of the 2025 General Fund Budget

Total Budget for 2025: \$4,607,588

In 2025, the budget reflects a **balanced financial approach**, with expenditures matching projected revenues. The district's priorities are clearly articulated through its allocation of resources to core areas that affect the safety of the community, employee well-being, and operational effectiveness. The 2025 budget prioritizes key areas such as **public safety, mental health and employee wellness, fire prevention, and wildland firefighting capabilities.**

Revenue Source	Budgeted 2025 Allocation	Percentage of Total Revenue	Summary Explanation
Property Taxes	\$2,296,753.00	49.8%	Primary source of revenue from local property taxes, including RDA allocations and additional taxes.
Grants	\$1,397,235.00	30.3%	Funding received from federal, state, and other grant programs for operational support.
Wildland Cost Recovery	\$303,000.00	6.6%	Reimbursements for wildland firefighting activities and mutual aid support during emergencies.
Fire Prevention	\$590,000.00	12.8%	Fees and proceeds for fire prevention programs, mitigation, and incident cost recovery, including TAN.
Other Revenue	\$20,600.00	0.4%	Miscellaneous income sources, such as lease agreements and interest earnings.
Contribution from Fund Balance	\$0.00	0.0%	No use of savings or fund balance for this budget year.
Total Revenue	\$4,607,588.00	100%	Comprehensive allocation of all revenue sources.

Program Area	2025 Budget Allocation	Percentage of Total Budget	Priority Explanation
Personnel	\$2,653,250.00	57.6%	Supports wages, benefits, and training for all staff, ensuring workforce readiness and retention.
Buildings & Grounds	\$176,430.00	3.8%	Resources for facility repairs and maintenance, ensuring operational functionality and safety.
Apparatus Maintenance	\$111,620.00	2.4%	Ensures fleet vehicles, such as fire engines and ambulances, remain in operational condition.
Equipment	\$72,850.00	1.6%	Investment in essential operational tools, such as communications and fire equipment.
Ambulance Program	\$46,685.00	1.0%	Supports EMS operations with training, supplies, and professional services.
Fire Prevention Division	\$1,116,000.00	24.2%	Focused on fire safety initiatives, including inspections, training, and fire mitigation programs.
Wildland Division	\$328,145.00	7.1%	Resources for wildland firefighting, equipment, and training to ensure safety in fire-prone areas.
Mental Health Program	\$81,608.00	1.8%	Provides support for staff well-being, including liaison services and health programs.
Fund Balance Contribution	\$21,000.00	0.5%	Allocated to savings for future operational stability and emergencies.
Total Expenses	\$4,607,588.00	100%	Comprehensive allocation ensuring full coverage of all operational needs.

Priority-Based Budgeting Approach

Priority-Based Budgeting aims to evaluate every program, activity, and initiative to determine its **impact, importance, and alignment with the district’s strategic goals**. The allocation of funds in the **2025 budget** is shaped by these factors, focusing on **public safety, staffing, and community resilience**.

1. Public Safety & Emergency Response

Public safety is the **top priority** for the district, and a significant portion of the budget is dedicated to this area. The **2025 budget** reflects a strategic increase in resources for fire prevention and emergency response, ensuring that the district is well-equipped to handle the evolving risks posed by wildfires, emergencies, and other public safety threats.

Key Allocations:

Program Area	2025 Budget Allocation	Percentage of Total Budget	Priority Explanation
Wildland Division	\$328,145	7.1%	The increase in funding (411.5%) reflects the growing priority of addressing wildland fire risks, with funds dedicated to equipment, staffing, and seasonal firefighters.
Fire Prevention Division	\$1,116,000	24.2%	This area has seen a significant increase in funding (+32.2%), which reflects the district's priority of proactive fire prevention efforts, including inspections, mitigation programs, and community outreach.
Apparatus and Fleet	\$111,620	2.4%	Continued investments in fleet maintenance and repair to ensure readiness for emergency responses.
EMS & Ambulance Services	\$46,685	1.0%	A smaller allocation focused on essential equipment and EMS training to maintain readiness for medical emergencies.

Public Safety Focus:

- The budget places **high priority on wildfire prevention and emergency response** by dedicating substantial funds to the **Wildland Division** and **Fire Prevention** programs. This is particularly important given the increasing threat of wildfires in the district.
 - **Fire Prevention** funding helps support fire inspections, community education, and mitigation efforts that reduce risks before they escalate into full-scale disasters.
 - The **Wildland Division's** increase in funding underscores a strategic shift toward strengthening the district's ability to respond to wildfires, which is a growing concern in the region.
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2. Employee Health, Wellness, and Retention

The well-being of employees is crucial to maintaining a high-functioning and resilient emergency response team. In **2025**, there is a noticeable increase in funding for **mental health services** and **employee wellness initiatives**, reinforcing the importance of investing in the district's workforce. Emergency response personnel, especially firefighters and paramedics, are at high risk for physical and mental health challenges, making these investments critical to long-term success. Personnel wages, benefits, and training are also prioritized to support staff and firefighter well-being.

Key Allocations:

Program Area	2025 Budget Allocation	Percentage of Total Budget	Priority Explanation
Mental Health Program	\$81,608	1.8%	The mental health program has seen a 68.2% increase, reflecting the priority given to supporting employee mental health, particularly given the stress and trauma experienced by emergency responders.
Employee Health	\$23,500	0.5%	Resources allocated to ensuring the physical health of employees through wellness programs, physical exams, and other services.
Service Recognition	\$25,000	0.5%	Focus on employee retention through recognition and rewards for long-term service and high performance.

Employee Wellness Focus:

- Funding for **mental health initiatives** has increased substantially, acknowledging the importance of psychological support for first responders, who face high-stress situations. This investment is vital for **reducing burnout, improving retention, and enhancing job satisfaction**.
 - The district is also focusing on **employee retention strategies**, which include **service recognition** and career development initiatives, ensuring the organization can retain skilled workers in a competitive market.
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Personnel

Personnel expenses represent a cornerstone of the North Tooele Fire Protection Service District's 2025 budget, reflecting a critical investment in the district's workforce, which serves as the backbone of all operational and emergency response efforts. For 2025, **personnel costs total \$2,653,250.00, which is approximately 57.6% of the total budget.**

Key Allocations

Program Area	2025 Budget Allocation	Percentage of Total Budget	Priority Explanation
Wages - Staff Full Time	\$698,502.00	26.3%	Compensation for full-time administrative and support personnel, ensuring operational continuity.
Wages - Staff Part Time	\$18,505.00	0.7%	Funding for part-time staff to support flexible operations during peak demands.
Wages - Firefighters Full Time	\$1,124,736.00	42.4%	Salaries for full-time firefighters, the core of emergency response capabilities.
Wages - Firefighters Part Time	\$584,965.00	22.1%	Pay for part-time firefighters who enhance response capacity for specific shifts or emergency surges.
Insurance - Personnel	\$50,000.00	1.9%	Insurance coverage for staff to ensure safety and well-being.
Uniforms	\$62,000.00	2.3%	Funding for firefighter and staff uniforms to maintain professional standards and safety.
Training Staff	\$5,000.00	0.2%	Resources for professional development and certification of personnel.
Personnel Resources	\$20,000.00	0.8%	Administrative tools and resources needed to support staff effectively.
Incentive Recognition	\$5,000.00	0.2%	Programs to recognize and reward exceptional performance, enhancing morale and retention.
Recruitment and Retention	\$56,000.00	2.1%	Initiatives aimed at recruiting new talent and retaining experienced personnel in a competitive environment.
Admin Other	\$2,500.00	0.1%	Miscellaneous administrative costs to support personnel management.
Board Members	\$16,042.00	0.6%	Compensation for board members overseeing district operations.
Election Costs	\$10,000.00	0.4%	Funds allocated for conducting elections to maintain governance transparency and accountability.
Total Personnel Budget	\$2,653,250.00	100%	Personnel funding ensures the district's ability to staff, train, and retain employees for optimal operations.

1. Wages and Benefits:

- Personnel expenses encompass wages for full-time and part-time staff, including firefighters, paramedics, and administrative personnel. This ensures the district can attract and retain qualified individuals who meet the rigorous demands of emergency response.
- Comprehensive benefits, including health insurance, retirement contributions, and other employee-focused allowances, are prioritized to maintain workforce stability and morale.

2. Training and Development:

- A portion of personnel funds is allocated to continuous training programs, which are essential for maintaining readiness and compliance with industry standards. This includes professional development for firefighters, EMS personnel, and administrative staff.

3. Retention and Recognition:

- Recognizing the high demands placed on first responders, the district has also allocated resources for retention initiatives and incentive programs. These efforts aim to reward performance, reduce turnover, and foster a culture of commitment and excellence.

Strategic Importance

The allocation for personnel aligns directly with the district's strategic priorities under Priority-Based Budgeting. Investing in staff ensures operational efficiency, enhances the district's ability to respond effectively to emergencies, and mitigates risks to both the community and the workforce. Moreover, by prioritizing mental health and wellness programs, the district demonstrates its commitment to addressing the challenges first responders face in high-stress environments.

3. Fire Prevention and Community Education

The district recognizes the importance of **preventing emergencies** before they occur. Investments in **fire prevention** and **community education** programs are vital for reducing the likelihood and severity of fires, particularly in areas prone to wildfires. In 2025, these areas are receiving robust funding to support proactive measures aimed at reducing future risks.

Key Allocations:

Program Area	2025 Budget Allocation	Percentage of Total Budget	Priority Explanation
Fire Prevention Division	\$1,116,000	24.2%	A significant portion of the budget is focused on fire prevention activities , including inspections, mitigation programs, and public outreach.
Community Education (Fire)	\$0	0.0%	Although no specific allocation is made for general community education in 2025, the broader Fire Prevention Division allocation covers this.

Fire Prevention Focus:

- The district's **priority on fire prevention** is clear, with major increases in funding for **inspections, fire mitigation** efforts, and **community outreach programs**. This supports the district's broader strategy of reducing risk and preventing loss of life and property.
 - While no separate allocation is given for community education, much of this will be addressed through the fire prevention initiatives.
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4. Infrastructure and Equipment

Ensuring that the district’s infrastructure is **safe** and **well-maintained** is another critical priority. The **2025 budget** reflects careful attention to maintaining existing assets, repairing equipment, and investing in new technology that will improve operational efficiency.

Key Allocations:

Program Area	2025 Budget Allocation	Percentage of Total Budget	Priority Explanation
Building & Grounds	\$176,430	3.8%	Resources for facility repairs and maintenance ensure that physical assets are functional and safe for emergency response operations.
Technology & Communications	\$8,000	0.2%	Investment in technology and communications equipment, essential for operational efficiency and coordination during emergencies.
Apparatus Maintenance	\$50,000	1.1%	Ongoing investment in fleet maintenance ensures that fire engines, ambulances, and other emergency vehicles are in operational condition.

Infrastructure and Equipment Focus:

- **Building and grounds maintenance** and **equipment repair** remain essential for ensuring the district has the facilities and tools necessary to respond to emergencies.
 - The budget allocates sufficient resources to ensure that equipment, particularly **firefighting apparatus**, is regularly maintained and ready for deployment.
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5. Financial Health and Sustainability

In keeping with a priority-based approach, the **district's financial health** remains a top consideration. The balanced budget reflects the careful planning necessary to ensure **long-term sustainability** while maintaining service levels.

Key Allocations:

Program Area	2025 Budget Allocation	Percentage of Total Budget	Priority Explanation
Contribution to Fund Balance	\$21,000	0.5%	A modest contribution to the fund balance ensures that the district remains financially healthy and has reserves for unexpected emergencies.

Financial Focus:

- The district's **commitment to fiscal health** is evident in the inclusion of a modest fund balance contribution, ensuring that there are reserves to cover future needs and emergencies.

Conclusion

The **2025 General Fund budget** reflects a strong commitment to the district's core mission: ensuring **public safety**, supporting **employee health**, and maintaining **operational readiness**. By following **Priority-Based Budgeting principles**, the district has allocated resources to the most critical areas that align with its long-term goals, ensuring the most effective use of taxpayer funds.

Key Takeaways:

- **Public safety** remains the highest priority, with significant increases in funding for fire prevention and wildland firefighting.
- Employee health, particularly **mental health**, is a major focus, with substantial investments aimed at supporting staff well-being.
- Fire prevention and community education programs receive enhanced funding to reduce risks and improve community resilience.
- **Infrastructure and equipment** are adequately funded to ensure operational effectiveness.

IMPACT FEE FUND BUDGET

1. Overview of Revenue

The revenue sources for the 2025 Impact Fee fund budget include carry-forward balances, impact fees, and impact fee interest. The total revenue for 2025 is budgeted at **\$625,361**, which is an increase from both the **2024** estimate (\$537,881) and **2023** actual (\$461,329).

- **Carry Forward Balance:** The balance carried forward from previous years is projected to continue growing, reaching **\$512,361** in 2025 (up from **\$423,881** in 2024). This represents an increase of **\$88,480** in unused funds from prior periods.
 - **Impact Fees:** The **impact fee revenue** is projected to remain steady at **\$100,000** for both **2024** and **2025**, indicating a stable source of funding but not necessarily an increase in activity that would require additional fee generation.
 - **Impact Fee Interest:** The interest on the impact fees is projected to slightly decrease from **\$14,000** in 2024 to **\$13,000** in 2025. This indicates a modest reduction in investment income from impact fee reserves.
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2. Overview of Expenses

Total expenses for the 2025 budget are projected at **\$645,361**, which represents an increase from both **2024** expenses (\$537,881) and **2023** expenses (\$476,530). The key categories of expenses are:

- **Impact Collections Expense:** A small increase is projected here, from **\$1,500** in 2024 to **\$2,500** in 2025. This reflects additional costs associated with collecting impact fees, likely due to an increase in administrative overhead or compliance-related expenses.
 - **Banking Fees:** There is a slight increase in banking fees, projected to rise from **\$20** in 2024 to **\$30** in 2025. This is a minor increase but may indicate higher transaction volumes or changes in the fee structure.
 - **Capital Project Fund:** The biggest shift in the expense category is the **Capital Project Fund** allocation. The budget for capital projects is **\$642,831** for 2025, a notable increase from **\$536,361** in 2024. This allocation includes funds for new projects, which suggests a strategic priority to invest in capital improvements or expansion of infrastructure.
 - In particular, the **Capital Project Fund (encumbered for new projects)** shows a significant increase of **\$86,470** compared to the previous year, indicating the organization's focus on new or ongoing capital projects that are essential to the institution's growth or strategic objectives.
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Revenue Source	Budgeted 2025 Allocation	Percentage of Total Revenue	Summary Explanation
Property Taxes	\$2,296,753.00	49.8%	Primary source of revenue from local property taxes, including RDA allocations and additional taxes.
Grants	\$1,397,235.00	30.3%	Funding received from federal, state, and other grant programs for operational support.
Wildland Cost Recovery	\$303,000.00	6.6%	Reimbursements for wildland firefighting activities and mutual aid support during emergencies.
Fire Prevention	\$590,000.00	12.8%	Fees and proceeds for fire prevention programs, mitigation, and incident cost recovery, including TAN.
Other Revenue	\$20,600.00	0.4%	Miscellaneous income sources, such as lease agreements and interest earnings.
Contribution from Fund Balance	\$0.00	0.0%	No use of savings or fund balance for this budget year.
Total Revenue	\$4,607,588.00	100%	Comprehensive allocation of all revenue sources.

Revenue Source	Budgeted 2025 Allocation	Percentage of Total Revenue	Summary Explanation
Balance Carry Forward	\$512,361.00	81.9%	Funds carried over from the previous fiscal year to support ongoing projects and operations.
Impact Fees	\$100,000.00	16.0%	Fees collected from developers to offset the cost of infrastructure improvements due to new growth.
Impact Fee Interest	\$13,000.00	2.1%	Interest earned on impact fee funds held in reserve accounts.
Total Revenue	\$625,361.00	100%	Total projected revenue for the 2025 fiscal year.

3. Analysis of Alignment with Priority-Based Budgeting

Priority-Based Budgeting emphasizes the alignment of financial resources with strategic priorities. In this case, the following insights can be drawn:

a. Strategic Priorities:

- **Capital Projects:** The significant increase in capital project funding suggests that capital investment is a top priority for the fire district. This could be driven by a need to improve or expand infrastructure, build new facilities, or address deferred maintenance. This aligns with strategic goals focused on growth, expansion, or facility improvement.
- **Operational Efficiency:** The minor increases in administrative expenses (such as impact collections and banking fees) suggest that there is an emphasis on maintaining or slightly improving operational efficiency without significantly increasing overhead costs.

b. Programmatic Funding:

- The **Impact Fee Study** category remains at \$0 for both 2024 and 2025, which suggests that there is no immediate priority for conducting a study or review of impact fee structures or policies. This could imply that the current fee structure is considered sufficient or that other priorities are taking precedence.
- The **Impact Fee Refund** category also remains at \$0, reflecting that no refunds are anticipated and no funds are being diverted from the impact fee reserve for this purpose. This ensures that more resources are available for capital projects.

4. Efficiency and Effectiveness

The increase in the **Capital Project Fund** and the carry-forward balances suggests that the district is being efficient in managing its revenues and saving for future capital needs. The growing carry-forward balance indicates that the organization is not spending all its available resources in a given year, but rather saving for larger future initiatives, particularly in capital projects.

- **Funding for New Projects:** The increase in funds allocated to **new capital projects** shows that resources are being prioritized for long-term investments, such as new buildings or infrastructure enhancements. This is an efficient use of funds, given the carry-forward balance, and reflects a strategic investment in the future.
 - **Revenue Stability:** Impact fees remain steady, indicating a stable revenue source with little change in demand. The slight decline in impact fee interest revenue (from **\$14,000** to **\$13,000**) suggests that interest rates may have dropped, but it's a minor reduction in overall revenue.
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5. Key Recommendations for the Board of Trustees

Based on the priority-based budgeting analysis, the following recommendations can be made to the Board of Trustees:

1. **Emphasize Strategic Capital Investments:** The increase in funding for capital projects is a clear strategic priority. The Board should ensure that these funds are allocated to projects that align with the district's long-term mission and growth objectives. Consider prioritizing projects that offer the greatest return on investment or are essential to meeting future demand.
2. **Review Impact Fee Structure:** Given that impact fee revenue remains steady, it may be worth considering a review or adjustment of the fee structure to ensure it aligns with current economic conditions or project needs. While there is no immediate need for a fee study, this should be considered as part of future planning.
3. **Monitor Fund Utilization:** The carry-forward balance indicates strong financial stewardship. However, it's important for the Board to ensure that these funds are being used effectively and not accumulating unnecessarily. If certain programs or services are underfunded, consider reallocating some of the reserves to support higher-priority needs.
4. **Efficiency in Operations:** The slight increase in administrative costs (impact collections and banking fees) should be monitored. While they are minor, the Board should continue to seek ways to streamline operations and avoid cost creep.

Conclusion

The 2025 budget demonstrates a strong commitment to prioritizing capital investments, maintaining revenue stability, and efficiently managing funds. By continuing to align funding with strategic priorities and focusing on impactful projects, the organization can ensure its financial resources are being used effectively to meet long-term goals.

CAPITAL PROJECT FUND BUDGET

1. Overview of Revenue Sources

The 2025 revenue is projected to be **\$101,618**, a significant decrease from both the 2024 estimate of **\$269,438** and the 2023 actual revenue of **\$601,343**. The revenue sources are as follows:

- **Balance Carry Forward:** The carry-forward balance is expected to decrease sharply from **\$346,658** in 2023 to **\$76,018** in 2025. This reduction suggests that funds were either spent down in prior years or used to cover budget gaps. It is a key point for understanding the limited availability of funds for 2025.
 - **Capital Project Funds:** The revenue from capital project funds shows a significant reduction, from **\$250,000** in 2023 to **\$25,500** in 2025. This may indicate fewer new projects planned or the completion of previous capital projects that are now funded through different means.
 - **Grant Reimbursement Funds:** Grant funds, which were estimated at **\$8,000** in 2024, are projected to be absent in 2025, indicating that no new grants are expected or that reimbursements will be received in future years rather than in the current budget cycle.
 - **Interest Earned:** Interest income from investments is anticipated to fall significantly, from **\$30,000** in 2024 to just **\$100** in 2025. This likely reflects changes in interest rates or a lower balance of funds in interest-bearing accounts.
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2. Overview of Expenses

Total expenses in 2025 are budgeted at **\$101,618**, which matches the total revenue for the year. Notable changes in the expense categories include:

- **Capital Outlay:** There is no budget for capital outlays in 2025, which is a significant shift from **\$138,010** in 2023 and **\$31,000** in 2024. This suggests that there are no new large capital expenditures planned for 2025, likely due to the decrease in available funding.
 - **Office/Account Fees:** These fees are minimal, at **\$30** for 2025, down from **\$35** in 2024 and **\$15,035** in 2023. The large drop in 2023 was likely due to one-time or non-recurring charges, and the budgeted amount for 2025 reflects a steady, minimal level of administrative costs.
 - **Transfer to General Fund:** The transfer to the General Fund has been entirely eliminated for 2025. This is a significant change, as the prior year saw **\$100,000** transferred in 2024, and **\$422,000** in 2023. The decision to cease this transfer could be due to the limited resources available for the year and the priority to focus funds on immediate capital projects and operational needs.
 - **Capital Project Fund (Funds Encumbered for New Projects):** The budget for encumbered capital project funds is **\$101,588** in 2025, a decrease from **\$138,403** in 2024. This reflects the reduction in available resources for new projects and aligns with the overall reduction in revenue. There is still a commitment to funding some level of capital projects, but the total amount allocated is significantly lower than in previous years.
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Revenue Source	Budgeted 2025 Allocation	Percentage of Total Revenue	Summary Explanation
Balance Carry Forward	\$76,018.00	74.8%	Funds carried over from the previous fiscal year to support ongoing or planned operations.
Capital Project Funds	\$25,500.00	25.1%	Funds allocated for specific capital improvement projects.
Grant Reimbursement Funds	\$0.00	0.0%	No grant reimbursement funds are expected for the 2025 fiscal year.
Interest Earned	\$100.00	0.1%	Income generated from interest on reserve or investment accounts.
Total Revenue	\$101,618.00	100%	Total projected revenue for the 2025 fiscal year.

Expense Category	Budgeted 2025 Allocation	Percentage of Total Expenses	Summary Explanation
Capital Outlay	\$0.00	0.0%	No planned expenses for capital outlay in the 2025 fiscal year.
Office/Account Fees	\$30.00	0.03%	Minor administrative fees for office or account management.
Transfer to General Fund	\$0.00	0.0%	No funds will be transferred to the general fund in the 2025 fiscal year.
Capital Project Fund (Funds Encumbered for New Projects)	\$101,588.00	99.97%	Primary allocation reserved for planned capital improvement projects.
Total Expenses	\$101,618.00	100%	Total projected expenses for the 2025 fiscal year.

3. Analysis of Alignment with Priority-Based Budgeting (PBB)

Priority-Based Budgeting emphasizes aligning resources with the most critical needs and strategic priorities. The following analysis highlights how the 2025 budget reflects these priorities:

a. Strategic Priorities

- **Capital Projects:** Despite the overall reduction in revenue, the organization has chosen to prioritize funding for capital projects, though at a reduced level. This suggests that, even in times of budget constraints, infrastructure development or maintenance is a key priority, albeit with reduced funding for new projects in 2025.
- **General Fund Transfer:** The decision to eliminate the transfer to the General Fund indicates a shift in focus away from supporting general operations via these funds. It could suggest that other revenue sources (or reserves) are being used to meet general operational needs or that the General Fund has sufficient reserves for the year.
- **Reduced Administrative Costs:** The slight reduction in office/account fees from **\$35** in 2024 to **\$30** in 2025 indicates that administrative expenses are not a priority in this budget cycle. This is consistent with the trend of reducing non-essential spending as part of a broader effort to focus on core strategic priorities.

b. Resource Allocation for Essential Services

The reduction in funding for capital projects and the General Fund transfer points to a very focused budget that is trying to preserve resources for the most pressing needs. The organization appears to be responding to fiscal constraints by:

1. **Cutting Back on Non-Essential Programs:** With the elimination of the capital outlay and the transfer to the General Fund, funds are being concentrated on existing capital projects that are already encumbered, rather than starting new projects or increasing operational support.
 2. **Capital Project Focus:** Even with reduced funding, the district has still maintained funding for capital projects (albeit at a reduced amount), signaling that infrastructure development remains a top priority. These projects may be critical for maintaining or upgrading the organization's facilities, and the reduced amount likely reflects a strategy of prioritizing only the most urgent or feasible initiatives.
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4. Efficiency and Effectiveness

In light of the budget constraints, the following observations about efficiency and effectiveness can be made:

- **Sustainability of Capital Projects:** The significant reduction in funding for new capital projects is a reflection of the district being more conservative with its resources. The budget focuses on completing or continuing existing projects rather than initiating new, large-scale capital expenditures.
 - **Reduction in Grant and Interest Revenue:** The large drops in both **grant reimbursements** and **interest earnings** suggest that the organization is facing a decrease in external revenue sources. This may be an indication of an unstable or unpredictable external funding environment, which requires careful management of existing resources.
 - **Cost-Cutting in Administrative Expenses:** The reduction in office/account fees, as well as the elimination of the general fund transfer, indicates a focus on minimizing administrative overhead and reallocating resources to more critical areas.
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5. Recommendations for the Board of Trustees

Based on the 2025 budget analysis, the following recommendations can be made:

1. **Reaffirm Capital Project Priorities:** Given the reduction in available funds, the Board should carefully evaluate which capital projects are essential and ensure that these projects align with the district's long-term goals. Consider phasing or deferring non-critical projects to ensure that the available capital funding is used effectively.
 2. **Review Funding Strategy for Operations:** With no transfer to the General Fund in 2025, the Board should assess whether additional revenue streams or operational efficiencies are needed to ensure that the organization's operational needs are adequately met in the absence of these transfers.
 3. **Monitor External Revenue Sources:** The reduction in grant reimbursements and interest earnings highlights the vulnerability of external revenue sources. The Board should explore opportunities to diversify revenue streams or increase reliance on more stable internal funding sources.
 4. **Focus on Long-Term Sustainability:** The organization should consider developing a longer-term strategy to increase its revenue base, either through additional funding sources, cost-saving measures, or increasing its capital project funds. This will help mitigate future budget shortfalls and ensure the continued success of its core programs.
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Conclusion

The 2025 budget reflects a focused approach in response to reduced revenue, prioritizing capital projects while eliminating transfers to the General Fund. This strategic reallocation of resources demonstrates a commitment to addressing critical needs, but it also requires careful management to ensure long-term sustainability. The Board should continue to align resources with the organization's highest priorities and explore ways to increase external funding or operational efficiencies to maintain financial stability.