

# Central Whidbey Island Fire & Rescue 2018 Budget Summary

## Budget Message

Central Whidbey Fire & Rescue has seen a dramatic increase in demand for service over the last seven years with call volumes increasing by 50%. However, the District has been able to meet this demand with modest budget increases that are within the District's Long Term Financial Plan (CWIFR, 2017a). The 2018 Adopted District Budget is 1.38% higher than in 2017 and budgeted funds provide for improvement over current service delivery levels with continued efforts to increase volunteer staffing. Overall, the District is fiscally healthy, maintains a balanced budget, and has sufficient revenue to meet current operational needs and maintain an adequate ending balance in the General Fund.

Central Whidbey Island Fire & Rescue's Strategic Plan (CWIFR 2016a) defined two strategic goals that directly impact on the District's fiscal management and budget process:

- To be fiscally responsible and operate with transparency, and
- Ensure adequate and sustainable funding

Each of the District's strategic goals is supported by initiatives guiding the work necessary to move our organization forward in a direction that is consistent with the Strategic Plan.

## Fiscal Responsibility

As an element of the District's initiative to develop, maintain, and operate under sound fiscal policy and procedure, the Board of Fire Commissioners has adopted an updated set of financial policies to provide a solid basis for fiscal responsibility. The District's achievement of a AAA bond rating from Standard and Poor's in 2017 reflects the District's sound financial policies and management.

## Transparency

The District's initiative to engage the community in building awareness and understanding of the District's fiscal and policy making processes is supported by ongoing communication with our citizens and other stakeholders. The District provides a Budget Summary to District residents via the District's newsletter, web site, and social media. In addition, the complete Budget Document is also available for download on its website. In addition, the Monthly Budget Position Report, Annual Financial Reports, and Audit Reports are posted monthly and are available for download from the District's web site.

## Adequate Funding

The Assessed Value (AV) of taxable property within the District decreased 16.35% between 2010 and 2014. Since 2014, AV increased 12.78% because of rebounding property values and new construction. Based on historical data, we anticipate that AV will continue to increase at a modest rate which will maintain district current tax revenue and continue to reduce the District's regular levy rate. However, Washington State's 1% constitutional limitation on increases in tax revenue continues to challenge the District in keeping pace with increased demand for service.

## Fiscal Sustainability

Due to constitutional and statutory limits on taxation, the District has faced a challenge in maintaining current service delivery levels beyond 2023 and has not had sufficient revenue to address important capital facility needs. In November 2017, the District's voters passed a \$7,376,000 bond measure to fund the District's most pressing capital facilities improvements and replacement of major fire apparatus. Passage of this bond measure allows the District to borrow funds for major capital expenditures with a separate tax levy to fund the debt service (payment on borrowed funds). This reduces demand on current revenue for capital expenditures and preserves the general levy to meet the expense of ongoing operational requirements.

The District's complete [Adopted Budget](#) is available for download from our web site. We welcome feedback on our budget document. Please contact me via e-mail ([ehartin@cwfire.org](mailto:ehartin@cwfire.org)), telephone (360) 678-3602, or stop by our headquarters station at 1164 Race Road.

Sincerely,

Chief Ed Hartin, MS, EFO, FIFireE, CFO



General Fund	Actual 2016	Adjusted 2017	Adopted 2018
<b>Beginning General Fund Balance</b>	\$2,331,498	\$2,628,225	\$2,541,748
Contingency (Administrative) Fund (10% of M&O)	\$190,745	\$227,410	\$230,532
Beginning GF Balance (Less Contingency)	\$2,140,753	\$2,400,815	\$2,311,216
<b>Revenue</b>			
Taxes	\$2,228,270	\$2,282,958	\$2,305,765
State Generated Revenue	\$10,601	\$14,476	\$14,476
Charges for Service	\$217,959	\$219,515	\$219,515
Miscellaneous Revenue	\$25,217	\$16,784	\$13,599
Other Revenue	\$12,894	\$2,500	\$2,500
Investment Interest	\$6,921	\$2,500	\$5,701
Total Operating Revenues	\$2,501,863	\$2,538,733	\$2,561,556
<b>Expenditures</b>			
Regular Budgeted Expenditures (M&O General Fund)	\$1,907,446	\$2,274,096	\$2,305,317
Contingency Expenditures	\$0	\$0	\$0
Investment Fee	\$249	\$300	\$300
Total Expenditures	\$1,907,696	\$2,274,396	\$2,305,617
<b>Interfund Transfers</b>			
To General Capital Projects Fund	\$288,000	\$349,000	\$203,745
To Compensated Absences Fund	\$9,440	\$1,814	\$1,431
To Grants Management Fund	\$0	\$0	\$1,186
To Debt Service Fund	\$0	\$0	\$0
Total Transfers From General Fund	\$297,440	\$350,814	\$206,362
<b>Ending General Fund Balance</b>			
Contingency (Administrative) Fund Ending Balance	\$190,745	\$227,410	\$230,532
Ending GF Balance (Less Contingency)	\$2,437,480	\$2,314,338	\$2,360,792
<b>Total Ending General Fund Balance</b>	\$2,628,225	\$2,541,748	\$2,591,324
<b>Capital Projects Fund</b>	<b>Actual 2016</b>	<b>Adjusted 2017</b>	<b>Adopted 2018</b>
<b>Beginning Capital Projects Fund Balance</b>	\$1,074,998	\$1,331,031	\$1,573,738
<b>Revenue</b>			
Investment Interest	\$4,535	\$0	\$3,364
<b>Interfund Transfers</b>			
From General Fund	\$288,000	\$349,000	\$203,745
<b>Expenditures</b>			
Investment Fee	\$92	\$92	\$92
Vouchers (Capital Projects Fund)	\$36,410	\$106,200	\$337,000
<b>Ending Capital Projects Fund Balance</b>	\$1,331,031	\$1,573,738	\$1,443,755
<b>Bond Fund</b>	<b>Actual 2016</b>	<b>Adjusted 2017</b>	<b>Adopted 2018</b>
<b>Beginning Bond Fund Balance</b>	\$7	\$7	\$7,424,544
<b>Revenue</b>			
Bond Revenue	\$0	\$7,424,537	\$0
Investment Interest	\$0	\$0	\$15,603
<b>Interfund Transfers</b>			
To Debt Service Fund			\$2,337
<b>Expenditures</b>			
Vouchers (Bond Fund)	\$0	\$0	\$376,327
<b>Ending Bond Fund Balance</b>	\$7	\$7,424,544	\$7,045,880
<b>Debt Service Fund</b>	<b>Actual 2016</b>	<b>Adjusted 2017</b>	<b>Adopted 2018</b>
<b>Beginning Debt Service Balance</b>	\$0	\$0	\$0
<b>Revenue</b>			
Property Taxes (Voter Approved Debt)	\$0	\$0	\$361,769
<b>Interfund Transfers</b>			
From Bond Fund	\$0	\$0	\$2,337
<b>Expenditures</b>			
Vouchers (Debt Service)	\$0	\$0	\$361,769
<b>Ending Debt Service Balance</b>	\$0	\$0	\$2,337
<b>Compensated Absences Trust Fund</b>	<b>Actual 2016</b>	<b>Adjusted 2017</b>	<b>Adopted 2018</b>
<b>Beginning Compensated Absences Balance</b>	\$17,684	\$27,170	\$29,047
<b>Revenue</b>			
Investment Interest	\$45	\$64	\$67
<b>Interfund Transfers</b>			
From General Fund	\$9,440	\$1,814	\$1,431
<b>Expenditures</b>			
Investment Fee	\$1	\$25	\$25
Vouchers (Compensated Absences)	\$0	\$0	\$0
<b>Ending Compensated Absences Balance</b>	\$27,170	\$29,047	\$30,545
<b>Grants Management Fund</b>	<b>Actual 2016</b>	<b>Adjusted 2017</b>	<b>Adopted 2018</b>
<b>Beginning Grants Management Balance</b>	\$0	\$0	\$23,734
<b>Revenue</b>			
Grants	\$0	\$23,734	\$0
<b>Interfund Transfers</b>			
From General Fund	\$0	\$0	\$1,186
<b>Expenditures</b>			
Vouchers (Grants Management)	\$0	\$0	\$24,920
<b>Ending Grants Management Balance</b>	\$0	\$23,734	\$0
<b>All Funds</b>	<b>Actual 2016</b>	<b>Adjusted 2017</b>	<b>Adopted 2018</b>
<b>Total Ending Balance (All Funds)</b>	\$3,986,425	\$4,144,533	\$4,065,624