

# Central Whidbey Island Fire-Rescue

# **CWIFR**

*Serving Coupeville,  
Greenbank, & Central  
Whidbey Island*



# 2014 Adopted District Budget





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
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**Central Whidbey Island Fire & Rescue  
Washington**

For the Fiscal Year Beginning

**January 1, 2014**

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Central Whidbey Island Fire & Rescue for its annual budget for the Fiscal year beginning January 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for one year only.

## **2014 Annual Budget**

Prepared for the citizens of our District and the Central Whidbey Island Fire & Rescue Board of Fire Commissioners:

- Board Chairperson Paul Messener
- Commissioner Cheryl Engle
- Commissioner Tom Smith

This proposed annual budget for 2014 was prepared by District staff:

- Fire Chief Ed Hartin, MS, EFO, MiFireE, CFO
- Deputy Chief Chad Michael, MPA
- Office Manager/Finance Officer Kim Harpe
- Acting Captain Jerry Helm
- Lieutenant Jen Porter
- Acting Lieutenant Alex Majestic
- Lieutenant Derik Vrable
- Firefighter Dillon Rogers
- Firefighter Jim Huff
- Firefighter James Meek

Citizen Review

- Dave Fish
- Pete Seybert

Adopted by the Board of Fire Commissioners on November 14, 2013

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## **Readers Guide to the Budget**

This guide is intended to aid understanding the format of this document and information presented in the budget.

### **Purposes of the Budget**

The District budget document serves two purposes. First is to provide our community and the Board of Fire Commissioners with a clear picture of the services provided by Central Whidbey Island Fire & Rescue, the cost of those services, and the policy decisions underlying the District's financial decisions. The second purpose of the budget document is to provide the District's management with a financial and operating plan that complies with regulatory requirements for fire districts in the State of Washington and exemplifies best practices in budgeting and financial reporting.

### **Organization of the Budget Document**

CWIFR's budget is divided into the following sections:

#### ***Budget Transmittal***

The transmittal is the Fire Chief's budget message to the Board of Fire Commissioners and the community.

#### ***District Overview***

This section of the budget document provides an overview of the district including governance; values, mission, and vision for the future, services provided, boundaries, organization and staffing, and an overview of the District's strategic plan.

#### ***Financial Overview***

The financial overview provides an outline of the District's revenue streams, budget assumptions, budget organization and process, basis of accounting, financial policies and financial summaries.

#### ***General Fund***

This section of the budget document provides an overview of the General Fund and specific information on each Division including a description of programs and responsibilities, challenges and opportunities, division budget, major expenditures, and the strategic goals and initiatives that will be addressed in 2014.

#### ***Contingency Fund***

This section of the budget provides an overview of the Contingency fund and detail of contingency fund transfers in the preceding two years.

#### ***General Capital Projects Fund***

This section of the budget provides an overview of the General Capital Projects Fund, a schedule of capital projects, and current year capital projects justification.

***Compensated Absences Trust Fund***

This section of the budget defines the District's liabilities for compensated absences and provides an overview of the Compensated Absences Trust Fund.

***Debt Service Fund***

The District has established a Debt Service Fund as an element of its budget and financial management practices. However, the District currently has no debt and this section is not included in the 2014 Budget.

***Grants Management Fund***

The District has established a Grants Management Fund as an element of its budget and financial management practices to separately account for grant funds received from State or Federal government or from other sources. However, the District currently has no grants and this section is not included in the 2014 Budget.

***Supplemental Data***

This section of the budget document is comprised of appendices including Budget Adoption Resolutions and a glossary of terms.



## Budget Message

Public input during our strategic planning process provided us with the foundation of our community value proposition. Community members indicated that they wanted excellent service that was efficient and affordable. To that end, we have established strategic goals focused on sound fiscal policies, long term financial planning, and transparency to earn the trust of those that we serve on a daily basis.

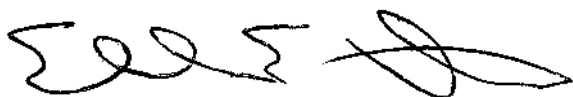
The 2014 Central Whidbey Island Fire & Rescue (CWIFR) budget document moves us forward towards the goal of transparency in our fiscal process and decision-making. This year's budget is designed to provide a more informative and user-friendly format while continuing to serve as an effective tool for fiscal management.

Overall the District is fiscally healthy. We are debt free, with sufficient revenue to fully fund the General Capital Projects Fund for apparatus and equipment while meeting operational needs and maintaining an adequate ending balance in the General Fund.

In 2014, the District's budget increased 4.49%, in large part due to the addition of the position of firefighter mechanic and compensation increases to bring employee salaries towards the median of our comparable agencies within the next three years. This increase is within the District's financial plan.

The 2014 District budget provides for maintenance of current service delivery levels with potential for improvement in emergency operations performance with increase in volunteer staffing. In addition, the additional 0.75 FTE (above 2013 staffing) with the addition of a full-time Firefighter/Mechanic enhances the District's ability to maintain apparatus and equipment.

We welcome feedback on the design of the budget document and its content. Feel free to 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.



Chief Ed Hartin, MS, EFO, MIFireE, CFO

## District Overview

Central Whidbey Island Fire & Rescue (CWIFR) operates as a legally organized fire protection district under the Revised Code of Washington (RCW) Title 52 and is governed by a three member Board of Fire Commissioners. As a fire protection district, CWIFR is a municipal corporation that is independent from Island County and the Town of Coupeville. However, CWIFR provides fire and rescue services to the town as well as unincorporated areas of Island County within the District's boundaries.

### Governance

The district is governed by a three member Board of Fire Commissioners each of whom serves a six year term. By statute, the Board is responsible for management of the affairs of the District. To that end, the Board establishes policy and provides direction to the Fire Chief who is responsible for the day-to-day operations and fiscal management of the District.

The Board of Fire Commissioners has considerable longevity. Commissioner Paul Messener has served for 28 years, Commissioner Cheryl Engle has served for 23 years, and Commissioner Tom Smith has served for 15 years. Commissioner Smith served as a Firefighter from 1973 until his election as Fire Commissioner in 1997 and Commissioner Messener served as a firefighter from 1976 until his election in as a Fire Commissioner in 1985.

### Values, Mission, & Vision for the Future

CWIFR's organizational values, mission, and vision were developed as a central element of the District's community based, strategic planning process (CWIFR, 2011) and are a cornerstone of who we are, what we do, and where we are going.

#### *CWIFR's Organizational Values*

CWIFR and its members are committed to this common set of values that drive our interactions with the community and one another.

Figure 1. CWIFR Organizational Values



We have integrated these values into our recruitment process for volunteers as well as part-time and full-time employees, performance feedback to our members, promotional process, and many other aspects of District operations.

### **Mission**

CWIFR's mission defines our purpose for existence:

***Central Whidbey Island Fire & Rescue's mission is to partner with our community to proactively reduce risk from fire, illness, injury and other hazards.***

Fire districts were originally conceived to respond to and control fires. This role has expanded over time to include considerably more diverse types of emergency response services including care of the sick and injured, rescue from dangerous conditions, control of utility hazards and hazardous materials releases. However, once an emergency has occurred, harm has already occurred and likely will increase without intervention. The best way to mitigate the risk of harm is to prevent the emergency.

### **Vision**

An organizational vision is a clear and succinct description of what the organization or community should look like after it successfully implements its strategies and achieves its full potential. Ideally, the vision creates tension between this ideal, the current state of affairs, and what is possible. During CWIFR's community based strategic planning process, members of the working group crafted the following vision:

***Central Whidbey Island Fire & Rescue; world class fire & rescue services***

World class may mean many things. In order to provide clarity for this simple, but audacious vision, the working group described what this would look like in our community:

*CWIFR has implemented fiscally sustainable, fire and rescue services best practices. Working with, not simply for the community, we have developed Central Whidbey Island into a safe and resilient place to live and work. The community has trust and ownership of their fire and rescue services as we serve with openness and transparency.*

### **Historical Perspective**

Central Whidbey Island Fire & Rescue (CWIFR) traces its roots to the Coupeville Volunteer Fire Department, formed in the mid-1920s to provide fire protection for the Town of Coupeville. In the mid-1950s, the residents of the surrounding area formed Island County Fire District #5 to expand fire protection beyond the borders of the town. The district eventually expanded to six stations serving Central Whidbey Island. In the late 1980s, the Town of Coupeville entered into an intergovernmental agreement with the Fire District to provide fire protection for the town, and over the next ten years, the district consolidated four smaller stations constructing larger facilities on Race Road in Coupeville and Day Road in Greenbank. In 1998 the Town of Coupeville annexed into the fire district which was renamed Central Whidbey Island Fire & Rescue (CWIFR). In 2011, the District further consolidated emergency response operations into three stations located on Main Street in Coupeville, on Race Road, and on Day Road in Greenbank.

## **The District**

Central Whidbey Island Fire & Rescue (CWIFR) serves approximately 8,264 (Washington Office of Financial Management, 2010a, 2010b) residents and many visitors within 50 square miles of Central Whidbey Island from three fire stations. CWIFR's response stretches from just south of Libby Road to just north of Mutiny Bay road and spans the breadth of the island. This predominantly rural area includes the Town of Coupeville and the unincorporated community of Greenbank. The District is predominantly rural with an average population density of 165.28/square mile (mi<sup>2</sup>).

### ***Coupeville***

Coupeville is the second oldest town in Washington and is predominantly a residential community. However, Coupeville serves as the Island County Seat and the commercial center for the surrounding residential area. The town's area of just over one square mile is divided into two distinct areas, the older commercial district, county offices, and health care facilities north of State Route (SR) 20. Schools and newer commercial development are south of SR 20. The Town of Coupeville also contains a majority of the District's target hazards.

- Front Street (several blocks of old, wood frame commercial buildings)
- Island County Complex (e.g., court, jail, county offices)
- Whidbey General Hospital
- Careage Nursing Home
- Apartment Complexes
- Churches
- Manufactured Home Communities
- Bed and Breakfast Hotels
- Island County Museum
- Coupeville Elementary, Middle, and High Schools
- Multiple Historic Buildings
- Home Health Care/Group Home Facilities

### ***Ebey's Reserve***

Ebey's Reserve is the nation's first historical reserve, created in 1978 to protect a rural working landscape and community on Central Whidbey Island. The reserve includes 17,500 acres, 17 farms, over 400 historic structures, native prairies, two state parks, and the Town of Coupeville.

Target hazards in Ebey's reserve (outside the Town of Coupeville) include:

- Jacob Ebey House (National Park Service)
- Ferry House (National Park Service)
- Multiple Historical Agricultural Facilities and Homes

### ***Other Areas of the District***

Areas of the District outside the Town of Coupeville are predominantly rural residential. However, there are a number of target hazards based on fire and non-fire risks.



- Seattle Pacific University Conference Center/Camp Casey
- United States Navy Coupeville Outlying Field (OLF)
- Greenbank Farm
- Washington State Ferry (Coupeville) Terminal
- Fort Casey State Park
- South Whidbey State Park
- Penn Cove Shellfish

### ***Transportation Infrastructure***

The primary transportation routes through the District are provided by State Routes 20 and 525. A limited number of major and secondary arterials parallel SR 20 and 525 in some areas of the District. However, there is not a secondary route of travel between Fire Management Zones (FMZs) 53 and 54. The Washington State Ferry connects with SR 20 at the Coupeville (Keystone) Ferry Terminal.

### ***Demographics & Geography***

The District is predominantly rural with an average population density of 165.28/mi<sup>2</sup> (63.81 square kilometers (km<sup>2</sup>)) with pockets of urban and suburban density throughout the District. However, the majority of CWIFR's response area is extremely rural.

Unlike the north and south ends of Whidbey Island, Central Whidbey is predominantly a retirement community with a median age of 51 (US Census, 2011). In the last 13 years, the median age in our community has increased by eight years. Increasing median age points to a significantly aging population within the District which has a significant impact on fire and health risk, demand for emergency services, and an adverse impact on the District's ability to recruit community based emergency service volunteers.

The District's three fire stations are geographically placed to limit travel time. However, volunteer staffing and the geography of the district (long and narrow with limited travel routes) has a significant impact on second and third unit response times.

### ***Description of Services Provided***

Since the establishment of the Coupeville Volunteer Fire Department 85 years ago, fire and rescue services in Central Whidbey Island have changed considerably. Initially formed by community members as a defense against fire, we are now an all hazards service providing fire protection, emergency medical services, hazardous materials response, and rescue service. In addition, we have moved to establish prevention at the core of our service to the community.

Community Risk Reduction (CRR) involves both proactive prevention and education along with effective emergency response to reduce harm from fire, accidents, illness, and natural hazards. Table 1 illustrates CWIFR's proactive and response services.

Table 1. CWIFR Services

Proactive	Response
<ul style="list-style-type: none"> <li>• Fire and Medical Community Education</li> <li>• Fire and Life Safety Inspections (Commercial)</li> <li>• Home Fire Safety Surveys</li> <li>• Address Sign Program</li> <li>• Hydrant Inspection and Testing</li> <li>• Pre-Incident Planning</li> </ul>	<ul style="list-style-type: none"> <li>• Fire Suppression (Structural and Vegetation)</li> <li>• Emergency Medical Services (EMS) in partnership with Whidbey General Hospital EMS</li> <li>• Technical Level Marine Rescue</li> <li>• Operational Level Hazardous Materials Response</li> <li>• Operational Level Technical Rescue (rescue from height, confined spaces, trenches, or collapsed buildings)</li> </ul>

Many of the emergency service operations provided by CWIFR are done in partnership with other agencies. CWIFR has automatic and mutual aid agreements in place with each fire agency on Whidbey Island in order to ensure the delivery of timely and effective emergency services. Additionally, the department routinely interacts with the Island County Sheriff's Office (ICSO), Whidbey General Emergency Medical Services (WGH EMS), and the United States Coast Guard (USCG). Response to large scale disasters often begins with fire, rescue, & EMS services, but expands to include a wider range of resources. During large scale emergencies such as landslides, CWIFR also works closely with the Island County Department of Emergency Management.

### District Boundaries and Fire Station Locations

The District's northern boundary is just south of Libby Road and its southern boundary is just north of Mutiny Bay Road. The District is bounded on the east by Saratoga Passage and on the west by the Strait of Juan de Fuca.

The District's three stations are geographically located to minimize travel time to all areas of the District. The extreme southern and northern ends of the District which border South Whidbey Fire/EMS and North Whidbey Fire Rescue are served jointly through automatic aid agreements with both of these Districts. Based on these agreements, the closest station or stations with the shortest travel time are dispatched to emergency incidents. These partnerships allow all three districts to receive the benefit of reduced travel time based on station location regardless of jurisdiction.

In addition to automatic aid (dispatched immediately), CWIFR maintains mutual aid agreements with all emergency service agencies on Whidbey Island under which agencies may request assistance needed for larger incidents or in the event that resources are committed to another incident.

Ambulance service is provided from three Whidbey General Hospital Ambulance Stations one in Coupeville, the others in Oak Harbor and Bayview. In addition, CWIFR operates a Basic Life Support Ambulance from the Race Road Fire Station

Figure 2. Station 51-Main Street, Coupeville



Figure 3. Station 53-Race Road, Coupeville



Figure 4. Station 54-Day Road, Greenbank



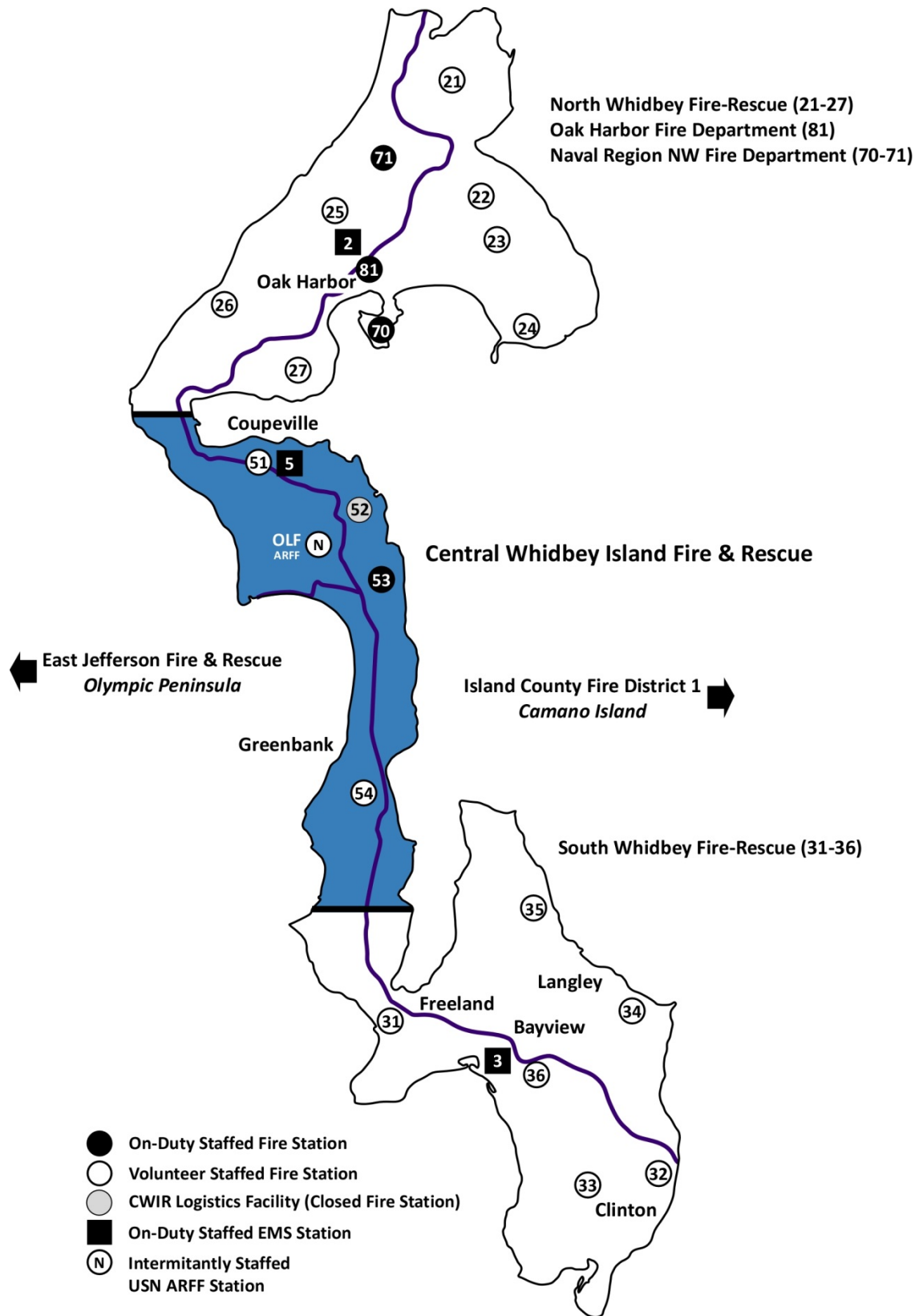
In addition to its three fire stations CWIFR maintains a decommissioned fire station on Morris Road in Coupeville as a logistics facility, providing space for storage of equipment and supplies.

Figure 5. Station 52 (Logistics Facility)





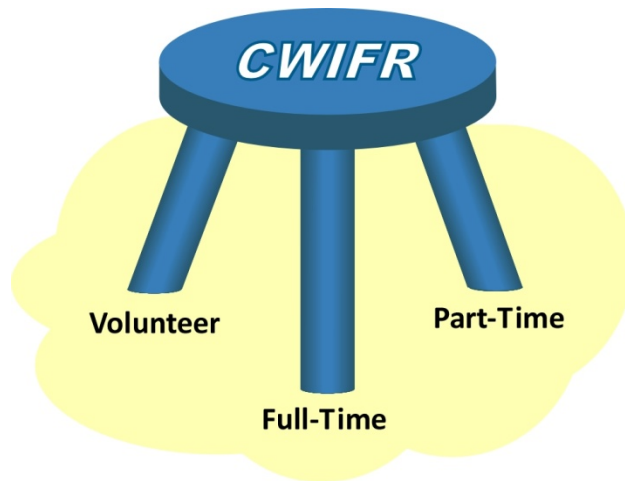
Figure 6. Fire Station Locations



### District Organization and Staffing

CWIFR serves the community with a combination of volunteers and paid (full and part-time) personnel. We refer to this as *The Three Legged Stool* (see Figure 7). A three legged stool is stable, even on an uneven surface provided that each of the legs is sufficiently strong. The same holds true for the District's staffing.

Figure 7. CWIFR's Three Legged Stool



CWIFR staffs Station 53 on Race Road 24-hours per day 365 days per year with an average of three personnel, using a combination of full-time, part-time, and volunteer members. A full-time Lieutenant (or full-time Firefighter acting as a Lieutenant) supervises the on-duty staff. In addition, the District ensures that a command officer (Chief or Captain) is either on-duty or on-call (available for immediate response from within the District) at all times. This limited on-duty staffing provides rapid response, but is not adequate to deal with incidents such as a cardiac arrest, motor vehicle accidents with multiple patients or requiring extrication, or structure fires which require considerably more personnel. When faced with a major incident or with multiple concurrent calls for service (which happens several times per month) CWIFR relies on volunteer members as well as off-duty full and part-time members to provide adequate staffing.

In addition to emergency response duties, our full-time Firefighters and Fire Officers are responsible for a wide range of program and project work that is necessary to support District operations.

Figure 8. CWIFR Organization/Lines of Accountability

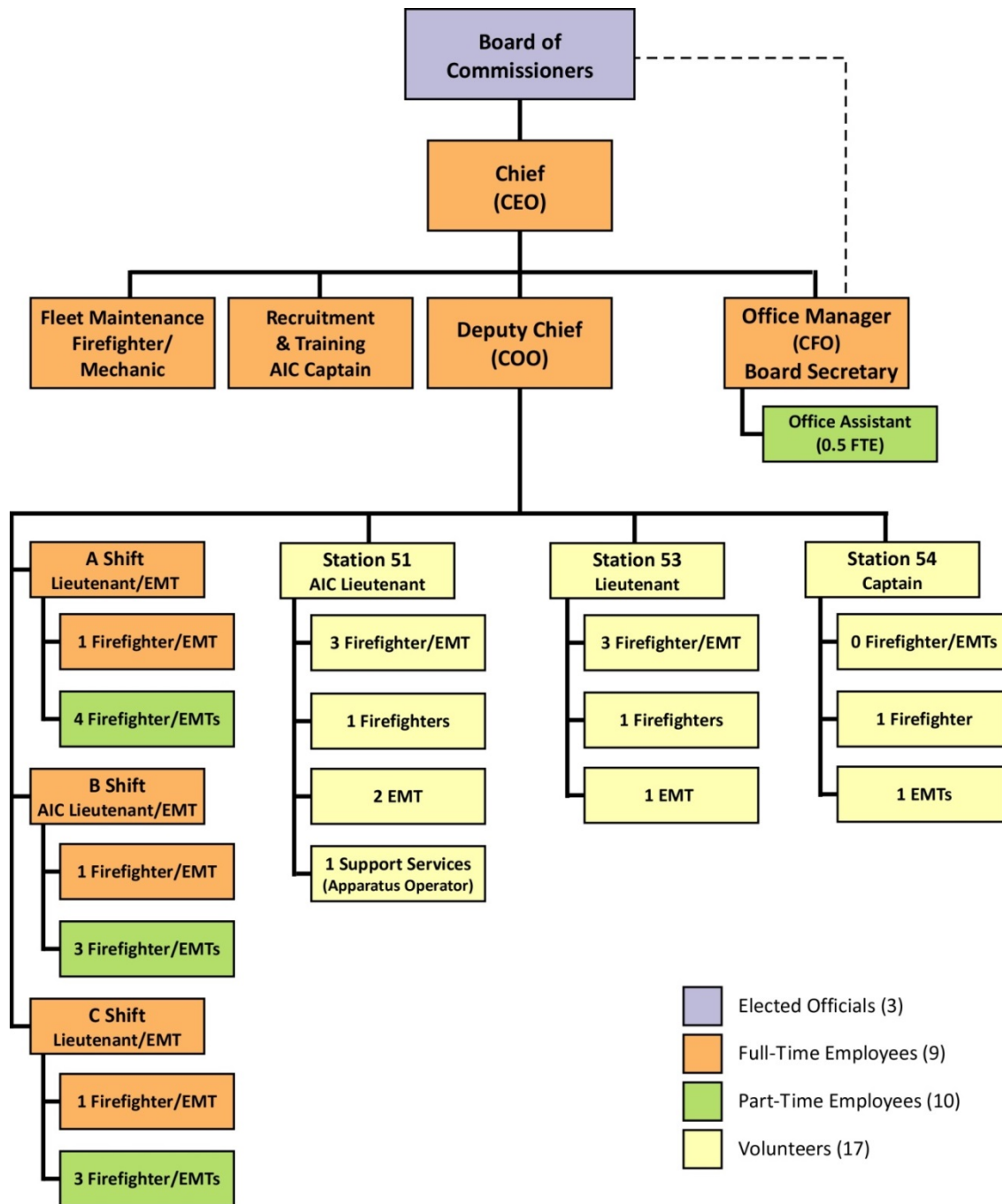


Table 2. Summary of Personnel

2012 Personnel	Administration	Operations	Life Safety	Training	Facilities	Vehicle Maintenance
Full-Time	3.0	6.0	0.0	0.0	0.0	0.0
Part-Time	0.5	11.0	0.0	0.0	0.0	0.0
Volunteer	0.0	23.0	0.0	0.0	0.0	0.0
Subtotal	3.5	40.0	0.0	0.0	0.0	0.0

Table 2 Summary of Personnel (Continued)

2013 Personnel	Administration	Operations	Life Safety	Training	Facilities	Vehicle Maintenance
Full-Time	3.0	6.0	0.0	1.0	0.0	0.25
Part-Time	0.5	10.0	0.0	0.0	0.0	0.0
Volunteer		17.0	0.0	0.0	0.0	0.0
Subtotal	3.5	33.0	0.0	1.0	0.0	0.25

2014 Personnel	Administration	Operations	Life Safety	Training	Facilities	Vehicle Maintenance
Full-Time	3.0	6.0	0.0	1.0	0.0	1.0
Part-Time	0.5	11.0	0.0	0.0	0.0	0.0
Volunteer		24.00	0.0	0.0	0.0	0.0
Subtotal	3.5	41.0	0.0	1.0	0.0	1.0

### Overview of the District's Strategic Plan

In many respects the process of developing the District's Strategic Plan was as important as the end product. CWIFR has used the strategic planning process as a tool for self-discovery and gaining an improved understanding of our community and fire and rescue service system. CWIFR integrated the concept of the Balanced Scorecard with the Applied Strategic Planning Model to develop a set of strategic goals and performance measures that focused on the community, fiscal stewardship, internal process, and resource requirements. Elements of this important and ongoing planning process included:

- Political, Fiscal, and Operational Monitoring
- Definition of the District's Values, Mission, & Vision
- Strategic Business Modeling
- Performance Audit
- Identification of Critical Issues and Service Gaps
- Action Planning
- Scenario Based Contingency Planning

The Strategic Plan is a working document, with its content integrated into all aspects of District operations. For example, our Values, Mission, and Vision are an essential part of the District's recruitment and hiring, promotional process, and performance feedback system. Our Strategic Goals and Initiatives serve as a roadmap for continuous improvement and are woven into our budget process.

### Strategic Themes & Outcomes

Strategic themes are the main focus of CWIFR's strategy; key areas in which we must excel in order to achieve our mission and vision. While themes are expressed in general terms, each is intended to achieve a specific and explicitly stated outcome.



Table 3. Strategic Themes &amp; Outcomes

<b>Strategic Theme: Community Risk Reduction</b>
<b>Outcomes:</b> CWIFR's services provide a safer and more resilient community by reducing the rate at which emergency incidents occur and reducing the severity of those that do occur.
<b>Strategic Theme: Community Partnerships</b>
<b>Outcomes:</b> CWIFR works effectively with our partners to maintain a close relationship with the community and provide effective and efficient service delivery.
<b>Strategic Theme: Organizational Excellence</b>
<b>Outcomes:</b> CWIFR consistently provides services needed by the community in a timely, effective, and efficient manner.

### ***Critical Perspectives***

Each strategic theme is examined through four different lenses; from the perspective of the community, financial stewardship, internal processes, and physical and human resources. Each perspective provides answers to an important question.

Table 4. Critical Perspectives

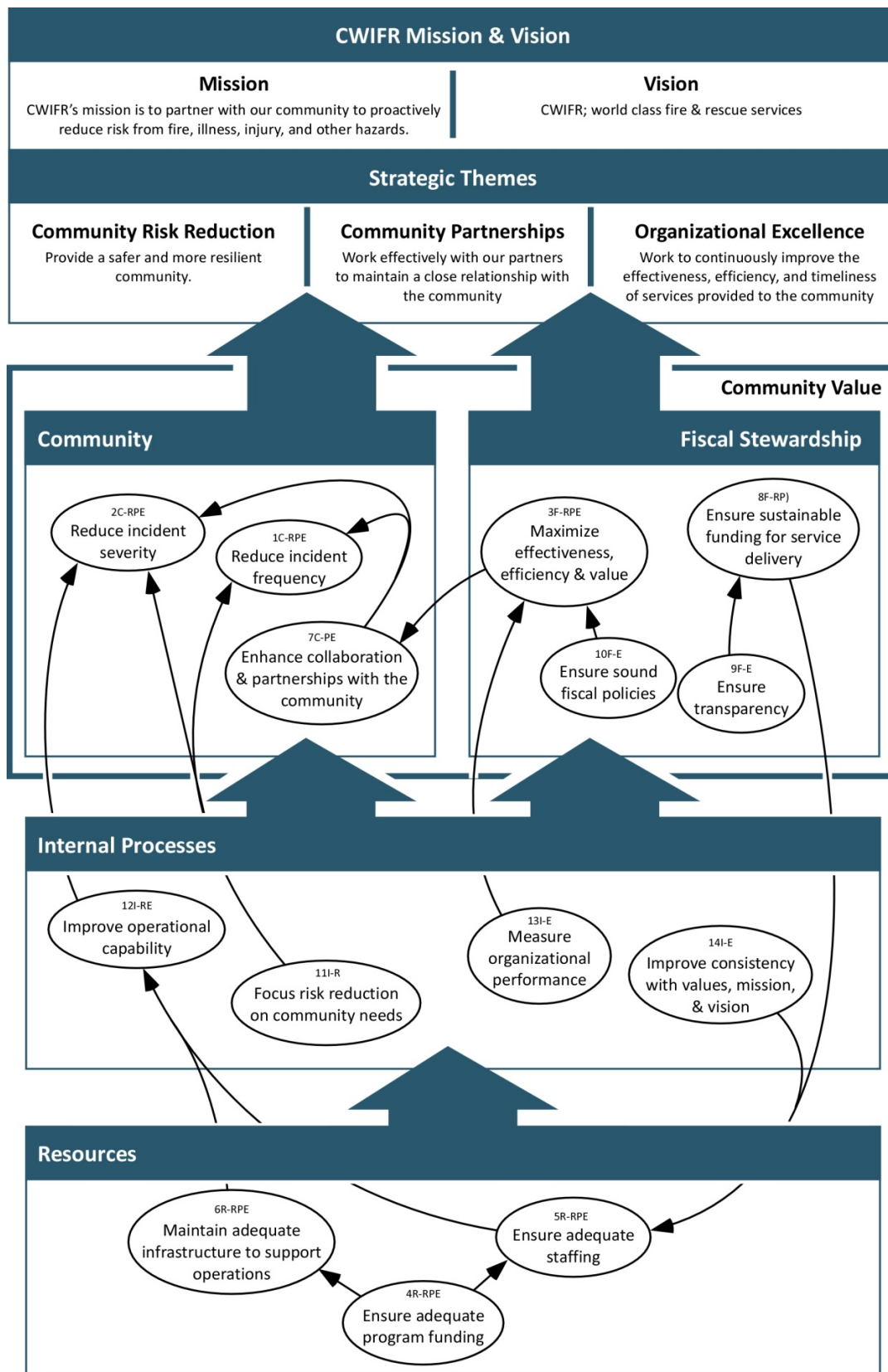
Perspective	Questions Answered	
Community	How will we achieve or exceed the community's risk reduction outcome objectives?	How will we provide the greatest value to the community?  (Outcomes/Cost Effectiveness)
Fiscal Stewardship	How will we provide the most cost effective service to the community?	
Internal Processes	In what internal processes must we excel in order to exceed the communities expectations?	
Physical and Human Resources	What resources and capabilities are required in order to exceed the community's expectations?	

### ***Enterprise Wide Strategy***

CWIFR's three themes, Community Risk Reduction, Community Partnerships, and Organizational Excellence provide structure and a solid foundation for the District's Strategic Plan. Each theme may be examined individually; however, there are a number of strategic goals that cross two or even all three themes.

As CWIFR's Enterprise Wide Strategy includes goals that crossed multiple themes and goals within single themes that were critical to accomplishing the District's mission and achieving our vision, serves as the District's strategic *bull's eye*. Figure 9 provides a graphic illustration of how these goals relate to our Strategic Themes, Mission, and Vision.

Figure 9. Enterprise Wide Strategy Map



CWIFR has made tremendous strides in achieving the goals in the two years since the Strategic Plan was adopted by the Board of Fire Commissioners. However, much work remains to be done. In particular, the District needs to continue development of infrastructure and systems that will allow accurate measurement of service delivery and performance in order to drive continued improvement.

We have also made progress in meeting the Commission on Fire Accreditation International (CFAI) criteria for accreditation which are being used by the District as a comprehensive performance measure. Continued progress will be driven by completion of the District's Standard of Coverage and improvement of the District's records management system in 2014.

The major challenge we face in implementing the Strategic Plan on a day to day basis is the tension between our strategic goals and initiatives and the resources that can be brought to bear (time, staff, and funding). While this is a challenge, it has compelled us to work diligently to prioritize program activity and projects to provide the greatest benefit and value to our community.

## **Financial Overview**

CWIFR strives to maximize effectiveness, efficiency, and value to the community. In addition we endeavor to be transparent in our decision-making and financial affairs to allow our taxpayers and the District's voters to have the ability to assess if we are making efficient use of public funds and providing good value for the cost of our services. This section of the budget provides an overview of our budgeting, accounting, and financial management processes.

### **Message from the District's Financial Officer**

As with all municipal entities, Central Whidbey Island Fire & Rescue (CWIFR) is regularly audited by the Washington State Auditor. As the District's revenues have been less than \$2,000,000, the Auditor conducts an accountability audit every three years. As conducted by the State Auditor, the accountability audit examines fiscal processes to determine if the District has appropriate internal controls in compliance with state laws and regulations. The District has completed this audit since 1986 without a finding. In the 2013 accountability audit, the auditor made specific recommendations regarding inventory and asset management. The District has developed and implemented standard operating guidelines and work practices to address the auditor's recommendations.

As the District's revenues will exceed \$2,000,000 in 2014, the District will also receive an annual financial audit from the State Auditor. The financial audit will render an opinion on whether the District's financial statements are presented in conformity with cash basis accounting as an Other Comprehensive Basis of Accounting (OCBA) as prescribed by the State Auditor.

Consistent with the Board of Fire Commissioner's conservative fiscal philosophy and adopted policies and standard operating guidelines, The District maintains a balanced budget with revenues exceeding expenditures. In addition, the District maintains a contingency fund comprised of 10% of the maintenance and operations budget for use in the event of unbudgeted or unanticipated expenses, if authorized by the Board of Fire Commissioners. The District maintains an ending fund balance of at least four months expenditures to ensure sufficient funds to meet current expense in advance of receipt of tax revenue.

The District is debt free, having retired its long term general obligation bond in 2011.

Consistent with the goals, initiatives, and performance measures established in the District's 2011-2016 Strategic Plan, CWIFR has developed a multi-year financial plan (see Appendix B), is working to develop comprehensive financial policies and standard operating guidelines consistent with the Best Practices and Advisories published by the Government Finance Officers Association (GFOA) and Category 4 Fiscal Resources criterion as specified in the Commission on Fire Accreditation International (CFAI) (2009) Fire & Emergency Service Self-Assessment Manual

### **Financial Assumptions used in the Budget Process**

CWIFR maintains a Long Range Financial Plan (Appendix B) and the Board of Fire Commissioners and the District's executive staff engage in scenario based financial planning to consider the impact of current



economic conditions and potential changes in revenue and expense on a multi-year basis. Drawing on this fiscal planning process, the following assumptions have been used in development of the 2014 District budget (additional assumptions are detailed in Appendix B-Long Term Financial Plan).

### **Revenue**

The following three revenue assumptions were used in developing the Proposed District Budget.

**Assumption R1:** The District's Assessed Value (AV) will stabilize and possibly increase slightly over the next year (2014)

**Assumption R2:** The District's AV will increase slowly over the next several years.

**Assumption R3:** The District will collect 96% of property taxes in the year in which they are levied (based on historical data for tax collection within the District).

### **Expense**

The following two expense assumptions were used in developing the 2014 Proposed District Budget.

**Assumption E1:** The Consumer Price Index (CPI) is likely to increase between 2% and 3% per year over the next several years.

**Assumption E2:** The cost of equipment and services not included in the CPI are also likely to increase between 2% and 3% per year over the next several years.

These assumptions have several budgetary impacts.

Increases in the CPI will impact on labor cost as compensation increases in the collective bargaining agreement between the District and Local 4299 International Association of Firefighters are tied in part to the CPI. In addition, increases in the CPI also reflect a likely increase in the cost of goods and services necessary for delivery of fire and rescue services to the community.

Increases in the District's total tax levy are limited to 1% over the prior years authorized levy (excluding new property added to the tax rolls). If total Assessed Value (AV) increases, the levy rate will decrease (while the District's revenue will increase by a maximum of 1% (excluding revenue from new construction). If the total AV decreases, the levy rate will increase to provide the same revenue. However, the levy rate for fire districts such as CWIFR is capped at \$1.50/\$1000. If the levy rate reaches this limit, further decreases in AV will result in less revenue. The projected increases in AV will sustain a maximum increase in revenue of 1% (lower than anticipated increases in expense). This difference impacts on the duration of time for which CWIFR will be able to sustain current service levels without an increase in revenue.

### **Overview of Budget Structure**

The Washington State Auditor prescribes budgeting, accounting and reporting (BARS) requirements for all local governments (RCW 43.09.200). The BARS Manual for Fire Protection Districts includes a uniform chart of accounts, accounting and budgeting policies, guidance for preparing financial statements and

instructions for preparing supplemental schedules required as part of the annual report to the State Auditor (RCW 43.09.230).

The Washington State BARS is designed to allow formal integration of budgeting and accounting for all fund types in a governmental accounting system. The District prepares comprehensive budget document of all anticipated resources and outlays on an annual basis, including those funds for which appropriated budgets are not required (e.g., compensated absences trust fund)

### **Funds**

A fund is an accounting entity with its own self-balancing set of accounts recording cash and/or other sources of revenues against expenditures for specific activities. Managerial/Internal Funds are used for internal budgeting and are rolled up into the General Fund for purposes of BARS reporting. The District's finances are allocated to the following funds:

- **General Fund:** The principal operating fund, which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. The fund of the District that accounts for all current expenditures (e.g., personal services, materials and services) not specifically accounted for in other funds.

**Contingency Fund (Managerial/Internal Fund):** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted. CWIFR endeavors to maintain the Contingency Fund at 10% of the Maintenance and Operations Budget. For the purposes of budgetary reporting within the context of BARS, this managerial fund is rolled up into the General Fund).

- **Debt Service Fund:** A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. This fund currently has a zero balance as the District has no debt.
- **Grant Management Fund:** A fund established with a contribution of assets from the State or Federal government that are to be used for a specified purpose, activity, or facility. Assets in this fund are maintained in a non-interest bearing account in compliance with federal grant requirements.
- **Compensated Absences Trust Fund:** This fund is used to account for assets held by the District for buyback of a specified percentage of unused sick leave from employees at the time of their separation from the district (e.g., retirement). The District currently maintains a balance in this fund based on the liability for sick leave buyback for management employees (e.g., Fire Chief, Operations and Training Chief, Office Manager).
- **Capital Projects Fund:** A fund established to accumulate assets for future capital purchases and for current capital expenditures. Capital expenditures are for items having a cost greater than \$5000 and a service life of greater than three years (e.g., major equipment, fire apparatus, and fire stations).

### *Divisions*

The District's Operating Budget is organized in accordance with the Washington State Budgeting and Reporting System (BARS) as prescribed by the Washington State Auditor and as such includes the following divisions<sup>1</sup>:

- **Administration:** Activities of a general nature not associated with a specific service function.
- **Operations:** Functions and/or activities related to fire suppression, medical, and rescue services.
- **Life-Safety & Community Risk Reduction (Fire Prevention):** Functions and/or activities related to reducing risk of harm and preventing loss of life as a result of fire, accident, illness, and other types of emergencies.
- **Recruitment & Training:** Functions and/or activities related to training, professional development, and recruitment.
- **Facilities:** Functions and/or activities related to rental, repair, operation, and maintenance of land, buildings, vehicles and other equipment.
- **Vehicle Maintenance:** Functions and/or activities related to maintenance and repair of vehicles and other equipment.

### *Expenditure Categories*

There are three major categories of expenditure by the District:

**Personal Services:** This category includes all expenditures related to our members serving the community. This category may be subdivided in to Wages and Benefits.

**Wages:** Wages includes the salaries of our full-time employees, overtime paid to non-exempt, full-time employees, hourly wages paid to part time employees, and stipends paid to our volunteer members.

**Benefits:** Benefits include medical and dental insurance for our full-time employees, retirement benefits, social security (this does not apply to employees in the Law Enforcement Officers and Firefighters pension system) and Medicare.

**Materials & Services:** This category includes all expenditures other than Personal Services or Capital Projects. This includes tools and equipment (costing less than \$5,000), expendable supplies, and purchased services.

**Capital Projects:** This category includes items with a purchase price of greater than \$5,000 and a useful life of greater than three years. Major capital items include (but are not limited to) real property and fire apparatus and other vehicles, communications system projects, and information technology infrastructure.

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<sup>1</sup> Given the District's small size, these divisions are budgetary and not completely organizational (e.g., some members have functional responsibility for a division, but work within the Operations Division. In other cases a Division is staffed by a single individual (e.g., Recruitment & Training, Vehicle Maintenance).

## Budget Process Information

CWIFR uses a bottom up budget process that engages project and program managers in developing budgets for each functional area of District operations. These budgets are consolidated, reviewed, and refined to produce the proposed District budget. As illustrated in Table 4, this bottom up process has both advantages and disadvantages.

Table 5 Advantages and Disadvantages of Bottom Up Budgeting

Advantages/Reinforcing Strategy	Disadvantages/Mitigating Strategies
<p><b>Participative Process:</b> Bottom up budget development is a participative process in which the members involved develop a greater sense of ownership and commitment to the budget as a financial plan.</p> <p><b>Reinforcing Strategy:</b> The District's budget is used as an ongoing tool by all members with program or project management responsibility. Integration of the budget into program and project management as well as real time access to financial data increases commitment to the budget as the District's working financial plan.</p>	<p><b>Time Required:</b> Development of the District budget from the bottom up takes a significant commitment of staff time for developing program, project, and division budget proposals, executive review, and refinement of the proposed District budget.</p> <p><b>Mitigation Strategy:</b> The District's Budget Calendar is designed to provide adequate staff time for budget development and integrates the budget development process into ongoing staff work.</p> <p><b>Lack of Expertise:</b> This approach requires individuals who may have limited experience and expertise to develop detailed budget projections.</p> <p><b>Mitigation Strategy:</b> Professional development includes training and ongoing coaching in budget development and use of the budget as an ongoing financial management tools.</p>
<p><b>Accuracy:</b> A bottom up budget has potential to be more accurate as those involved are closest to the work that will be performed.</p> <p><b>Reinforcing Strategy:</b> Integration of the budget into program and project management along with accurate accounting by expense category provides ongoing improvement in budget accuracy.</p>	<p><b>Over Estimation:</b> Competition for scarce resources may lead to overestimation of budget needs.</p> <p><b>Mitigation Strategy:</b> Budget review at the Division and District level along with the use of a modified zero based budgeting process, controls for overestimation of budget needs.</p>
<p><b>Improved Communication and Coordination:</b> Budget development from the bottom up improves communication and coordination between project and program managers and District Executive Staff.</p> <p><b>Reinforcing Strategy:</b> Regular fiscal reporting and ongoing conversation between the District's Executive Staff and members responsible as Program and Project Managers maintains a focus on the budget as a working document.</p>	<p><b>Lack of Context:</b> In many organizations, rank and file members and first or second line supervisors do not have knowledge of strategic level organizational goals that impact on budget development.</p> <p><b>Mitigation Strategy:</b> The District's mission, values, and vision are integrated with ongoing operations. Within the budget process, Project, Program, and Division budgets must be tied closely to specific strategic goals and initiatives.</p>

In addition to building its budget from the bottom up, CWIFR uses Modified Zero Based Budgeting. In this process, it is not assumed that the current year's spending for a particular program or function is justified.

Expenditures are examined to identify answers to the following questions:

- Is this expenditure or level of expenditure in the best interest of the community that we serve?
- Are the goals and objectives of the program or function identified in the District's strategic plan?
- Are there other less costly and more effective ways of achieving the desired outcomes?
- Would overall achievement of the District's strategic goals be improved if funding was shifted from the program under review to another area of District operations?

### ***Budget Calendar***

The District's budget process begins in April with review of the District's Strategic Goals, Capital Projects Plan, and other major policies, followed by development of Project, Program, and Division Budgets and concludes in November with adoption of the budget by the Board of Fire Commissioners and submittal to the Island County Auditor. Table 5 details the timeline for specific budget development activity taking place throughout over the course of the year.

Table 6. CWIFR Budget Calendar

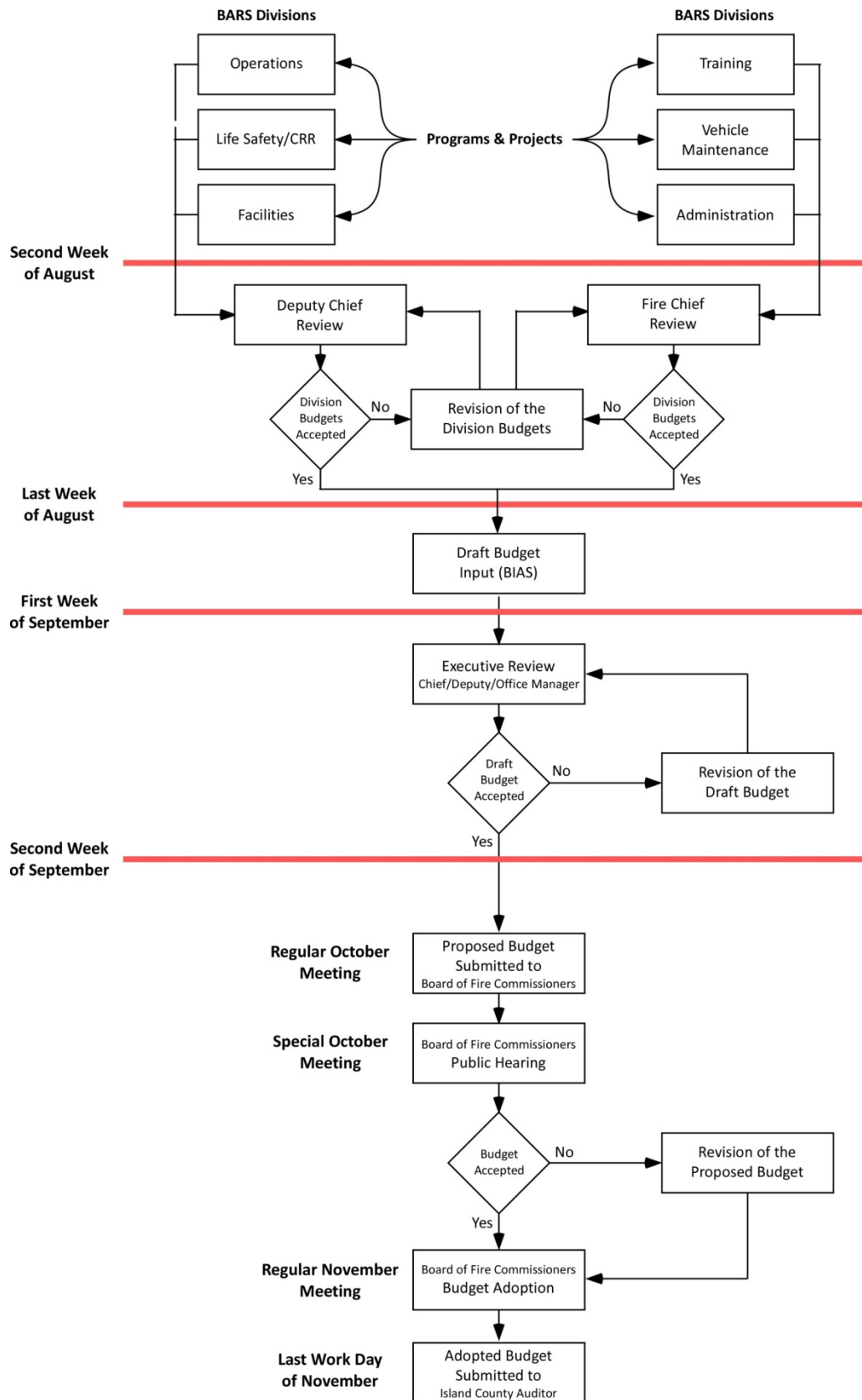
Month	Activity
April	Board of Commissioners Major Policy Review <ul style="list-style-type: none"> <li>• Strategic Goals</li> <li>• Capital Projects Plan</li> <li>• Other Major Policies</li> </ul> Executive Staff Multi-Year Fiscal Projections
June	Development of Division Budgets
July	
August	Review & Revision of Division Budgets Input the Draft District Budget
September	Executive Review & Revision of the District Budget
October	Submittal of the Proposed Budget to the Board of Fire Commissioners Public Budget Hearing Budget Accepted or Revisions Specified by the Board
November	Adoption of the Budget by the Board Budget Submitted to the Island County Auditor

### ***Budget Development Workflow***

The following flow chart identifies the work flow and key milestones for budget development and approval by the Board of Fire Commissioners



Figure 10. Budget Development Work Flow



### ***Development of Division Budgets***

Just as the Division budgets are the foundation for development of the overall District budget, Program budgets provide the basis for development of Division budgets.

**Budget Requests:** Division and Program Managers must be able to speak to the reason for each specific budget request, why this expenditure is in the best interest of the community, how the expenditure supports achievement of the District's strategic goals and initiatives, and what alternatives were considered in determining that this expenditure was the most cost effective approach. Within the operating budget any expenditure that reflects a significant change (increase/decrease in expense or addition or elimination of a service or program) must be accompanied by a narrative explanation or justification.

**Division Business Plan:** Beginning in 2013 (2014 budget development) Division Managers must review the District's adopted strategic goals and related initiatives and submit a Business Plan along with their Division Budget Detail Worksheet. This plan must include the following:

- Division Title
- Purpose of the Division (explanation of why the Division exists)
- Programs within the Division's area of responsibility
- Strategic Goals supported by Division activities
- Strategic Initiatives that will be implemented or in progress during the budget year

Starting in 2014 (2015 budget development) Program Managers will be expected to develop program business plans that specify program purpose, strategic goals, and initiatives. In addition, Division and Program Managers will begin the process of correlating activities and expenditures to the Commission on Fire Accreditation International (CFAI) Accreditation Criteria.

### ***Capital Projects Plan and Budget***

Capital projects are defined as having a cost of greater than \$5,000 and a useful life of more than three years. Capital projects may include real property, equipment, or software. Annual transfers between the General Fund and General Capital Projects Fund are based on amortized expense of specific capital projects as defined by the Board of Fire Commissioners.

The District maintains a detailed ten year capital projects plan which serves as the foundation for the annual Capital Budget. The capital projects plan is reviewed by the Board of Fire Commissioners in April of each year prior to the start of the budget development process. The plan consists of

- General Capital Projects Fund Cash Flow and Overview of Scheduled Projects
- Individual Capital Project Request and Estimates of Cost
- Capital Projects Amortization Schedule

### ***Budget Adjustment***

There are two types of budget adjustment. The first is simply a transfer between line items within a given fund (e.g., reduction in one or more lines and an increase in one or more other lines) while maintaining the same overall appropriation (adopted budget amount). The second type of adjustment is a transfer between funds and change in the appropriated amount within those funds (e.g., transfer from the Contingency Fund to the General Fund).

Line item expenditures that exceed the adopted amount may be approved by the Fire Chief provided that the budget remains balanced at the Division and Fund levels. In the event that line item expenditures would result in a deficit (within the line) of greater than \$2000, the Board of Fire Commissioners must be notified at their next regular meeting and funding of the line increased through the budget adjustment process.

Budget adjustment will generally be performed (if needed) in April and October. However, under exigent circumstances, the Fire Chief may request that the Board of Fire Commissioners adjust the budget at any time.

The District's Finance Officer (Office Manager) enters proposed budget changes in the accounting system as they are identified. This entry includes the adopted amount of the line item, the proposed (adjusted) amount of the line item, the difference, percentage difference, and justification of the proposed changes. The Fire Chief submits a narrative report outlining the need for the budget adjustment (increases/decreases in individual lines and/or transfer between funds) with line item level detail along with the BIAS Proposed Budget Changes report to the Board of Fire Commissioners in advance of the meeting at which the budget adjustment will be considered.

### ***Basis of Budgeting & Accounting***

The Washington State Auditor's office is required by law to prescribe budgeting, accounting, and reporting requirements for local governments. The Auditor's Budgeting and Reporting System (BARS) Manuals include the prescribed uniform charts of accounts, accounting and budgeting policies, guidance for preparing financial statements and instructions for preparing supplemental schedules required as part of local government annual reports. As a Fire Protection District, CWIFR is required by the Washington State Auditor to use cash basis accounting as an Other Comprehensive Basis of Accounting (OCBA). With cash basis accounting, the District records revenue when revenue is received, and records expenses when they are paid. The District also uses the cash basis for its budgetary process.

### ***Financial Policies***

The District is in the process of developing comprehensive financial policies to guide budgeting and financial management. These policies are delineated in the *Board of Fire Commissioners Policy Manual* (CWIFR, 2013) and Financial Standard Operating Guidelines.

### ***Policy Direction***

The Board of Fire Commissioners shall review the District's strategic goals and capital projects plan and provide fiscal policy direction to the Fire Chief before their regularly scheduled meeting in May to permit

timely and efficient development of the District's operations and capital budgets (Board Policy Manual, p. 23).

### ***Budget Policies***

The following budget policies have been established by the Board of Fire Commissioners and are delineated in Draft Standard Operating Guideline 1.3.1 *Budget* (CWIFR, n.d.).

- Establish funding priorities to reflect our mission to partner with our community to proactively reduce risk from fire, illness, injury and other hazards.
- Be a good steward of public funds and ensure that budgeting and financial management are in compliance with applicable laws and regulations, and achieves results that are in the best interest of the District and its taxpayers.
- Conduct the budgeting and financial reporting process in a manner that is transparent and easy for taxpayers to understand.
- Ensure that the District's budgeting process has a direct and strong connection with the Strategic Plan adopted by the Board of Fire Commissioners.
- Avoid budget decisions or procedures that provide for current operational cost at the expense of future needs.
- Use the Washington State Auditors Budgeting and Reporting System (BARS) codes in budget development and fiscal reporting.
- Maintain a balanced budget, defined as funds total resources comprised of beginning fund balance, revenues, and other funds are equal to the total of expenditures, other fund use, and the funds ending balance.
- Maintain a balanced budget at the Division level (Administration, Operations, Life Safety & Community Risk Reduction, Training, Facilities, & Vehicle Maintenance).
- Require approval of the Board of Fire Commissioners for transfers between Funds, Divisions, or between line items within a Division.

### ***Procurement Policies***

The following budget policies have been established by the Board of Fire Commissioners and are delineated in Draft Standard Operating Guideline 1.3.2 *Procurement* (CWIFR, n.d.).

- It is the policy of Central Whidbey Island Fire & Rescue (CWIFR) to be a good steward of public funds. To that end, district expenditures must be for a valid public purpose which benefits the community, is directly related to the Districts authorized functions, and which does not have as its primary objective the benefit of a private interest.
- The District will follow the statutory requirements of Revised Code of Washington (RCW 52) *Fire Protection Districts*, RCW 39 Public Contracts and Indebtedness and other relevant state laws and regulations as applicable to fire district procurement.

- In addition, it is the policy of CWIFR to maintain appropriate internal fiscal controls to promote effective and efficient use of resources; to safeguard resources against loss due to waste, mismanagement, abuse, or fraud; and to ensure compliance with applicable state and federal laws, regulations, and fiscal best practices.
- CWIFR will endeavor to ensure consistency with the Government Finance Officers Association best practices and advisories related to procurement.

### ***Asset Management***

The following budget policies have been established by the Board of Fire Commissioners and are delineated in Draft Standard Operating Guideline 1.3.2 *Asset Management* (CWIFR, n.d.).

- It is the policy of Central Whidbey Island Fire & Rescue (CWIFR) to maintain accountability for its assets. The District shall maintain asset records and verify those records by a physical inventory at least annually.
- In addition, it is the policy of the District that the disposal of surplus property is accomplished through an efficient and appropriate process that is in compliance with applicable laws and regulations, and that achieves results that are in the best interest of the District and its taxpayers.

### ***Revenue & Cash Management***

The following policies have been established by direction of the Board of Fire Commissioners and will be integrated into a Standard Operating Guideline addressing Revenue and Cash Management.

- It is the policy of CWIFR to maintain an ending fund balance of at least 33% of budgeted maintenance and operations expenditures to provide sufficient funds for operation prior to receipt of subsequent year's tax revenue.
- CWIFR will maintain an administrative Contingency Fund in the amount of 10% of budgeted maintenance and operations expenditures within the general fund. The contingency fund will be used for unanticipated or exceptional unbudgeted expenditures only with the approval of the Board of Fire Commissioners.

### ***Additional Financial Policies***

In 2014, the District will continue work on development of comprehensive financial policies which will address the following additional topics:

- Revenue & Cash Management
- Investment
- Debt
- Capital Projects



## Financial Summaries

The following table provides a summary of District Revenues and *Expenditures* in 2012, adopted budget (as of the second quarter budget adjustment) in 2013, and proposed 2014 budget for all funds (General Fund, General Capital Projects Fund, and Compensated Absences Fund). Additional detail is provided in the fund specific sections of this budget document.

Table 7. 2014 Financial Summary

General Fund	Actual	Adjusted	Adopted
	2012	2013	2014
<b>Beginning General Fund Balance</b>	\$2,755,179	\$1,469,388	\$1,398,756
<b>Contingency</b>			
10% Contingency (Administrative) Fund	\$166,875	\$189,519	\$197,985
<b>Revenue</b>			
Investment Interest	\$3,408	\$2,500	\$2,500
Property Taxes (Includes New Construction)	\$1,609,528	\$2,114,328	\$2,050,052
New Construction	<i>Included in Taxes</i>	<i>Included in Taxes</i>	\$16,000
Other Taxes/State Assessed Property	\$3,974	\$2,280	\$2,280
WGH Contract	\$98,772	\$201,495	\$201,495
Other Deposits	\$47,124	\$53,920	\$41,640
Voided Warrants & Vendor Credits	\$0	\$0	\$0
Total Operating Revenues	\$1,762,806	\$2,374,523	\$2,316,247
<b>Expenditures</b>			
Vouchers (M&O General Fund)	\$1,505,879	\$1,895,187	\$1,979,846
Investment Fee	\$177	\$850	\$310
Tax Adjustment	\$13	\$200	\$200
Correction & Vendor Credits	\$0	\$0	\$0
Total Expenditures	\$1,506,069	\$1,896,237	\$1,980,357
<b>Interfund Transfers</b>			
To Compensated Absences Trust Fund	\$12,005	\$1,918	\$13,265
To General Capital Projects Fund	\$1,530,523	\$547,000	\$660,000
Total Transfers	\$1,542,528	\$548,918	\$673,265
<b>Ending General Fund Balance</b>	\$1,469,388	\$1,398,756	\$1,061,381
General Capital Project Fund	Actual	Adjusted	Adopted
	2012	2013	2014
<b>Beginning Capital Projects Fund Balance</b>	<i>Fund Established</i>	\$1,357,808	\$1,329,982
<b>Interfund Transfers</b>			
From General Fund	\$1,530,523	\$547,000	\$660,000
<b>Expenditures</b>			
Vouchers (Capital Projects Fund)	\$172,715	\$574,826	\$760,386
<b>Ending Capital Projects Fund Balance</b>	\$1,357,808	\$1,329,982	\$1,229,596

Table 6. 2014 Financial Summary (Continued)

<b>Compensated Absences Trust Fund</b>	<b>Actual</b>	<b>Adjusted</b>	<b>Adopted</b>
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Beginning Compensated Absences Balance</b>	\$0	\$12,005	\$13,923
<b>Interfund Transfers</b>			
From General Fund	\$12,005	\$1,918	\$13,265
<b>Expenditures</b>			
Vouchers (Compensated Absences)	\$0	\$0	\$0
<b>Ending Compensated Absences Balance</b>	\$12,005	\$13,923	\$27,188
<b>All Funds</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Proposed</b>
	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Total Ending Balance (All Funds)</b>	<b>\$2,839,201</b>	<b>\$2,585,119</b>	<b>\$2,329,005</b>

**Significant Changes in Fund Balance**

There are two significant (greater than 10%) changes in ending fund balances in the 2014 budget year. The General Fund Ending Balance is 24.11% lower than in 2013 and the Compensated Absence Trust Fund is 51.00% greater than in 2013. In addition, the total ending balance of all funds is 18% lower than in 2013. Each of these significant changes will be addressed in turn.

The major factor in reduction in the General Fund Ending Balance is transfer of funds to both the General Capital Projects Fund as part of the District's process to achieve full funding for vehicle and equipment capital projects (discussed in the General Capital Projects Fund section of the Budget Document). A less significant factor is transfer of funds to the Compensated Absences Trust fund to meet projected liabilities (discussed in the Compensated Absences Trust Fund section of the Budget Document). The reduction in ending balance for all funds will result from significant capital expenditures in 2014 which are discussed in the General Capital Project Fund section of the Budget Document.

**Balanced Budget**

The District maintains a balanced budget and the Total Ending Balance is anticipated to increase from 2014 through 2019 at which time increases in expense may exceed increases in revenue (See Appendix B-Long Term Financial Plan). Several options exist to maintain current service levels beyond 2019 while maintaining a balanced budget:

- Limit increases in expense. The District's modified zero based budget process provides a solid system for ensuring that changes in expense are tied to specific strategic goals, initiatives, and related outcomes.
- Identify and develop additional revenue streams. The District continues to explore opportunities to develop additional revenue through Interlocal agreements and shared services.
- Determine at what point it will be necessary to present a lid lift to the District's voters. As intended by the Washington State Constitution and related laws regarding property tax limitations, the District's voters have the authority to increase the levy rate to maintain or improve service levels.

## Revenue

### Overview of Revenue Streams

Tax revenue is CWIFR's largest revenue stream, comprising approximately 89% of total district revenue. CWIFR also has several Interlocal Agreements to provide service to Whidbey General Hospital, the Town of Coupeville, and Island County which comprise approximately 9% of total district revenue. Approximately 1% of district revenue is generated from a variety of miscellaneous sources (e.g., such as payments in lieu of taxes, space and facilities rent, grants, and sale of surplus assets).

### Tax Revenue

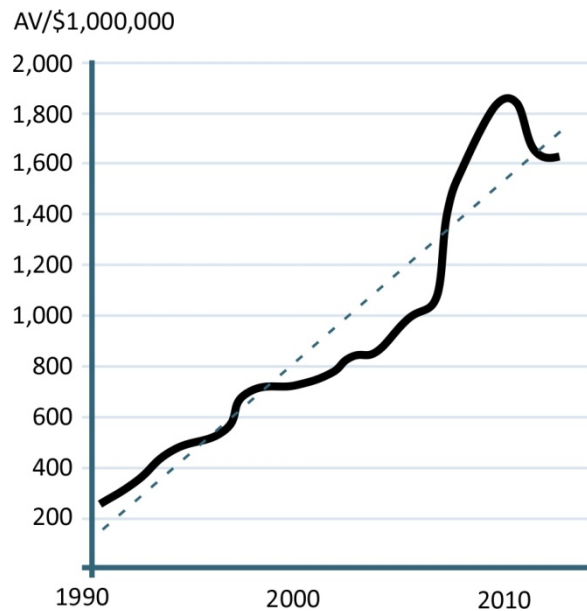
The Washington State constitution and related laws strictly limit the amount of property tax that local taxing districts can levy. While tax limitations are complex, there are two particularly important limitations for fire districts. First is Initiative 747, passed by the state's voters in 2001 which changed the state constitution to limit annual increases in property taxes levied to 1%, plus revenue from new construction added to the tax rolls in the previous year (Washington State Constitution Amendment 95 Article 7 Section 2). The second important limitation is the maximum regular tax rate for fire districts specified by state law. The Revised Code of Washington (RCW) limits fire districts to a maximum regular property tax rate of \$1.50/\$1000 of assessed value (RCW 52.16.130, 140, 160).

CWIFR's annual property tax levy is distributed across all taxable property within the district. In 2011, the District's voters approved a lid lift, establishing a tax levy rate of \$1.34/\$1000 assessed value. In subsequent years, the District's levy rate will increase or decrease depending on several factors. New construction adds to the total value of taxable property within the district, further dividing CWIFR's tax levy and lowering the tax rate. Property values also impact tax rate. If assessed property values increase, CWIFR's tax levy is divided by this greater value and the tax rate decreases. On the other hand, if assessed property values decrease, CWIFR's tax levy is divided by this smaller value and the tax rate increases (while the total levy remains the same). If assessed property value decreases further, and the District's levy rate reaches the statutory cap of \$1.50/\$1000, revenue will decrease.

The District's 2012 Assessed Valuation (AV) for 2013 tax collection was \$1,573,308,758 which at a Levy Rate of \$1.34/\$1000 AV providing a total levy of \$2,114,329. The total property tax levy (excluding addition of taxes on new construction) can increase a maximum of 1% resulting in a maximum 2014 total levy of \$2,135,472. The District's AV dropped by approximately 1.24% which will result in an increase in the levy rate from \$1.34/\$1000 AV to \$1.37/\$1000 AV (the total levy increase is limited to 101% of the prior year with the levy rate determined by dividing the total AV by the tax levy).

Since 2011, the District has seen a drop in AV. However, property tax assessment lags actual real estate value (as evidenced by sales price). It is anticipated that AV will increase in subsequent years following their historic trend as illustrated in Figure 11.

Figure 11. CWIFR AV from 1990 to 2013



Since 1990, the average increase in AV has been 8.47%. While there is no guarantee that this average rate of increase will continue in the future, the long term historic trend has been for assessed value of property within the district to increase over time.

### *Interlocal Agreements*

CWIFR has several Interlocal agreements under which the District provides services to other governmental entities. These include an agreement to operate a Basic Life Support (BLS) ambulance for Whidbey General Hospital (WGH) Emergency Medical Services (EMS) and agreements with both the Town of Coupeville and Island County (will be effective in 2014) to provide fire and life safety inspection services in commercial occupancies.

Table 8. Revenue from Interlocal Agreements

Interlocal Agreement	2012 Actual Revenue	2013 Adjusted Revenue	2014 Projected Revenue
WGH EMS	\$98,772	\$201,495	\$201,495
Coupeville Fire Inspections	\$8,528	\$8,000	\$8,000
Island County Fire Inspections	n/a	n/a	\$8,000

### *Other Revenue*

In addition to tax receipts and revenue generated from services provided through Interlocal agreement, CWIFR has multiple small revenue streams. These include payments in lieu of taxes paid by the Coupeville School District and Washington State Parks, revenue from lease of cell tower space at Station 53, proceeds from the sale of non-capital and capital assets declared surplus by the Board of Fire Commissioners, and a number of other miscellaneous revenues.

## General Fund


### General Fund Overview

The General Fund is the District's principal operating fund, which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. The fund of the District that accounts for all current expenditures (e.g., personal services, materials and services) not specifically accounted for in other funds

In accordance with the Washington State Auditor's Budgeting and Reporting System (BARS), the District's General Fund is subdivided into Divisions. These divisions are functional and serve to clearly describe the purpose of appropriated funds. The layout of the budget includes major categories of expenditure, the BARS number (for internal reference), and line item description. For each line, values for 2012 Actual District Expenditures and 2013 Adopted Budget are provided along with the proposed Budget for 2014 (see Figure 12).

Figure 12. Budget Layout

					2012 Actual	2013 Adjusted	2014 Adopted
Budget Category Description							
522	XX	XX	XX	Line Item Description	\$XX,XXX	\$XX,XXX	\$XX,XXX



BARS Number

**Understanding BARS Numbers**

522 Basic and Sub Account (BASUB) for Fire Protection

XX Second Element Specifies the Division (Administration, Operations, etc.)

XX Third Element Specifies the Character of the Expenditure

XX Fourth Element is Defined by the District to Identify the Specific Line Item

### Administrative Division

The Administrative Division provides leadership and management necessary to ensure effective and efficient delivery of services to the community.

The Administrative Division is responsible for the following major programs and functions.

- Strategic Planning
- Accreditation
- Budgeting and Fiscal Management
- Human Resources

### Personnel Summary

Administrative Division staffing is comprised 3.5 Full Time Equivalents (FTE); the Fire Chief, Deputy Chief, Office Manager/Finance Officer, and Office Assistant. The Fire Chief and Deputy Fire Chief also have operational responsibility, but from a budget perspective are accounted for within the Administrative Division.



### ***Accomplishments***

Major administrative accomplishments in 2013 include the following:

- CWIFR completed implementation of BIAS finance and accounting software with use of this software package to develop the District's budget and provide real time financial data to support decision-making.
- Implementation of bottom up, modified zero based budget development and expanded budget documentation to increase transparency in the budget process.
- The position of Training and Recruitment Captain was filled by assignment of a Lieutenant from the Operations Division to serve as an Acting Captain (until existing staff meet the time in grade requirements for conduct of a promotional process for Captain). In addition, a recruitment process was conducted to fill the newly created position of Firefighter/Mechanic.
- The Board of Fire Commissioners and Executive staff developed a *Fire Commissioners Policy Manual* (CWIFR, 2013) to define and document the District's governance process.
- Fiscal policies and Standard Operating Guidelines (SOGs) have been developed to define budget process, procurement and asset management. A framework has been established for completion of SOGs addressing Revenue & Cash Management, Investment, Debt, and Capital Projects in 2014.

### ***Strategic Goals & Initiatives***

While the Administrative Division has an overall responsibility for implementation of the District's Strategic Plan, the following goals within the District's Enterprise Wide Strategy are of particular significance to this Division.

- Maintain adequate infrastructure to support operations (Resources)
- Ensure adequate program funding (Resources)
- Ensure adequate staffing (Resources)
- Improve operational capability (Internal Processes)
- Measure organizational performance (Internal Processes)
- Improve consistency with values, mission, and vision (Internal Processes)
- Maximize effectiveness, efficiency, and value (Fiscal Stewardship)
- Ensure sound fiscal policies (Fiscal Stewardship)
- Ensure transparency (Fiscal Stewardship)
- Ensure sustainable funding for service delivery (Fiscal Stewardship)

In addition to these enterprise wide goals, the Administrative Division is also responsible for the following additional goals:

- Improve community satisfaction (Organizational Excellence)
- Promote a culture of cooperation and teamwork (Internal Processes)
- Ensure effective HR practices (Internal Processes)
- Increase public communication (Internal Processes)
- Improve knowledge of best practice (Resources)
- Promote member health and wellness (Resources)

Major Initiatives in 2014 include the following:

- Implementation of the documentation rolled out in the 2014 budget process and multiple methods of communicating the District's fiscal position including regular updates in the District Newsletter and web accessible budget and financial data.
- Development of comprehensive financial policies and standard operating guidelines was initiated in 2014 and will be completed prior to the start of the 2015 budget process.
- As part of an ongoing effort to become a more data driven organization, implementation of a new Records Management System to improve data collection and analysis and reporting will be started in 2014. This project specifically addresses the District's Strategic Goals for providing necessary infrastructure and measuring organizational performance. In addition, improved records management is an essential element in addressing Strategic Goals tied to meeting CFAI Accreditation criteria.
- In conjunction with the Facilities Division, complete an architectural and engineering review of all District fire stations to allow development of a long range plan to ensure that our facilities meet community needs.
- Lastly in the fourth quarter of 2014, the District will begin preparations for update and revision of our Strategic Plan.

#### ***2014 Division Budget***

In addition to expenses that are exclusively administrative in nature (e.g., Office Manager's Salary and Benefits), the Administrative Division budget includes a number of expenses that would be difficult to allocate across two or more Divisions (such as the Deputy Chief's Salary and Benefits or Information Technology services).

Table 9. Administrative Division Budget

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Administration Salaries &amp; Wages</b>							
522	10	11	01	Fire Chief	\$98,636	\$96,013	\$99,563
522	10	11	02	Deputy Chief	\$82,840	\$79,213	\$83,963
522	10	11	03	Office Manager	\$51,002	\$51,002	\$52,102
522	10	11	04	Command Duty Officer Stipend	\$0	\$4,933	\$10,600
522	10	11	05	Leave Buyback	\$0	\$0	\$0
522	10	12	04	Office Assistant	\$7,634	\$10,400	\$11,243
522	10	13	05	Commissioners	\$10,504	\$12,168	\$13,338
522	10	13	06	District Secretary	\$1,352	\$1,352	\$1,824
522	10	19	01	Fire Chief (Deferred Comp)	\$8,641	\$8,641	\$8,961
522	10	19	02	Deputy Chief (Deferred Comp)	\$7,129	\$7,129	\$7,557
522	10	19	03	Office Manager (Deferred Comp)	\$2,040	\$2,040	\$2,085
<b>Sub Total</b>					<b>\$269,777</b>	<b>\$272,891</b>	<b>\$291,236</b>
<b>Administration Benefits</b>							
522	10	21	01	Fire Chief (Medicare Only)	\$1,539	\$1,500	\$1,679
522	10	21	02	Deputy Chief (Medicare Only)	\$1,278	\$1,229	\$1,432
522	10	21	03	Office Manager (FICA/Medicare)	\$3,870	\$3,902	\$4,146
522	10	21	04	Office Assistant (FICA/Medicare)	\$684	\$796	\$861
522	10	21	05	Commissioners (FICA/Medicare)	\$838	\$2,793	\$1,021
522	10	21	06	District Secretary (FICA/Medicare)	\$80	\$103	\$140
522	10	22	01	Fire Chief (L&I)	\$867	\$785	\$558
522	10	22	02	Deputy Chief (L&I)	\$943	\$718	\$558
522	10	22	03	Office Manager (L&I)	\$368	\$387	\$371
522	10	22	04	Office Assistant (L&I)	\$54	\$182	\$186
522	10	22	05	Commissioners (L&I)	\$0	\$16	\$21
522	10	22	06	District Secretary (L&I)	\$2	\$6	\$9
522	10	23	01	Fire Chief (Medical/Dental)	\$11,919	\$13,693	\$12,465
522	10	23	02	Deputy Chief (Medical/Dental)	\$15,824	\$18,138	\$16,474
522	10	23	03	Office Manager (Medical/Dental)	\$12,706	\$14,542	\$13,186
522	10	24	01	Fire Chief (LEOFF)	\$5,333	\$5,484	\$5,625
522	10	24	02	Deputy Chief (LEOFF)	\$4,400	\$4,524	\$4,760
522	10	24	03	Office Manager (PERS)	\$3,667	\$4,223	\$4,799
522	10	28	04	Employee Assistance Program	\$1,156	\$1,321	\$1,321
<b>Sub Total</b>					<b>\$65,526</b>	<b>\$74,342</b>	<b>\$69,612</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Administration Office &amp; Operating Supplies</b>							
522	10	31	01	Office Supplies	\$4,934	\$6,600	\$5,500
522	10	31	02	Computer Software	\$1,462	\$4,189	\$2,420
522	10	31	03	Commissioner Supplies	\$1,179	\$1,200	\$1,200
522	10	31	04	Uniforms-(Admin & Commissioners)	\$1,673	\$1,800	\$2,400
522	10	31	05	Copy Fees	\$5,692	\$5,600	\$5,700
522	10	31	06	Books & Publications	\$46	\$200	\$200
522	10	31	07	Member Recognition	\$560	\$1,500	\$1,500
<b>Sub Total</b>					<b>\$15,546</b>	<b>\$21,089</b>	<b>\$18,920</b>
<b>Administration Small Tools &amp; Minor Equipment (&lt;\$5,000)</b>							
522	10	35	01	Computer Hardware	\$3,209	\$6,360	\$3,000
522	10	35	02	Office Equipment	\$0	\$2,575	\$0
522	10	35	03	Furniture	\$732	\$500	\$500
<b>Sub Total</b>					<b>\$3,941</b>	<b>\$9,435</b>	<b>\$3,500</b>
<b>Administration Professional Services</b>							
522	10	41	01	Legal	\$1,015	\$5,000	\$4,000
522	10	41	02	Accounting	\$684	\$1,900	\$1,900
522	10	41	02	Recruitment & Testing	\$0	\$0	\$0
522	10	41	04	Medical and Psychological	\$0	\$50	\$40
522	10	41	05	Vaccinations	\$30	\$150	\$150
522	10	41	06	Information Technology	\$10,308	\$10,630	\$9,530
522	10	41	07	MRSC	\$120	\$120	\$320
522	10	41	08	Consulting	\$11,955	\$6,600	\$3,000
<b>Sub Total</b>					<b>\$24,112</b>	<b>\$24,450</b>	<b>\$18,940</b>
<b>Administration Communications</b>							
522	10	42	01	Postage & Shipping	\$5,296	\$4,065	\$4,480
522	10	42	02	Internet Service Provider (ISP)	\$119	\$120	\$120
522	10	42	03	Telephone	\$7,442	\$7,900	\$5,000
522	10	42	04	Cellular Telephones	\$2,452	\$1,910	\$5,710
522	10	42	05	Cable/Internet	\$3,419	\$3,505	\$2,450
<b>Sub Total</b>					<b>\$18,728</b>	<b>\$17,500</b>	<b>\$17,760</b>
<b>Travel, Lodging, &amp; Meals</b>							
522	10	43	01	Commissioners' Travel	\$779	\$1,000	\$1,000
522	10	43	02	Staff Travel	\$1,786	\$2,000	\$2,000
<b>Sub Total</b>					<b>\$2,565</b>	<b>\$3,000</b>	<b>\$3,000</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Administration Advertising</b>							
522	10	44	01	Legal Advertising	\$100	\$1,540	\$2,000
522	10	44	03	Admin Recruitment	\$1,808	\$400	\$0
<b>Sub Total</b>					<b>\$1,908</b>	<b>\$1,940</b>	<b>\$2,000</b>
<b>Administration Operating Rentals &amp; Leases</b>							
522	10	45	01	Copier	\$4,978	\$5,380	\$5,380
522	10	45	03	Miscellaneous Equipment Rental	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$4,978</b>	<b>\$5,380</b>	<b>\$5,380</b>
<b>Administration Insurance</b>							
522	10	46	01	Liability/Umbrella	\$29,987	\$33,000	\$36,300
<b>Sub Total</b>					<b>\$29,987</b>	<b>\$33,000</b>	<b>\$36,300</b>
<b>Repair &amp; Maintenance (R&amp;M)</b>							
522	10	48	01	Computer R&M	\$54	\$800	\$800
522	10	48	02	Office Equipment R&M	\$0	\$0	\$0
522	10	48	03	Miscellaneous R&M	\$0	\$100	\$100
<b>Sub Total</b>					<b>\$54</b>	<b>\$900</b>	<b>\$900</b>
<b>Miscellaneous</b>							
522	10	49	01	Professional Memberships	\$3,854	\$3,900	\$4,105
522	10	49	02	Subscriptions	\$1,116	\$1,480	\$1,600
522	10	49	03	Commissioner Off-Site Expense	\$195	\$200	\$200
522	10	49	04	Staff Off-Site Expense	\$0	\$200	\$200
522	10	49	05	On-site Meeting Expense	\$0	\$450	\$450
522	10	49	06	Recognition/Awards Dinner	\$1,303	\$100	\$300
522	10	49	07	Finance Charges	\$0	\$0	\$500
<b>Sub Total</b>					<b>\$6,468</b>	<b>\$6,330</b>	<b>\$7,355</b>
<b>Administrative Intergovernmental Services</b>							
522	10	51	02	Non-Legislative Election Fees	\$28,571	\$0	\$0
522	10	51	03	Legislative Election Fees	\$1,530	\$1,600	\$0
522	10	51	01	Administrative Audit	\$5,025	\$1,275	\$0
522	10	52	04	Sales Tax (not Paid With Purchase)	\$0	\$2,000	\$2,000
<b>Sub Total</b>					<b>\$35,126</b>	<b>\$4,875</b>	<b>\$2,000</b>
<b>Total Administrative Division Budget</b>					<b>\$478,716</b>	<b>\$475,132</b>	<b>\$476,903</b>



***Major Expenditures/Changes***

The Administrative Division budget increased 1.2% with the only major increase being in the salaries and wages of the District's Executive Staff (Fire Chief, Deputy Chief, and Office Manager). The Board of Fire Commissioners increased the compensation of executive staff to maintain compensation in line with the median of comparable agencies (based on population, assessed valuation, staffing, and cost of living).

## Operations Division

The Operations Division delivers emergency services to the community. This includes the following programs:

- Fire Suppression
- Technical Rescue
- Hazardous Materials
- Emergency Medical Services
- Domestic Preparedness
- Marine Rescue and Shipboard Firefighting (Land Based)
- Wellness/Fitness Program

### Personnel Summary

The Operations Division is comprised of our full-time, part-time, and volunteer firefighters and fire officers (with the exception of the Training and Recruitment Captain and Firefighter/Mechanic).

Table 10. Operations Staffing (current)

Classification	Volunteer	Part-Time	Full-Time
Company Officer/EMTs	0	0	2
Company Officers	2	0	0
Firefighter/EMTs	6	10	4
Firefighters	4	0	0
Support Services (Apparatus Operator)	1	0	0
EMTs	4	0	0
<b>Total Staff</b>	<b>17</b>	<b>10</b>	<b>6</b>

### Accomplishments

Major operational accomplishments in 2013 include the following:

- CWIFR significantly improved its fireground water supply capability with the purchase of 2,800' of used 5" supply hose from the Gladstone (OR) Fire Department at a considerable savings over new hose. While used, this hose has passed its annual service test and is in excellent condition. This purchase allowed the District to accelerate its fire hose replacement program to meet Washington Survey and Rating Bureau standards and the operational needs of the District.
- Work was commenced on development of the District's Standard of Coverage. This plan will clearly define the fire and non-fire risks within the District and establishes resource and response time standards for emergency incident response. A Standard of Coverage is essential in meeting the Commission on Fire Accreditation International (CFAI) accreditation criteria.

- New response plans (resources dispatched to incidents of a specific call nature, additional units for larger emergencies, and cover units in the event that resources are committed on another call) were developed and implemented along with a new scheme for paging volunteer and off duty members.
- Training was conducted to certify six members (full-time, part-time, and volunteer) as Peer Fitness Trainers. This training is a significant step forward in implementing a comprehensive wellness/fitness program to improve the health and safety of all members.

### *Strategic Goals & Initiatives*

The following goals within the District's Enterprise Wide Strategy are of particular significance to the Operations Division.

- Improve operational capability (Internal Processes)
- Focus risk reduction on community needs (Internal Processes)
- Measure organizational performance (Internal Processes)
- Improve consistency with values, mission, and vision (Internal Processes)
- Reduce incident severity (Community)
- Enhance collaboration with the community (Community)
- Maximize effectiveness, efficiency, and value (Fiscal Stewardship)

In addition to these enterprise wide goals, the Operations Division is also responsible for the following additional goals:

- Promote a culture of cooperation and teamwork (Internal Processes)
- Improve knowledge of best practice (Resources)
- Promote member health and wellness (Resources)

Major Initiatives in 2014 Include:

- Completion of the District's Standard of Coverage (SOC). This document defines targets for response times and resource requirements for different types of emergencies. This project will address the District's SOC Strategic Goal and will also allow the District to meet multiple CFAI Accreditation criteria.
- Implementation of improved documentation of fire and emergency medical responses. Improved data collection and analysis is critical to meeting our Strategic Goal related to measuring organizational performance.
- Completion of service life extension program (SLEP) for the District's water tenders. Initiated in 2011, the District has been refurbishing its water tenders to increase their useful life and improve their tactical utility for fireground water supply. This project is focused on the District's

Strategic Goals to improve operational capability and maximizing effectiveness, efficiency, and value.

- Construction of a new fire engine began in 2013 and delivery is expected in spring of 2014. This apparatus will replace Engine 512 which was purchased in 1986. This apparatus is specifically designed to serve multiple fire and rescue roles and to maximize the capability of the District's limited staff. This project is focused on the District's Strategic Goals to improve operational capability and maximizing effectiveness, efficiency, and value.
- The District will begin a long term project for replacement of fire hose to ensure safe and reliable fireground water supply and to meet Washington Survey and Rating Bureau requirements for hose inventory and length of service. This initiative addresses the District's Strategic Goal to maintain adequate infrastructure to support operations.

### 2014 Division Budget

Table 11. Operations Division Budget

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Operations Personal Services</b>							
522	20	10	03	Part-Time Firefighters Wages	\$120,822	\$164,265	\$152,397
522	20	11	01	Full-Time FF/LT	\$351,318	\$359,753	\$386,648
522	20	12	01	Shift Coverage Overtime	\$12,066	\$18,336	\$10,224
522	20	12	02	Callback Overtime	\$1,634	\$2,878	\$4,745
522	20	12	03	Project Overtime	\$2,691	\$4,839	\$7,668
522	20	12	04	Training Overtime	\$858	\$9,472	\$9,773
522	20	13	01	Educational Incentive	\$0	\$1,240	\$2,073
522	20	16	01	FF/LT Holiday Pay	\$15,919	\$17,052	\$17,575
522	20	17	01	FT FF/LT AIC Pay	\$3,919	\$4,301	\$5,482
522	20	18	01	Command Duty Officer (500)	\$7,280	\$8,015	\$0
522	20	18	07	VIP Annual Pay	\$8,981	\$6,750	\$8,938
522	20	18	08	Quarterly Stipend	\$33,676	\$30,517	\$54,072
522	20	19	01	FT FF/LT (Deferred Comp)	\$13,967	\$14,388	\$15,467
<b>Sub Total</b>					<b>\$573,131</b>	<b>\$641,806</b>	<b>\$675,062</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Operations Benefits</b>							
522	20	21	01	FT FF/LT (Medicare Only)	\$5,650	\$6,000	\$6,441
522	20	21	03	PT FF (FICA/Medicare)	\$9,243	\$11,194	\$11,659
522	20	21	04	Volunteer FF (FICA/Medicare)	\$3,425	\$5,388	\$4,821
522	20	22	01	FT FF/LT (L&I)	\$11,590	\$17,718	\$17,974
522	20	22	03	PT FF (L&I)	\$9,557	\$18,978	\$14,150
522	20	23	01	FT FF/LT (Medical & Dental)	\$74,150	\$89,202	\$82,800
522	20	23	02	PT FF (Life Insurance)	\$0	\$0	\$186
522	20	24	01	FT FF/LT (LEOFF)	\$21,084	\$21,538	\$23,231
522	20	24	03	PT FF (PERS)	\$8,632	\$14,895	\$14,036
522	20	26	01	Volunteer FFs (PensionMedical)	\$1,570	\$2,480	\$2,400
522	20	26	03	VFIS Vol Accident & Sickness Coverage	\$3,519	\$3,630	\$3,630
522	20	26	04	Life Insurance (Trusted Plans)	\$717	\$670	\$372
<b>Sub Total</b>					<b>\$149,137</b>	<b>\$191,693</b>	<b>\$181,700</b>
<b>Operations Office &amp; Operating Supplies</b>							
522	20	31	01	Fire Supplies	\$1,963	\$2,874	\$4,700
522	20	31	02	EMS Supplies	\$7,372	\$6,000	\$5,060
522	20	31	03	Special Operations Supplies	\$0	\$300	\$300
522	20	31	04	Small Equipment R&M	\$1,952	\$4,290	\$3,890
522	20	31	06	Uniforms	\$39,301	\$14,083	\$26,600
522	20	31	07	Computer Software	\$0	\$1,900	\$2,800
522	20	31	08	Computer Hardware	\$336	\$350	\$1,300
522	20	31	09	Office Supplies	\$0	\$1,500	\$1,100
<b>Sub Total</b>					<b>\$50,924</b>	<b>\$31,297</b>	<b>\$45,750</b>
<b>Operations Fuel</b>							
522	20	32	1	Motor Fuel	\$24,756	\$30,000	\$32,000
<b>Sub Total</b>					<b>\$24,756</b>	<b>\$30,000</b>	<b>\$32,000</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Small Tools &amp; Minor Equipment (&lt;\$5,000)</b>							
522	20	35	01	Fire Equipment	\$8,919	\$15,370	\$12,250
522	20	35	02	EMS Equipment	\$978	\$7,000	\$200
522	20	35	03	Special Operations Equipment	\$0	\$500	\$1,800
522	20	35	04	Communications Equipment	\$3,378	\$9,450	\$4,900
522	20	35	05	Personal Protective Equipment	\$8,605	\$15,650	\$44,555
522	20	35	06	Miscellaneous Equipment	\$1,642	\$0	\$0
522	20	35	07	Computer Equipment	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$23,523</b>	<b>\$47,970</b>	<b>\$63,705</b>
<b>Professional Services</b>							
522	20	41	01	Breathing Air Testing	\$236	\$900	\$900
522	20	41	02	SCBA Testing	\$3,092	\$3,400	\$3,465
522	20	41	03	Recruitment & Testing	\$2,472	\$4,300	\$4,095
522	20	41	04	Medical and Psychological	\$7,721	\$14,295	\$21,450
522	20	41	05	Vaccinations	\$60	\$3,900	\$4,540
<b>Sub Total</b>					<b>\$13,581</b>	<b>\$26,795</b>	<b>\$34,450</b>
<b>Communications</b>							
522	20	42	01	ICOM Dispatch Charges	\$25,844	\$29,955	\$28,000
522	20	42	02	ICOM Other Charges	\$0	\$0	\$0
522	20	42	03	Data Cards for MDCs	\$2,796	\$3,600	\$4,100
<b>Sub Total</b>					<b>\$28,640</b>	<b>\$33,555</b>	<b>\$32,100</b>
<b>Operating Rentals &amp; Leases</b>							
522	20	45	01	Equipment Rental	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Repair &amp; Maintenance (R&amp;M)</b>							
522	20	48	01	Apparatus R&M	\$0	\$0	\$0
522	20	48	02	Communications Equipment R&M	\$1,182	\$5,700	\$3,300
522	20	48	03	Equipment R&M	\$1,221	\$2,000	\$2,240
522	20	48	04	Boat R&M	\$169	\$3,000	\$1,650
522	20	48	06	Personal Protective Equipment R&M	\$0	\$1,500	\$1,500
<b>Sub Total</b>					<b>\$2,572</b>	<b>\$12,200</b>	<b>\$8,690</b>



					2012 Actual	2013 Adjusted	2014 Adopted
<b>Miscellaneous Services</b>							
522	20	49	01	Miscellaneous Services	\$0	\$0	\$0
522	20	49	02	Incident Rehab & Meals	\$1,968	\$500	\$1,500
<b>Sub Total</b>					<b>\$1,968</b>	<b>\$500</b>	<b>\$1,500</b>
<b>Total Operations Budget</b>					<b>\$868,231</b>	<b>\$1,015,816</b>	<b>\$1,074,957</b>

### *Major Expenditures/Changes*

Overall, the proposed Operations Division Budget increased 3.6% from the 2013 Adopted Budget.

In 2013, the District completed renegotiation of the Collective Bargaining Agreement with Local 4299 International Association of Firefighters (IAFF) which represents our full-time firefighters and fire officers (excluding the Fire Chief and Deputy Chief). The current agreement brings our full-time members in line with the median of comparable agencies (based on population, assessed valuation, staffing, and cost of living).

Since 2012, the department has made incremental changes to the uniforms that are provided for all CWIFR members in order to ensure that all three legs of the stool (volunteer, part-time, and full-time) are treated equally, and members present themselves in a professional manner while delivering emergency and non-emergency services in the community. The department has also done a more comprehensive job of identifying the true costs involved with purchasing all of the uniform items required for new members, and increased the annual uniform amounts provided for part-time and volunteer members of the organization. The most significant increase in the 2014 uniform line item is related to the anticipated addition of seven new volunteer members.

One of the most significant costs involved with bringing new members into the organization is outfitting them with personal protective equipment (PPE). Although PPE is returned when members leave the organization, the department often does not have the correct sizes in inventory to outfit new members coming into the department. A significant portion of the rise in budgeted funds for 2014 PPE is associated with the anticipated addition of seven new volunteer members. CWIFR is also in the beginning stages of adding some additional turnout sets into inventory. In order to provide members with PPE that can be worn for emergency incidents while their gear is being laundered following emergency incidents that contaminate the gear, the department has identified the need to keep common sized PPE in inventory.

Cost increases in the funds requested for PPE are also related to changes in PPE that are issued to new members. Beginning in 2012, the department started issuing EMS/Wildland coveralls to members. The coveralls are used for response to emergency medical incidents, natural vegetation fires, and other types of emergency incidents that do not require structural firefighting protective clothing. Additionally, the department has budgeted funds in 2014 to begin the process of ensuring that members have

appropriate footwear for natural vegetation fires, and emergency incidents that require foot travel over rough and unstable terrain.

Over the past two years, CWIFR has made significant changes to the entry process for volunteer members. The most notable change includes a comprehensive medical evaluation for all new members entering the organization. Following the medical evaluation, CWIFR receives a report indicating whether or not the candidate is fit to perform the functions they will be tasked with as an emergency responder. Candidates deemed not fit for the work with which they will be tasked are not moved forward in the volunteer entry process.

The United States Fire Administration has published a report for Firefighter Fatalities in the United States in 2012. The report clearly illustrates that stress/overexertion is the number one cause of death for firefighters. With that in mind CWIFR is committed to continuing to ensure that our members are physically fit enough to perform the emergency work they are called on to deliver. In order to help ensure that members maintain a high level of physical fitness, the department has budgeted funds to make annual physicals available for CWIFR members. Although there is a significant budget cost increase associated with annual physicals, the cost of not making physicals available is as high or higher when you consider the potential impact of a firefighter fatality to the organization, the firefighter's family, and the community.

### **Life Safety/Community Risk Reduction Division**

The Life Safety/Community Risk Reduction (CRR) Division works through community partnerships to reduce the risk of harm from fires, illness, injury, and other hazards in the community.

Life Safety/CRR programs include

- Fire Safety Inspections of Commercial Buildings
- Public Education Programs
- Fire Investigation
- Water Supply (Hydrant Inspection and Testing)
- Pre-Incident Planning

### ***Personnel Summary***

While a separate Division from a budgetary and functional perspective, the Fire Prevention/Community Risk Reduction Division is staffed entirely by members within the Operations Division.

Given the major responsibility for Life Safety/Community Risk Reduction placed on our full-time Fire Officers and Firefighters currently assigned in the Operations Division, the District is strongly considering reallocating these positions to the Life Safety/Community Risk Reduction Division in 2015. This will not change their operational responsibility, but is likely to more accurately reflect the District's commitment of resources to the Life Safety/Community Risk Reduction function and the District's mission.

### ***Accomplishments***

Major life safety and community risk reduction accomplishments in 2013 include the following:

- An extended effort to develop a fire inspection Interlocal agreement with Island County was concluded in 2013 with scheduled implementation in 2014.
- The process of completing a community risk assessment was initiated in 2013 (in conjunction with development of a Standard of Coverage by the Operations Division). This assessment will allow targeting of community risk reduction programs on key risks faced by our community.
- Anecdotally, falls, particularly among the senior population are a significant risk in the Central Whidbey Island community. LT Jen Porter participated in the Falls Prevention Symposium – Standing Together: A Community Approach to Falls Prevention and has worked with Alan Abe, Program Manager-Injury Prevention from King County (WA) Emergency Medical Services to identify potential strategies to quantify and address this risk.

***Strategic Goals & Initiatives***

The following goals within the District's Enterprise Wide Strategy are of particular significance to the Life Safety/Community Risk Reduction Division.

- Focus risk reduction on community needs (Internal Processes)
- Measure organizational performance (Internal Processes)
- Improve consistency with values, mission, and vision (Internal Processes)
- Reduce incident severity (Community) Reduce incident frequency (Community)
- Enhance collaboration with the community (Community)
- Maximize effectiveness, efficiency, and value (Fiscal Stewardship)

In addition to these enterprise wide goals, the Life Safety/Community Risk Reduction Division is also responsible for the following additional goals:

- Increase accuracy of community risk perception (Organizational Excellence)
- Promote a culture of cooperation and teamwork (Internal Process)
- Improve knowledge of best practice (Resources)

**Major Initiatives in 2014**

- Since 1996 CWIFR has performed fire safety inspections of commercial buildings under an inter-local agreement with the Town of Coupeville. In 2014, this program will be extended to commercial buildings in the unincorporated areas of the District under an inter-local agreement with Island County. This initiative is directly tied to the District's Strategic Goals to reduce incident frequency and to enhance collaboration and partnerships with our community.
- Data from the comprehensive community risk assessment performed as part of developing the District's Standard of Coverage (SOC) will be used to develop a CRR plan to target initiatives on major risks in the community. This initiative is directly tied to the District's Strategic Goal to focus risk reduction on community needs. However, it also addresses Strategic Goals to reduce incident frequency, to enhance collaboration and partnerships with our community, and increasing the accuracy of community perception of risk.
- CWIFR will begin the process of developing a coalition of community partners including (but not limited to) Whidbey General EMS, Island County Public Health, Island County Senior Services to reduce potential harm from fire, illness, and injury (such as those resulting from falls) in at risk populations within the District, and across Whidbey Island.
- The District will begin exploration of the feasibility of developing and implementing a home safety survey program that addresses the risk of fire, falls, and other significant hazards. This initiative is directly tied to the District's Strategic Goals to reduce incident frequency and to enhance collaboration and partnerships with our community

- The District will continue to work towards meeting the target goal of inspecting all fire hydrants in the District on an annual basis and flow testing of every hydrant on a four year interval. This initiative is directly tied to the District's Strategic Goals to enhance collaboration and partnerships with our community and maintaining adequate infrastructure to support operations.
- In 2014, the District will develop and implement a program to identify and develop pre-plans for homes or other buildings with limited access due to long driveway length. This project is tied to the District's Strategic Goal to improve operational capability.
- The District will also plan for developing pre-incident plans for commercial and multi-family residential occupancies (apartments and condominiums). This plan will identify these target hazards, methodology for developing the pre-plans, and a storage and retrieval system (preferably tied to the computer aided dispatch system).

### 2014 Division Budget

Table 12. Life Safety/Community Risk Reduction Division Budget

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Life Safety/CRR Office &amp; Operating Supplies</b>							
522	30	31	01	Office Supplies	\$0	\$200	\$275
522	30	31	02	Fire Prevention Supplies	\$190	\$340	\$350
522	30	31	03	Marketing/Fire Public Education Supplies	\$2,353	\$1,830	\$2,530
522	30	31	04	EMS Public Education Supplies	\$3,809	\$6,850	\$6,150
522	30	31	05	Fire Investigation Supplies	\$0	\$100	\$100
522	30	31	06	Pre-Incident Supplies	\$1,667	\$1,535	\$1,200
522	30	31	07	Books & Publications	\$157	\$200	\$0
522	30	31	08	Computer Software	\$0	\$60	\$0
<b>Sub Total</b>					<b>\$8,175</b>	<b>\$11,115</b>	<b>\$10,605</b>
<b>Life Safety/CRR Small Equipment &amp; Tools (&lt;\$5,000)</b>							
522	30	35	01	Computer Hardware	\$0	\$0	\$0
522	30	35	02	Office Equipment	\$0	\$0	\$0
522	30	35	03	Pre-Incident Equipment	\$1,457	\$0	\$0
<b>Sub Total</b>					<b>\$1,457</b>	<b>\$0</b>	<b>\$0</b>
<b>Live Safety/CRR Professional Services</b>							
522	30	41	01	Legal	\$0	\$0	\$0
522	30	41	02	Plans Review	\$0	\$500	\$500
522	30	41	03	Life Safety Consulting	\$0	\$3,200	\$3,200
<b>Sub Total</b>					<b>\$0</b>	<b>\$3,700</b>	<b>\$3,700</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Live Safety/CRR Travel, Lodging, &amp; Meals</b>							
522	30	43	01	Life Safety Meetings	\$0	\$1,100	\$500
<b>Sub Total</b>					<b>\$0</b>	<b>\$1,100</b>	<b>\$500</b>
<b>Live Safety/CRR Operating Rentals &amp; Leases</b>							
522	30	45	01	Equipment Rental	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Live Safety/CRR Repair &amp; Maintenance (R&amp;M)</b>							
522	30	48	01	Miscellaneous R&M	\$0	\$0	\$150
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$150</b>
<b>Live Safety/CRR Miscellaneous Services</b>							
522	30	49	01	Professional Memberships	\$0	\$75	\$0
522	30	49	02	Life Safety Meeting Expense	\$0	\$325	\$500
522	30	49	03	Subscriptions	\$0	\$0	\$0
522	30	49	04	Community Risk Reduction Grant	\$0	\$1,000	\$1,000
<b>Sub Total</b>					<b>\$0</b>	<b>\$1,400</b>	<b>\$1,500</b>
<b>Total Life Safety/Community Risk Reduction Budget</b>					<b>\$9,632</b>	<b>\$17,315</b>	<b>\$16,455</b>

### *Major Expenditures/Changes*

There are no major expenditures and the Life Safety/Community Risk Reduction Division Budget has a 4.97% decrease in 2014.

CWIFR has a defined mission of “partnering with our community to proactively reduce risk from fire, illness, injury, and other hazards. Over the past several years, CWIFR has delivered some risk reduction training, but historically a large part of the effort delivered would likely be more appropriately categorized as organizational marketing. With a mission that commits the organization to proactively reducing the risk from fire, illness, injury, and other hazards, the organization is committed to focusing community risk reduction efforts on the most significant risks that exist within our community. In order to accomplish that effort, the Life Safety Division is beginning the process of collecting data that identifies CWIFR’s most significant risks, and networking with other organizations facing similar risks.

Although the department does not currently have data readily available to identify the most significant risks that exist within the community, the department has started some preliminary work on risks reduction programs that will likely become a primary focus (e.g., senior falls, and home safety surveys). Until data is in place to support the most critical risk reduction programs needed, the Life Safety/Community Risk Reduction Division has made a conscious decision to take a financially conservative approach to the resources requested. Once the primary risks are fully identified, and the resources needed are pinpointed, the Division will explore the funding options available to support the most critical programs identified.



### **Training/Recruitment Division**

The Training/Recruitment Division ensures that the District has adequate volunteer, part-time, and full-time staff and to ensure that our members are knowledgeable and proficient in the skills necessary to serve our community.

The Training/Recruitment Division is responsible for the following major programs and functions.

- Recruitment, Retention & Promotion
- Fire Training
- Emergency Medical Training
- Special Operations Training
- Apparatus Operator Training
- Best Practice Research

### ***Personnel Summary***

The Training/Recruitment Division is staffed by an Acting Captain. While staffed with a single FTE, this division draws on the other divisions as needed to meet the professional development and recruitment needs of the District.

### ***Accomplishments***

Major training and recruitment accomplishments in 2013 include the following:

- The position of Training and Recruitment Captain was filled early in 2013 with assignment of a Lieutenant, Acting in Capacity (AIC) as a Captain. A promotional process to fill this position on a permanent basis will be conducted late in 2014.
- The District's Apparatus Operator Field Training and Evaluation Program was expanded to include qualification to drive and operate water tenders (previously the program addressed the qualification requirements for light apparatus and fire engines, but not heavier mobile water supply apparatus).
- District staff developed a Field Training and Evaluation Program for new Emergency Medical Technicians (EMTs) to ensure successful transition from the training environment to the field and ensure a high level of proficiency in patient assessment and emergency medical care.
- Fire and rescue training was shifted to delivery in six week blocks integrating large and small group sessions providing increased opportunity for skill development.
- The Training and Recruitment Division developed and conducted a recruitment process for the position of Firefighter/Mechanic inclusive of interview process and a technical skills assessment center.

### *Strategic Goals & Initiatives*

The following goals within the District's Enterprise Wide Strategy are of particular significance to the Training/Recruitment Division.

- Ensure adequate staffing (Resources)
- Improve operational capability (Internal Processes)
- Measure organizational performance (Internal Processes)
- Improve consistency with values, mission, and vision (Internal Processes)
- Enhance collaboration with the community (Community)
- Maximize effectiveness, efficiency, and value (Fiscal Stewardship)

In addition to these enterprise wide goals, the Training/Recruitment Division is also responsible for the following additional goals:

- Promote a culture of cooperation and teamwork (Internal Processes)
- Ensure effective HR practices (Internal Processes)
- Improve knowledge of best practice (Resources)
- Promote member health and wellness (Resources)

### Major Initiatives in 2014

- In 2014, the Training/Recruitment Division will implement a major recruitment initiative to strengthen the District's volunteer staffing by seven personnel. This initiative is directly tied to the District's Strategic Goal to ensure adequate staffing.
- In order to provide a mechanism to recruit emergency responders (Firefighters and EMTs) along with support services and community risk reduction volunteers, the Training/Recruitment Division will develop an initial entry training program to allow members to quickly develop the skills necessary to provide service and as desired transition to other roles in the District. This initiative focuses on the District's Strategic Goal to ensure effective human resource practices.
- In 2014, the Training/Recruitment Division will implement training to allow members to attain certification at the Firefighter 2 and Instructor 1 levels. These two training programs are an integral part of qualifying members to serve as crew or team leaders during emergency operations and provide a foundation for volunteer members who aspire to become officers. This initiative focuses on the District's Strategic Goal to ensure effective human resource practices.
- Develop a career path integrating the various ranks and roles within CWIFR to provide a clear path for professional development. In conjunction with the career path, the Training/Recruitment Division will develop a training plan to ensure that the District provides or provides access to the training necessary for our members to develop and maintain

competence. This initiative focuses on the District's Strategic Goal to ensure effective human resource practices.

- Expand the District's Field Training and Evaluation Program (FTEP) to include Firefighter and Crew Leader qualification. This initiative focuses on the District's Strategic Goal to ensure effective human resource practices.
- In 2014, the Training/Recruitment Division will also begin the process of developing individual and crew based operational and performance standards along with an annual physical capacity assessment to ensure that our members are proficient in critical skills and have the necessary physical capacity to perform in their current role. This initiative focuses on the District's Strategic Goal to ensure effective human resource practices.

### 2014 Division Budget

Table 13. Training/Recruitment Division Budget

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Training Salaries &amp; Wages</b>							
522	45	11	01	FT CAPT (LT AIC As Captain)	\$0	\$66,688	\$72,655
522	45	12	01	Training Overtime (Captain)	\$0	\$770	\$0
522	45	12	03	Project Overtime (Captain)	\$0	\$0	\$996
522	45	17	01	AIC Differential	\$0	\$2,402	\$3,812
522	45	19	01	FT CAPT (Deferred Comp)	\$0	\$2,663	\$2,907
522	45	20	01	Training Education Incentive	\$0	\$940	\$1,302
<b>Sub Total</b>					<b>\$0</b>	<b>\$73,463</b>	<b>\$81,672</b>
<b>Training Benefits</b>							
522	45	21	01	FT CAPT (Medicare Only)	\$0	\$987	\$1,219
522	45	22	01	FT CAPT (L&I)	\$0	\$2,370	\$2,865
522	45	23	01	FT CAPT (Medical/Dental)	\$0	\$9,453	\$9,410
522	45	24	01	FT CAPT (LEOFF)	\$0	\$4,276	\$4,396
<b>Sub Total</b>					<b>\$0</b>	<b>\$17,086</b>	<b>\$17,890</b>
<b>Training Office &amp; Operating Supplies</b>							
522	45	31	01	Office Supplies	\$0	\$0	\$500
522	45	31	02	Fire Training-Operating Supplies	\$292	\$7,105	\$7,500
522	45	31	03	EMS Training-Operating Supplies	\$96	\$1,900	\$1,000
522	45	31	04	Special Ops Training-Operating Supplies	\$0	\$0	\$0
522	45	31	05	Officer Develop Training-Operating Supplies	\$1,800	\$0	\$0
522	45	31	06	Other Training	\$0	\$0	\$0
522	45	31	07	Computer Software	\$0	\$2,200	\$2,000
522	45	31	08	Books & Publications	\$1,467	\$3,720	\$3,000
522	45	31	09	Uniforms-Training	\$0	\$0	\$500
<b>Sub Total</b>					<b>\$3,655</b>	<b>\$14,925</b>	<b>\$14,500</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Training Fuel</b>							
522	45	32	01	Training Propane	\$96	\$555	\$500
<b>Sub Total</b>					<b>\$96</b>	<b>\$555</b>	<b>\$500</b>
<b>Training Small Tools &amp; Equipment</b>							
522	45	35	01	Fire Training Tools & Equipment	\$0	\$0	\$0
522	45	35	02	EMS Training Tools & Equipment	\$1,570	\$1,000	\$1,000
522	45	35	03	Special Ops Training Tools & Equipment	\$0	\$0	\$0
522	45	35	04	Officer Development Tools & Equipment	\$0	\$0	\$0
522	45	35	05	Computer Hardware	\$0	\$2,500	\$120
522	45	35	06	Safety Equipment	\$0	\$0	\$0
522	45	35	07	Station Furniture	\$0	\$5,475	\$3,000
<b>Sub Total</b>					<b>\$1,570</b>	<b>\$8,975</b>	<b>\$4,120</b>
<b>Training Professional Services</b>							
522	45	41	01	Consulting Services	\$2,168	\$545	\$0
<b>Sub Total</b>					<b>\$2,168</b>	<b>\$545</b>	<b>\$0</b>
<b>Training Travel, Lodging, &amp; Meals</b>							
522	45	43	01	Fire Training (TLM)	\$73	\$2,915	\$2,600
522	45	43	02	EMS Training (TLM)	\$421	\$0	\$3,167
522	45	43	03	Special Ops Training (TLM)	\$0	\$250	\$0
522	45	43	04	Officer Development (TLM)	\$960	\$1,860	\$1,260
522	45	43	05	Other Training (TLM)	\$486	\$1,700	\$1,450
522	45	43	06	Commissioner Training (TLM)	\$5,544	\$5,400	\$5,400
<b>Sub Total</b>					<b>\$7,485</b>	<b>\$12,125</b>	<b>\$13,877</b>
<b>Advertising</b>							
522	45	44	01	Recruitment Advertising	\$0	\$0	\$1,000
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$1,000</b>
<b>Operating Rentals &amp; Leases</b>							
522	45	45	01	EMS Online	\$1,500	\$1,550	\$1,750
522	45	45	02	Equipment Rental	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$1,500</b>	<b>\$1,550</b>	<b>\$1,750</b>
<b>Training Repair &amp; Maintenance</b>							
522	45	48	01	Miscellaneous R&M	\$0	\$500	\$500
<b>Sub Total</b>					<b>\$0</b>	<b>\$500</b>	<b>\$500</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Training Miscellaneous</b>							
522	45	49	01	Fire Training-Registrations	\$2,106	\$11,380	\$10,750
522	45	49	02	EMS Training-Registrations	\$5,643	\$11,750	\$6,567
522	45	49	03	Special Ops Training-Registrations	\$0	\$1,800	\$2,000
522	45	49	04	Officer Develop Training-Registrations	\$10	\$823	\$550
522	45	49	05	Other Training-Registrations	\$2,225	\$2,860	\$3,300
522	45	49	06	Commissioner Training-Registrations	\$1,360	\$3,550	\$2,900
522	45	49	07	Tuition (college credit classes)	\$463	\$3,000	\$3,000
522	45	49	08	Professional Memberships	\$165	\$250	\$75
522	45	49	09	Subscriptions	\$25	\$900	\$100
522	45	49	10	Vision Training	\$0	\$4,500	\$4,500
<b>Sub Total</b>					<b>\$11,996</b>	<b>\$40,813</b>	<b>\$33,742</b>
<b>Training Intergovernmental Professional Services</b>							
522	45	51	01	Permits	\$75	\$150	\$100
<b>Sub Total</b>					<b>\$75</b>	<b>\$150</b>	<b>\$100</b>
<b>Total Training Division Budget</b>					<b>\$28,544</b>	<b>\$170,687</b>	<b>\$169,651</b>

### *Major Expenditures/Changes*

Overall, the proposed Training Division Budget increased 0.8% from the 2013 Adopted Budget.

The salary and benefits for Training and Recruitment Captain (currently a Lieutenant Acting in Capacity (AIC) as Captain) comprises a major portion of the Training/Recruitment Division Budget. As with the Operations Division, the current collective bargaining agreement provided for increases in compensation to bring our IAFF represented full time members (including the ranks of Lieutenant and Captain) to the median of our comparable agencies.

Training Operating and Office Supplies have been increased \$3,180 from the previous year. This increase provides additional expendable supplies for hands-on training and fire simulation software used to develop proficiency in fireground decision-making and incident management.

The Miscellaneous category within BARS is not particularly descriptive. However, within the training function this includes course fees for external training programs. The significant decrease in this line is in large part due to a one-time expenditure to host a Certified Peer Fitness Trainer course in 2013. A significant portion of the cost of this training program was recovered (reflected in revenue while the course cost is reflected in the expense section of the budget). The proposed funding in these lines in 2014 is focused largely on developing foundational skills required for fireground leadership (senior firefighters and officers).

## **Facilities Division**

The Facilities division maintains and minimizes the long term operational cost of the District's real property and physical facilities such as fire stations and related infrastructure.

Programs: The Facilities Division is responsible for the following major programs and projects:

- Facilities maintenance
- Energy efficiency
- Facilities planning

## ***Personnel Summary***

While separate from a functional and budgetary perspective, the Facilities Division is entirely staffed by personnel from the Operations Division. Managed by a Lieutenant, each shift is responsible for one of the District's Fire Stations with shared responsibility for Station 52 (the District's warehouse).

## ***Accomplishments***

Major facilities accomplishments in 2013 include the following:

- Station 51 was renovated to provide office space for the volunteer officers at this station.
- A major renovation of the classroom and office space was performed at Station 53. This renovation improved the traffic flow within the building, provided office space for the Training and Recruitment Captain and Firefighter/Mechanic, and upgraded instructional technology in the classroom.

## ***Strategic Goals & Initiatives***

The following goals within the District's Enterprise Wide Strategy are of particular significance to the Facilities Division.

- Maintain adequate infrastructure to support operations (Resources)
- Measure organizational performance (Internal Processes)
- Improve consistency with values, mission, and vision (Internal Processes)
- Enhance collaboration with the community (Community)
- Maximize effectiveness, efficiency, and value (Fiscal Stewardship)

In addition to these enterprise wide goals, the Facilities Division is also responsible for the District's strategic goal to improve knowledge of best practice (Resources).



## Major Initiatives in 2014

- In 2014, the District will perform a comprehensive assessment of the Districts existing facilities and develop a long range plan to meet operational cost, while minimizing long term expense to the District's taxpayers.
- Replacement of lighting and other electrical components to reduce the Districts electrical energy use. This project is anticipated to be funded in part with a Puget Sound Energy grant and is projected to pay for itself within five years.
- In 2013, the District experienced a water leak at Station 54 due to failure of the water heater. The leak resulted in damage to floor covering in several rooms and damage to several walls. The classroom and hallway floor covering will be replaced in 2014.

**2014 Division Budget**

Table 14. Facilities Division Budget

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Facilities Office &amp; Operating Supplies</b>							
522	50	31	01	Janitorial Supplies	\$2,536	\$2,500	\$2,200
522	50	31	02	Station 51 (Operating Supplies)	\$587	\$1,000	\$500
522	50	31	03	Station 52 (Operating Supplies)	\$117	\$200	\$200
522	50	31	04	Station 53 (Operating Supplies)	\$3,008	\$2,600	\$2,300
522	50	31	05	Station 54 (Operating Supplies)	\$698	\$800	\$800
522	50	31	06	Training Center	\$3,874	\$5,000	\$2,500
<b>Sub Total</b>					<b>\$10,819</b>	<b>\$12,100</b>	<b>\$8,500</b>
<b>Facilities Fuel</b>							
522	50	32	01	Training Propane	\$0	\$0	\$0
522	50	32	03	Station 51 Propane	\$5,134	\$9,000	\$7,500
522	50	32	07	Station 52 Propane	\$1,649	\$1,400	\$1,200
522	50	32	10	Station 53 Propane	\$2,945	\$4,250	\$4,000
522	50	32	13	Station 54 Propane	\$3,600	\$4,750	\$4,250
<b>Sub Total</b>					<b>\$13,328</b>	<b>\$19,400</b>	<b>\$16,950</b>
<b>Facilities Small Tools &amp; Equipment</b>							
522	50	35	01	Facilities Furniture	\$0	\$0	\$0
522	50	35	02	Facilities Equipment & Tools	\$902	\$2,000	\$2,000
522	50	35	03	Grounds Equipment	\$539	\$500	\$2,250
522	50	35	04	Fitness Equipment	\$1,924	\$500	\$1,500
<b>Sub Total</b>					<b>\$3,366</b>	<b>\$3,000</b>	<b>\$5,750</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Facilities Professional Services</b>							
522	50	41	01	Burn Building Inspection	\$0	\$0	\$0
522	50	41	02	Generator Testing & Maintenance	\$520	\$1,200	\$1,200
522	50	41	04	Fire & Security Systems	\$2,902	\$2,910	\$2,960
522	50	41	05	Fire Extinguisher Inspection	\$0	\$600	\$600
522	50	41	06	Pest Control Services	\$0	\$400	\$400
<b>Sub Total</b>					<b>\$3,422</b>	<b>\$5,110</b>	<b>\$5,160</b>
<b>Facilities Operating Rentals &amp; Leases</b>							
522	50	45	01	Equipment Rental	\$0	\$1,500	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$1,500</b>	<b>\$0</b>
<b>Facilities Utilities</b>							
522	50	47	01	Station 51 Electric	\$3,168	\$4,000	\$3,600
522	50	47	02	Station 51 Garbage	\$223	\$305	\$275
522	50	47	03	Station 51 Water	\$531	\$230	\$300
522	50	47	04	Station 52 Electric	\$482	\$1,400	\$300
522	50	47	05	Station 52 Garbage	\$0	\$0	\$0
522	50	47	06	Station 53 Electric	\$10,049	\$9,500	\$10,500
522	50	47	07	Station 53 Garbage	\$2,904	\$2,920	\$2,950
522	50	47	08	Station 54 Electric	\$1,700	\$1,600	\$1,700
522	50	47	09	Station 54 Garbage	\$0	\$0	\$0
522	50	47	10	Training Center Electric	\$605	\$1,450	\$800
522	50	47	11	Landfill Fees	\$750	\$1,000	\$1,000
522	50	47	12	Station 53 Water	\$951	\$1,250	\$1,250
522	50	47	13	Station 54 Water	\$120	\$480	\$480
<b>Sub Total</b>					<b>\$21,484</b>	<b>\$24,135</b>	<b>\$23,155</b>
<b>Facilities Repair &amp; Maintenance</b>							
522	50	48	01	Station 51 (R&M)	\$4,979	\$7,000	\$5,260
522	50	48	02	Station 52 (R&M)	\$2,540	\$1,000	\$1,165
522	50	48	03	Station 53 (R&M)	\$5,456	\$15,000	\$11,325
522	50	48	04	Station 54 (R&M)	\$1,095	\$7,070	\$2,595
522	50	48	05	Training Center (R&M)	\$508	\$3,200	\$0
<b>Sub Total</b>					<b>\$14,577</b>	<b>\$33,270</b>	<b>\$20,345</b>
<b>Intergovernmental Professional Services</b>							
522	50	51	04	Station 51 Water Heater Inspection	\$0	\$138	\$138
522	50	51	02	Station 53 Water Heater Inspection	\$65	\$275	\$275
522	50	51	03	Station 54 Water Heater Inspection	\$0	\$138	\$138
<b>Sub Total</b>					<b>\$65</b>	<b>\$551</b>	<b>\$551</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Facilities Intergovernmental Payments</b>							
522	50	20	01	Property Tax (Forest Protection)	\$0	\$18	\$18
<b>Sub Total</b>					<b>\$0</b>	<b>\$18</b>	<b>\$18</b>
<b>Total Facilities Division Budget</b>					<b>\$67,061</b>	<b>\$99,084</b>	<b>\$80,429</b>

### *Major Expenditures/Changes*

Overall, the proposed Facilities Division Budget decreased 18.03% from the 2013 Adopted Budget.

For a number of years, CWIFR has not had a dedicated member assigned to oversee the District facilities. Career members, part-time members, and volunteer members all have contributed to assisting with yard care maintenance, but no single person has been directly responsible for the routine and preventative maintenance of the facilities. With the promotion of career Lieutenants, CWIFR now has a career Lieutenant that has been specifically assigned to oversee the Facilities Division. The promotion to the new position of Lieutenant assigned to oversee Facilities took place the first part of 2013.

The Lieutenant assigned to oversee the Facility Division is in the process of receiving training on facility management, in order to learn about the wide range of responsibilities that go along with managing facilities. In 2013 he completed training with the Department of Washington State Labor and Industries to learn about public work projects and bid requirements, and he has been introduced to the process of putting bids out for public works projects. In 2014, he will continue his training taking a more in depth look at preventative maintenance, energy efficiency, and how to improve the overall appearance of the District facilities. Due to the learning curve involved with stepping into the new position, the Lieutenant was very conservative with the funding he requested for the 2014 calendar year. Once additional information has been obtained on preventative maintenance that needs to be completed, energy efficiencies the department could benefit from exploring, and ways to improve/maintain the exterior appearance of District facilities, it is likely that the request for funding in Facilities will increase.

## Vehicle Maintenance Division

The Vehicle Maintenance Division inspects, maintains, and repairs the District's apparatus to ensure operational reliability and minimize the ongoing expense for fire apparatus, other vehicles, and equipment.

The Vehicle Maintenance Division is responsible for the following major programs and projects.

- Fleet Maintenance Program Management
- Apparatus Inspection and Testing
- Preventative Maintenance
- Repair
- Specifications for Apparatus and Support Vehicle Purchase

### *Personnel Summary*

The Vehicle Maintenance Division is staffed by the Firefighter/Mechanic who manages the District's fleet maintenance program, serves as a mechanic, and maintains an operational role as a Firefighter/EMT.

### *Accomplishments*

2013 was the third year of the District's apparatus inspection program in compliance with National Fire Protection Association 1911 *Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus* (NFPA, 2012) with a noticeable decrease in breakdowns and unscheduled repairs.

### *Strategic Goals & Initiatives*

The following goals within the District's Enterprise Wide Strategy are of particular significance to the Vehicle Maintenance Division.

- Maintain adequate infrastructure to support operations (Resources)
- Measure organizational performance (Internal Processes)
- Improve consistency with values, mission, and vision (Internal Processes)
- Enhance collaboration with the community (Community)
- Maximize effectiveness, efficiency, and value (Fiscal Stewardship)

In addition to these enterprise wide goals, the Training/Recruitment Division is also responsible for the following additional goals:

- Promote a culture of cooperation and teamwork (Internal Processes)
- Improve knowledge of best practice (Resources)

## Major Initiatives in 2014

- As the Vehicle Maintenance Division was created and staffed in 2013, the first initiative will be to complete development of a comprehensive fleet assessment and preventative maintenance program and fleet maintenance performance measures.
- Begin the process of transitioning annual inspection of major fire apparatus consistent with the provisions of NFPA 1911 *Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus* (NFPA, 2012) from the District's Emergency Vehicle Technician (EVT) certified contractor to the Firefighter/Mechanic.
- Complete year 1 training requirements for the Firefighter/Mechanic including certification as an Emergency Medical Technician (EMT) and Level I EVT for Fire Apparatus.
- Continuously Improve the Districts preventative maintenance program.

**2014 Division Budget**

Table 15. Vehicle Maintenance Division Budget

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Vehicle Maintenance Salaries &amp; Wages</b>							
522	60	11	01	FT FF Mechanic	\$0	\$24,682	\$65,074
522	60	12	01	FT FF Mechanic (Vehicle Maint O/T)	\$0	\$920	\$740
522	60	12	02	FT FF Mechanic (Other Overtime)	\$0	\$0	\$0
522	60	13	01	FT FF Mechanic Educational Incentive	\$0	\$280	\$1,301
522	60	19	01	FT FF Mechanic (Deferred Comp)	\$0	\$987	\$2,603
<b>Sub Total</b>					<b>\$0</b>	<b>\$26,869</b>	<b>\$69,718</b>
<b>Vehicle Maintenance Benefits</b>							
522	60	21	01	FT FF Mechanic (Medicare Only)	\$0	\$371	\$1,005
522	60	22	01	FT FF Mechanic (L&I)	\$0	\$2,370	\$2,865
522	60	23	01	FT FF Mechanic (Medical/Dental)	\$0	\$9,301	\$20,038
522	60	24	01	FT FF Mechanic (LEOFF)	\$0	\$1,342	\$3,625
<b>Sub Total</b>					<b>\$0</b>	<b>\$13,384</b>	<b>\$27,533</b>
<b>Vehicle Maintenance Office and Operating Supplies</b>							
522	60	31	01	Apparatus R&M Supplies	\$3,814	\$4,000	\$4,000
522	60	31	02	Computer Software	\$0	\$1,500	\$1,500
522	60	31	03	Computer Hardware	\$0	\$500	\$500
522	60	31	04	Uniforms-Mechanic	\$0	\$0	\$500
522	60	31	05	Office Supplies	\$0	\$0	\$300
<b>Sub Total</b>					<b>\$3,814</b>	<b>\$6,000</b>	<b>\$6,800</b>

					2012 Actual	2013 Adjusted	2014 Adopted
<b>Small Tools &amp; Minor Equipment</b>							
522	60	35	01	Personal Protective Equipment	\$0	\$500	\$500
522	60	35	02	Vehicle Maintenance Tools	\$0	\$18,000	\$14,500
522	60	35	03	Computer Equipment	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$18,500</b>	<b>\$15,000</b>
<b>Vehicle Maintenance Travel, Lodging, &amp; Meals</b>							
522	60	43	01	Vehicle Maintenance Meetings	\$0	\$500	\$500
<b>Sub Total</b>					<b>\$0</b>	<b>\$500</b>	<b>\$500</b>
<b>Operating Rentals &amp; Leases</b>							
522	60	45	01	Equipment Rental	\$0	\$500	\$500
<b>Sub Total</b>					<b>\$0</b>	<b>\$500</b>	<b>\$500</b>
<b>Vehicle Repair &amp; Maintenance</b>							
522	60	48	01	Apparatus(R&M)	\$49,880	\$51,400	\$41,400
<b>Sub Total</b>					<b>\$49,880</b>	<b>\$51,400</b>	<b>\$41,400</b>
<b>Total Vehicle Maintenance Division Budget</b>					<b>\$53,694</b>	<b>\$117,153</b>	<b>\$161,451</b>

### Major Expenditures/Changes

The major change in the Vehicle Maintenance Division Budget is the Salary and Wages of the Firefighter/Mechanic. Hired at the start of the Fourth Quarter of 2013, the Firefighter/Mechanic only worked three months in 2013 while he will work a full 12 months in 2014. No major expenditures or changes are anticipated in the Vehicle Maintenance Division Budget in 2014.

### Summary of General Fund by Division

Table 16. General Fund Budget by Division

	2012 Actual	2013 Adjusted	2014 Adopted	Percentage Change
Administrative Division	\$478,716	\$475,132	\$476,903	1.23%
Operations Division	\$868,231	\$1,015,816	\$1,074,957	3.66%
Life Safety/Community Risk Reduction Division	\$9,632	\$17,315	\$16,455	-4.97%
Training/Recruitment Division	\$28,544	\$170,687	\$169,651	0.80%
Facilities Division	\$67,061	\$99,084	\$80,429	-18.03%
Vehicle Maintenance Division	\$53,694	\$117,153	\$161,451	56.18%
<b>Total General Fund Budget</b>	<b>\$1,505,878</b>	<b>\$1,895,187</b>	<b>\$1,979,847</b>	<b>4.49%</b>



## Contingency Fund

### Overview of the Contingency Fund

The Contingency Fund is an administratively separated fund within the General Fund. The purpose of the Contingency Fund is to provide a reserve for unanticipated, but critical expenses or for expenses that were anticipated but not known in detail during budget preparation. The Board of Fire Commissioners has established policy that the Contingency Fund shall be funded in the amount of 10% of the Maintenance and Operations Budget. For the purposes of budgetary reporting within the context of BARS, this managerial fund is rolled up into the General Fund).

### Detail of Contingency Fund Transfers

Since establishment of the Contingency Fund in 2012, the District transferred funds into Contingency 1) to establish the fund and 2) in 2013 to maintain the fund at 10% of budgeted Maintenance and Operations expenses. In 2013, the District transferred \$39,870 from Contingency to the General Fund to provide funds for settlement of the Collective Bargaining Agreement with Local 4299 International Association of Firefighters.

As reported in the District's Second Quarter 2013 Budget Report and Proposed Budget Amendment, the District reached agreement on a collective bargaining agreement with Local 4299 IAFF In May 2013. This agreement has been ratified by the Local and the Board at their regularly scheduled meeting on June13, 2013.

The terms of this agreement included increases in wages and acting-in-capacity (AIC) compensation, addition of educational incentive for two and four-year college degrees, and establish the salary schedule for the position of Firefighter Mechanic. Compensation increases over the three years of this agreement will bring total compensation of our full-time firefighters and officers into parity with those in comparable agencies based on median total hourly compensation.

## General Capital Projects Fund

### Overview of the General Capital Projects Fund

The General Capital Projects Fund was established in 2012 to accumulate assets for future capital purchases and for current capital expenditures. Capital expenditures are for items having a cost greater than \$5000 and a service life of greater than three years (e.g., major equipment, fire apparatus, and fire stations). In addition, items with a unit price less than \$5000, but purchased in large enough quantity to reach the \$5000 threshold have been combined into capital projects. Examples of this type of project include purchase of Automatic External Defibrillators (AEDs) and fire hose and appliances.

Prior to 2012, the District's finances were managed using a single fund (General Fund) and capital purchases were made using the unappropriated balance of the fund.

At the start of 2014, the balance of the General Capital Project Fund is anticipated to be approximately \$1,329,982. In addition, the District plans a transfer of \$660,000 from the General Fund to the General Capital Projects Fund in 2014, providing operating funds that are \$391,053 below the desired fund balance, of \$2,381,035 based on straight line amortization of the expense of vehicle and equipment replacement and acquisition identified in the District's Capital Projects Plan. If the cost of each vehicle and equipment replacement and acquisition is amortized over its useful life, the District should transfer approximately \$182,000 to the General Capital Projects Fund annually to meet the District's *pay as you go* fiscal policy for this type of capital expenditure. Since the inception of the General Capital Projects Fund in 2012, the District has transferred well in excess of this amount to this fund on an annual basis. Based on the District's Long Term Financial Plan, the General Capital Projects Fund will be fully funded by 2021 (see Appendix B).

### 2014-2024 Capital Projects Plan

Based on direction provided by the Board of Fire Commissioners to replace equipment when required and to fully fund the Capital Projects Fund, the following approach was been taken in prioritizing capital projects.

- Take a proactive approach to improving operational capability and maintenance of adequate infrastructure to support district operations
- Begin the process of replacing staff vehicles and apparatus that has reached their end of life
- Reduce the District's total vehicle inventory and *increase* the effectiveness and efficiency
- Avoid unscheduled capital projects resulting from malfunction and equipment failure

### Continuing Challenges

The District anticipates being able to meet required capital expenses related to apparatus and equipment without debt. However, revenue is not sufficient to also fund important facilities capital projects such as development of adequate living quarters, administrative facilities, and apparatus maintenance shop at the Station 53 on Race Road or Phase II expansion of Station 51 on Main Street in Coupeville.

The Board of Fire Commissioners conducted a work session in late October 2014 to begin the process of developing a long term (50 to 75 year) perspective on District facilities requirements. As architectural and engineering work further clarifies the options to meet the District's facility needs, staff and the Board of Fire Commissioners will need to continue exploration of an appropriate means to fund this type of capital project.

*Note:* 2013 capital project expenses which are shown in **Bold Text** (Capital Plan and 2014 Capital Budget) are the actual cost of the project in the current year. Other expenses reflect budgeted amount. In addition, the expense in line 594 22 64 12 has been moved from 2013 to 2014.



Table 17. 2013-2023 Capital Projects Schedule

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Starting Cash &amp; Investments</b>	\$1,357,808	\$1,329,982	\$1,229,596	\$1,190,796	\$1,431,596	\$1,418,396	\$1,658,455	\$1,870,230	\$1,140,580	\$714,930	\$312,780	\$517,055
<b>Revenue (Inter-Fund Transfer)</b>	\$547,000	\$660,000	\$310,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Total Operating Revenues	\$1,904,808	\$1,989,982	\$1,539,596	\$1,460,796	\$1,701,596	\$1,688,396	\$1,928,455	\$2,140,230	\$1,410,580	\$984,930	\$582,780	\$787,055
<b>Expenditures</b>												
594 22 63 00 Training Center Water System	\$10,000											
594 22 64 11 Server Replacement						\$10,716						
594 22 64 05 Replace/Upgrade AEDs	\$9,297							\$28,000				
594 22 64 06 Mobile Data Computer Replacement	\$6,100						\$14,000					
594 22 64 04 Replace Apparatus 8601 (E542)	\$450,079	\$49,921										
594 22 64 09 Refurbish Apparatus 0701 (T54) & 0702 (T53)	\$47,667	\$373,591										
594 22 64 12 NEW Apparatus 1301 (C502)		\$40,000									\$46,500	
594 22 63 02 Station 53 Classroom/Office Renovation	\$36,699											
594 22 64 13 Fitness Equipment	\$4,664											
594 22 64 14 Hose & Appliances	\$10,320	\$31,054	\$23,200	\$23,200	\$23,200	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225
594 22 64 08 Fire 5 Upgrade (Repeater & Simulcast)		\$160,000										
594 22 63 03 Architectural and Engineering (53/Admin)		\$25,000	\$175,000									
594 22 64 23 ImageTrend Records Management System		\$14,850										\$17,300
594 22 64 24 E-Mail Archive System		\$5,300										\$6,200
594 22 64 25 Fit Test Upgrade (Software/Hardware)		\$5,050										\$5,900
594 22 63 06 Replace Floor at Station 54 (Hall and Classroom)		\$12,500										
594 22 63 08 Replace Cabinets at Station 53		\$6,500										
594 22 63 09 Electrical Efficiency Upgrade (Stations 51, 53, 54)		\$36,620										
594 22 64 17 Replace Apparatus 0501 (A53)			\$75,000									
594 22 64 18 Replace Apparatus 0301 (M5)			\$40,000									
594 22 64 19 Thermal Imager (TI) Replacement			\$30,000									
594 22 64 27 Backup Server & Replication Software			\$5,600									
594 22 64 26 Landscaping Trailer				\$6,000								
594 22 63 04 Station 51 Phase 2				Not Funded								
594 22 64 15 Replace Apparatus 9402 (R51)					\$150,000							
594 22 64 16 Replace Apparatus 9501 (Fleet Services)					\$70,000							
594 22 64 20 Replace Apparatus 0703 (C500)					\$40,000							
594 22 63 05 Station 53/Administrative Facility						Not Funded						
594 22 64 31 Extrication Equipment Replacement							\$25,000					
594 22 64 21 SCBA/Cylinder Replacement								\$299,500				
594 22 64 22 Apparatus 9401 (E51) Replacement								\$652,925				
574 22 64 02 Replace Apparatus 1301 (S591)									\$17,500			
594 22 63 07 Replace Roof Covering Burn Buiding/Tower									\$6,000			
594 22 64 28 Apparatus 9601 (E512) Replacement									\$652,925			
594 22 64 29 Apparatus 9602 (E54) Replacement										\$652,925		
<b>Total Expenditures</b>	\$574,826	\$760,386	\$348,800	\$29,200	\$283,200	\$29,941	\$58,225	\$999,650	\$695,650	\$672,150	\$65,725	\$48,625
<b>Ending Balance</b>	\$1,329,982	\$1,229,596	\$1,190,796	\$1,431,596	\$1,418,396	\$1,658,455	\$1,870,230	\$1,140,580	\$714,930	\$312,780	\$517,055	\$738,430



## Capital Budget

Table 18. Capital Projects Budget

					2012 Actual	2013 Adjusted	2014 Adopted
594	22	63	01	Burn Building Repair & Renovation	\$55,781		
594	22	64	02	Replace Apparatus 0001 (S591)	\$424		
594	22	64	03	Replace Apparatus 9701 (A53)	\$70,891		
594	22	64	05	AED Replacement	\$15,469	\$9,297	
594	22	64	06	Mobile Data Computer Replacement	\$6,004	\$6,100	
594	22	64	07	Financial Management Software	\$14,352		
594	22	64	11	Server Replacement	\$9,794		
594	22	64	00	Training Center Water System		\$10,000	
594	22	64	04	Replace Apparatus 8601 (E542)		\$450,079	\$49,921
594	22	64	09	Refurbish Apparatus 0701 (T54) & 0701 (T53)		\$47,667	\$373,591
594	22	64	12	NEW Apparatus (502)		→	\$40,000
594	22	64	13	Fitness Equipment		\$4,664	
594	22	64	02	Station 53 Classroom Renovation Project		\$36,699	
594	22	64	08	Fire 5 Radio System Upgrade		→	\$160,000
594	22	64	14	Hose & Appliances		\$10,320	\$31,054
594	22	63	03	Architectural and Engineering			\$25,000
594	22	64	23	Image Trend Records Management System			\$14,850
594	22	64	24	E-Mail Archive System			\$5,300
594	22	64	25	Fit Test Upgrade (Software/Hardware)			\$5,050
594	22	63	06	Replace Floor at Station 54 (Hall & Classroom)			\$12,500
594	22	63	08	Station 53 Common Area Renovation			\$6,500
594	22	63	09	Electrical Efficiency Renovation 51, 53, 54			\$36,620
<b>Total</b>					<b>\$172,715</b>	<b>\$574,826</b>	<b>\$760,386</b>

### Capital Projects & Justification

The following section of the Budget Document provides the description, purpose, and justification for each capital project in the current year. In addition, each project is tied to the specific strategic goals supported by each investment in capital infrastructure.

#### **2013-594-22-64-04 Replace Apparatus 8601 (E542)**

**Description:** Purchase a Type I Engine and related equipment (hose, nozzles, ladders, portable equipment, radios, and mobile data computer) to replace Apparatus 8601 and Apparatus 8602.

**Purpose & Justification:** Apparatus 8601 is a 1986 Type I Engine that provided good service for many years. However, this apparatus has reached the end of its useful life and been out of service since 2009. Apparatus 8602 (currently assigned as Engine 512) is of similar age, but in better mechanical conditions.



Analysis of community fire risk and Washington Survey and Rating Bureau requirements points to the ability of the District to reduce its inventory of Type 1 Engines from five to four. This reduction in engine inventory is dependent on 1) replacement of these two apparatus with a suitable Type 1 engine, 2) refurbishment of water tenders to provide increased pumping and hose bed capacity, and 3) improvement in the District's preventative maintenance and apparatus reliability.

Apparatus 8602 will temporarily be retained as a reserve apparatus for two additional years while the District continues to improve apparatus maintenance and reliability and while refurbishment of Apparatus 0701 (currently assigned as Tender 54) and Apparatus 0702 (currently assigned as Tender 53) is completed.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources); to improve operational capability (Internal Processes); and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** This capital project will reduce operational expenses for apparatus maintenance due to the reduction in the District's inventory of Type 1 engines and increased apparatus reliability.

#### ***2013-594-22-64-08 Fire 5 Upgrade (Repeater & Simulcast)***

**Description:** This project laces the prior project (same line item) for installation of voting receivers and will upgrade existing radio communications infrastructure to provide repeated simulcast transmit and receive equipment at the following existing radio tower sites ICOM, Whitte Way, Windsun Way, Race Road, and Maynard.

**Purpose & Justification:** At present there are significant gaps in effective radio communications capability within the district (in some areas it is impossible to communicate with the ICOM dispatch center using either mobile or portable radio, in many areas it is impossible to communicate to ICOM with a portable radio). This project would upgrade the District's radio infrastructure from simplex (radio to radio) design to a repeated (radio to repeater to radio) simulcast (simultaneous) use of multiple transmit and receive locations design. These improvements will significantly improve radio system coverage and ability to communicate between low power hand held portable radios and fire apparatus or dispatch.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources); to improve operational capability (Internal Processes); and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** No significant impact in ongoing operational expense is anticipated.

#### ***2013-594-22-64-09 Refurbish Apparatus 0701 (T54) & 0702 (T53)***

**Description:** Replace the water tank and increase tank capacity from 2000 to 2500 gallons, replace the apparatus body, and pump; adding high flow dump valves on the sides and rear, increasing the pump

capacity from 500 gpm to 750 gpm, adding a large diameter discharge and direct tank fill, compartmentation for a 3000 gallon portable tank and a hose body with sufficient space to carry adequate hose to meet or exceed National Fire Protection Association (NFPA) standards for water tenders and the District's tactical needs.

**Purpose & Justification:** In 2010, severe corrosion of the water tank and piping in Apparatus 0601 resulted in the need for extensive repair or refurbishment. Based on the tactical limitations of this apparatus and the extent of repair work needed, this apparatus was refurbished. The water tanks and pumps on Apparatus 0701 and 0702 are older than the original tank and pump on Apparatus 0601 and likely is in similar condition. Refurbishment specifications for the Water Tender were the same as Tender 51 with minor revisions to reflect as built design.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources); to improve operational capability (Internal Processes); and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** It is anticipated that this project will decrease the operational expense of maintaining this apparatus over its useful life (due to the replacement of the pump, tank, and apparatus body).

#### **2013-594-22-64-12 NEW Apparatus 1301 (C502)**

**Description:** Purchase of a four-wheel drive, mid-sized crew cab pickup or compact sport utility vehicle (SUV) for use as a staff vehicle and installation of related equipment (radios, warning lights). This project was originally scheduled for 2013, but due to changes in vehicles available through state bid, purchase was deferred until 2014.

**Purpose & Justification:** This staff vehicle would be assigned to Deputy Chief Chad Michael for day –to-day use and off-duty response. In addition, during the week this vehicle would also be available for use by the Training & Recruitment Captain or other staff. This vehicle is not intended to serve as a full-function command unit and licensed aid vehicle such as Apparatus 0703 (currently assigned as C500) or 1201 (currently assigned as C501) but would be equipped for emergency response with basic communications and basic life support medical equipment.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources); to improve operational capability (Internal Processes); and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** This project will slightly increase operations expense for maintenance and fuel for one additional staff vehicle.

#### **2014-594-22-64-14 Hose & Appliances**

**Description:** As the District has had limited hose replacement in recent years, we will need to move forward with an accelerated pace to bring our hose inventory into alignment with a 15 year maximum service life. The following general approach is proposed to accomplish this task:

- Purchase 5" hose to equip the new engine and the refurbished tenders.
- Replace 1-3/4" hose incrementally, beginning with hose that has greater than 20 years of service.
- Retire and surplus 2-1/2" hose as it reaches 15 years of service.
- Replace 2-1/2" hose used for handlines (e.g., preconnected handlines) with 2" hose on an incremental basis (one engine annually).
- Retire and surplus 3" hose incrementally, beginning with hose that has greater than 20 years of service.
- Purchase replacement 5" hose incrementally to allow replacement and surplus as it reaches 15 years of service (beginning with the used hose purchased in 2013).

This project is ongoing, with purchase of hose to ensure fireground water supply reliability and maximize Washington and Survey Rating Bureau credit for the District's hose inventory. The following hose purchase would be required in the 2014 budget year.

**Purpose & Justification:** National Fire Protection Association Standard 1961 Standard on Fire Hose (2013) specifies that fire departments should consider a 10 year maximum service life for fire hose. The Washington Survey and Rating Bureau begins to increase deficiency points assigned for fire hose inventory as it ages and provides no credit for hose that exceeds 15 years of service. 71% of CWIFR's small diameter hose (3" and smaller) exceeds 15 years of service. As such, we face the potential of significant penalty in our next rerating (should this not be corrected prior to that time).

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources); to improve operational capability (Internal Processes); and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** This project will not impact operational expenses

#### **2014-594-22-63-03 Architectural and Engineering**

**Description:** Phase 1 of this project, planned for 2014 will 1) examine all district facilities to determine their structural, seismic, and systems condition, 2) evaluate these facilities on the basis of current codes, standards, and design practices, and 3) develop a long range plan identifying options for meeting future needs including renovation or construction options, land use issues and cost estimates.

Phase 2 of this project would involve development a schematic design and design development sufficient to create a detailed preliminary cost estimate for renovation, addition, or other action necessary to meet the Districts facility needs at this location. Design development also would include building exteriors, elevations, and site layout to be used in public presentations. This work would serve as the basis for future key decisions about final design, bidding, funding, and timing of construction.

**Purpose & Justification:** While the District's facilities were adequate to meet the communities needs when constructed, they do not fully meet current and projected operational needs. It is also important

to ensure that our facilities meet current seismic and occupational safety and health standards. Facilities planning require taking the long view, examining potential needs over a 50 to 75 year timeframe. This project lays the foundation for both current and future capital facilities projects.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources); to improve operational capability (Internal Processes); and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** This project (in and of itself) will not impact the District's operational expense. Changes in expense based on renovation, addition, or change to Station 53 will be examined in the facility assessment process.

#### **2014-594-22-64-23 ImageTrend Records Management System**

**Description:** This project involves replacement of the District's Records Management System (RMS) which is used for incident reports, patient care reports, training records, documentation of fire inspections, hydrant test records, and inventory.

**Purpose & Justification:** The District is making considerable strides towards becoming a data driven organization. This new system would provide full interoperability with Whidbey General Hospital EMS for patient care reports, as well as improved data management and reporting capability. Use of this cloud based system would also provide increased redundancy and reliability by housing critical data in multiple off-site locations.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources); to measure organizational performance (Internal Processes); and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** Ongoing expense for maintaining the RMS would be approximately \$7,000 annually

#### **2014-594-22-64-24 E-Mail Archive System**

**Description:** This project involves purchase and installation of a hardware based e-mail archive system such as the Barracuda Message Archiver to interface with the Districts Microsoft Exchange Server software to archive all incoming and outgoing e-mail in compliance with records retention requirements specified in the Washington Local Government Common Records Retention Schedule (CORE) and Fire and Emergency Medical Records Retention Schedule.

**Purpose & Justification:** The District's e-mail is a public record and as such is subject to public records request under RCW 42.56 the Washington Public Records Act. At present, CWIFR is dependent on individual members saving e-mail and response to a public records request would require search of individual e-mail accounts manually (with no guarantee that the e-mail had been saved). Use of a hardware based e-mail archive system provides a searchable archive while minimizing storage space (compared to storing e-mail in its native format).

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources) and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** The cost of instant replacement service (24 hour turnaround on hardware replacement) and software updates for the e-mail archive system is estimated at approximately \$1,000 annually.

#### **2014-594-22-64-25 Fit Test Upgrade (Software/Hardware)**

**Description:** This project provides for purchase of a TSI Portacount Respirator Fit Tester 8038 which can quantitatively fit test all types of respirators including self-contained breathing apparatus (SCBA), air purifying respirators (APR), and N95 disposable (filtering-facepiece) respirators.

**Purpose & Justification:** Washington Administrative Code 296-305-04001 requires that firefighters be fit tested on an annual basis for all types of respirators that they will wear. At present, CWIFR has the capability to perform fit test for Scott SCBA, but does not have the ability to fit test N95 medical respirators. Upgrade of the District's fit test equipment will allow full compliance with the requirements of the WAC related to respirator fit tests.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources) and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** This project will result in no ongoing change in operational expense.

#### **2014-594-22-63-06 Replace Floor at Station 54 (Hall and Classroom)**

**Description:** This project will replace the floor covering in the classroom and hallway at Station 54.

**Purpose & Justification:** The floor covering in the classroom and hallway was damaged due to a water leak occurring in 2013.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources) and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** This project will result in no ongoing change in operational expense.

#### **2014-594-22-63-08 Station 53 Common Area Renovation**

**Description:** In 2013, the District renovated the Station 53 Classroom to provide office space for the Training/Recruitment Captain and Firefighter Mechanic as well as to upgrade the instructional technology in the classroom. This project continues functional improvements at Station 53 by renovating the common area between the Classroom and Offices, replacing existing cabinets and modifying existing storage space (formerly used as the server closet) to improve functionality.

**Purpose & Justification:** This project improves the functionality of this common area and improves on the limited storage space in this fire station.

**Strategic Goals:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources) and to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** This project will result in no ongoing change in operational expense.

**2014-594-22-63-09 Electrical Efficiency Upgrade (Stations 51, 53, 54)**

**Description:** This project would renovate the interior and exterior lighting systems at Stations 51, 53, and 54 to maximize energy efficiency.

**Purpose & Justification:** The purpose of this project is to increase the efficiency of the District's electrical infrastructure resulting in cost savings over time.

**Strategic Goal:** This project supports the District's Strategic goal to maximize effectiveness, efficiency, and value (Fiscal Stewardship).

**Estimated Change in Operational Expense:** The District incurs significant electrical utility expense on an annual basis. Completion of this energy efficiency lighting project would result on a positive return on investment within 3.26 years based on estimates by North Coast Electric Company Energy Solutions.

## Compensated Absences Trust Fund

### Overview of the Compensated Absences Trust Fund

This fund is used to account for assets held by the District for buyback of a specified percentage of unused long-term sick leave from employees at the time of their separation from the district (e.g., retirement). This benefit is currently provided to the District's executive staff (e.g., Fire Chief, Operations and Training Chief, Office Manager).

### Current Compensated Absences Liabilities

At present the District's liability for compensated absences is based on 240 hours of sick leave buyback for each of the District's executive staff.

Table 19. Compensated Absences Liability

Position	Hourly Rate	Buyback (Hours)	Total Liability
Fire Chief	\$47.87	240	\$11,488
Deputy Chief	\$40.37	240	\$9,688
Office Manager	\$25.05	240	\$6,012
Total Compensated Absences Liability			\$27,188

The Compensated Absences Trust Fund is fully funded at 100% of the District's liability. While the District would potentially pay executive staff for unused Paid Time Off (e.g., used for annual leave, short term sick leave, and holidays), this expense would be offset by a reduction in health care and retirement expense until the position was filled.



## **Debt Service Fund**

The Debt Service Fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. This fund was zero-funded following retirement of the Districts LTGO Bond (non-voted debt) in 2011.

In accordance with the provisions of the Revised Code of Washington (RCW) 52.16.061 General obligation bonds – Issuance – Limitations, the District is limited to an amount equal to 0.375 percent of assessed valuation for non-voted debt and 1.25 percent of assessed valuation for voted debt. Any non-voted debt issued counts as part of the overall 1.25 percent limit. At present the District has no debt. The District has no intent to issue debt within the current budget year.

## **Grants Management Fund**

A fund established with a contribution of assets from the State or Federal government that are to be used for a specified purpose, activity, or facility. Assets in this fund are maintained in a non-interest bearing account in compliance with federal grant requirements.

## References

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National Fire Protection Association (NFPA). (2012). *Standard for the inspection, maintenance, testing, and retirement of in-service automotive fire apparatus*: Quincy, MA: Author.

*Revised Code of Washington (RCW) 52 Fire protection districts*. Retrieved July 6, 2011 from <http://apps.leg.wa.gov/rcw/default.aspx?cite=52>

Washington Office of Financial Management. (2010a). *Population estimates for fire protection districts (unincorporated parts)*. Retrieved January 11, 2011 from [http://www.ofm.wa.gov/pop/smallarea/data/xlsx/saep\\_fpd.xlsx](http://www.ofm.wa.gov/pop/smallarea/data/xlsx/saep_fpd.xlsx)

Washington Office of Financial Management. (2010b). *Rank of cities and towns by percent population change*. Retrieved January 11, 2011 from [www.ofm.wa.gov/pop/april1/cityrankpercentpopchange.xls](http://www.ofm.wa.gov/pop/april1/cityrankpercentpopchange.xls)

Ramsey, T. (2013). *Measuring and evaluating the financial condition of local government*. Retrieved September 30, 2013 from <http://www.csus.edu/ppa/thesis-project/bank/2013/Ramsey.pdf>

Kavahagh, S. (2007). *Financiing the future: Long-term financial planning for local government*. Chicago: Government Finance Officers Association (GFOA).

## Appendix A - Tax Increase and Budget Adoption

### Tax Increase Resolution



**Ordinance / Resolution No.** 13-03  
**RCW 84.55.120**

**WHEREAS**, the Fire Commissioners of Central Whidbey Island Fire & Rescue has met and considered  
(Governing body of the taxing district) (Name of the taxing district)  
its budget for the calendar year 2014; and,

**WHEREAS**, the districts actual levy amount from the previous year was \$ 2,114,328.00; and,  
(Previous year's levy amount)

**WHEREAS**, the population of this district is ☐ more than or ☒ less than 10,000; and now, therefore,  
(Check one)

**BE IT RESOLVED** by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2014 tax year.  
(Year of collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 21,143.00  
which is a percentage increase of 1 % from the previous year. This increase is exclusive of  
(Percentage increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, any increase in the value of state assessed property, any annexations that have occurred and refunds made.

Adopted this 14 day of November, 2013.

Paul Messer  
Tom L. Smith  
Cheryl J. Engle

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**If additional signatures are necessary, please attach additional page.**

This form or its equivalent must be submitted to your county assessor prior to their calculation of the property tax levies. A certified budget/levy request, separate from this form is to be filed with the County Legislative Authority no later than November 30<sup>th</sup>. As required by RCW 84.52.020, that filing certifies the total amount to be levied by the regular property tax levy. The Department of Revenue provides the "Levy Certification" form (REV 64 0100) for this purpose. The form can be found at: <http://dor.wa.gov/docs/forms/PropTx/Forms/LevyCertf.doc>.

To ask about the availability of this publication in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users, please call (360) 705-6718. For tax assistance, call (360) 534-1400.

REV 64 0101e (w) (2/21/12)

## Budget Adoption Resolution



## Central Whidbey Island Fire & Rescue

1164 Race Road  
Coupeville, WA 98239

Professionalism • Integrity • Compassion • Excellence  
(360) 678-3602 [www.cwfire.org](http://www.cwfire.org)

**IN THE MATTER OF** ) **Resolution 13-04**  
**Adopting the Budget for 2014** )

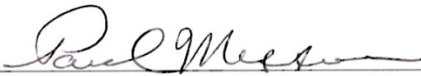
WHEREAS: The Fire Commissioners of Central Whidbey Island Fire & Rescue have made certification of the taxes to be levied to the Island County Council;

WHEREAS: The Fire Commissioners of Central Whidbey Island Fire & Rescue establishes an official budget each year to provide operating funds and capital funds.

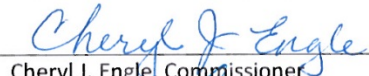
IT IS HEREBY RESOLVED AS FOLLOWS:

1. That the attached 2014 Budget be hereby adopted as the official budget of Central Whidbey Island Fire & Rescue for calendar year 2014.
2. That the honorable Island County Council be and hereby requested to make a Regular levy for 2014 for Central Whidbey Island Fire & Rescue of \$2,500,000.
3. That the Island County Treasurer be and is hereby authorized and directed to deposit and sequester the moneys received from the collection of the tax levy specified in section 2 above in the amount and fund specified below:
  - a. \$2,500,000 Regular Levy into the General Fund of Central Whidbey Island Fire & Rescue
  - b. \$1964.67 Refund Levy into the General Fund of Central Whidbey Island Fire & Rescue.
4. That one copy of this resolution together with the 2014 Budget be delivered to the Island County Council and the Island County Assessor's office.

ADOPTED at the regular meeting of the Central Whidbey Island Fire & Rescue Board of Commissioners, this 14<sup>th</sup> Day of November, 2013



Paul Messner Chairman of the Board

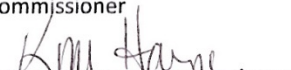


Cheryl J. Engle, Commissioner



Tom Smith, Commissioner

Attest:

  
Kim Harpe, District Secretary

## Appendix B - CWIFR Long Term Financial Plan

“All knowledge is about the past; and all our decisions are about the future” (Wilson, 2000, p. 24)

Preparing for an uncertain future requires consideration of a wide range of factors as well as direct and indirect influences on Central Whidbey Island Fire & Rescue’s success in achieving our strategic goals. As part of the Strategic Planning Process, Central Whidbey Island Fire & Rescue staff and Board of Fire Commissioners engaged in scenario based planning to consider multiple fiscal scenarios.

Scenario planning is a powerful tool in establishment of strategic direction and priorities. Scenarios provide perspective on potential events and their consequences, providing a decision-making context for policy makers and managers. Scenarios focus on the interrelated effect of multiple factors and provide alternative views of the future. Consideration of a range of possible futures, decisions are better informed, and a strategy based on this deeper insight is more likely to succeed. The District’s current Long Term Financial Plan is a spinoff from this scenario based planning process.

### Financial Planning Assumptions

The District’s Annual Maintenance and Operations Budget (short term perspective) and Financial Plan (long term perspective) must of necessity be based on assumptions about the future. Transparency in fiscal decision-making and policy require that these assumptions be clearly stated and shared to ensure a common understanding.

#### Revenue

CWIFR’s Long Term Financial Plan is based on six assumptions regarding revenue.

**Assumption R1:** The District’s Assessed Value (AV) will stabilize and possibly increase slightly over the next year (2014)

**Assumption R2:** The District’s AV will increase slowly over the next several years.

**Assumption R3:** The District will collect 96% of property taxes in the year in which they are levied (based on historical data for tax collection within the District).

**Assumption R4:** Tax revenue will increase 1% on an annual basis (excluding new construction), based on the maximum lawful increase that may be levied.

**Assumption R5:** New construction revenue will remain at a level consistent with current construction trends.

**Assumption R6:** The District will continue to maintain its current Interlocal agreements with Whidbey General Hospital EMS (BLS Ambulance), the Town of Coupeville, and Island County (Fire and Life Safety Inspections).

These assumptions are based on historical trends related to revenue factors and tax collection.

### **Expense**

CWIFR's Long Term Financial Plan is based on two assumptions regarding revenue.

**Assumption E1:** The Consumer Price Index (CPI) is likely to increase between 2% and 3% per year over the next several years.

**Assumption E:** The cost of equipment and services not included in the CPI likely will increase between 2% and 3% per year over the next several years.

These assumptions are based in part on historical data, but are conservative (likely higher than actual increases) in that with the exception of the expense of staffing increases, CWIFR has been successful in limiting increases in general fund expense to less than 3% over the last several years.

### **Measuring and Evaluating Fiscal Condition**

Measuring and evaluating fiscal condition of a municipal corporation such as a fire district is complex and whatever framework is used, evaluation requires knowledge of the jurisdiction and experienced judgment. Measurement and evaluation of fiscal condition is an ongoing process that must consider both internal factors and the influence of the external environment. Assessment of fiscal conditions generally attempts to answer the ability of a governmental entity to do one or more of the following (Ramsey, 2013):

- Pay current bills
- Balance the annual budget
- Satisfy long-term financial obligations
- Meet current service level requirements
- Meet future service level requirements

CWIFR is working towards implementation of Fiscal Environment Analysis (FEA) (Kavahagh, 2007) as a method for measuring and evaluating fiscal condition and integration of more comprehensive long term fiscal planning into the District's strategic planning process.

### **Political and Economic Considerations**

The Washington State constitution and related laws strictly limit the amount of property tax that local taxing districts can levy. While tax limitations are complex, there are two particularly important limitations for fire districts. First is Initiative 747, passed by the state's voters in 2001 which changed the state constitution to limit annual increases in property taxes levied to 1%, plus revenue from new construction added to the tax rolls in the previous year (Washington State Constitution Amendment 95 Article 7 Section 2). The second important limitation is the maximum regular tax rate for fire districts specified by state law. The Revised Code of Washington (RCW) limits fire districts to a maximum regular property tax rate of \$1.50/\$1000 of assessed value (RCW 52.16.130, 140, 160).



The rationale behind the way that the tax structure is set up in the state constitution and related laws is that the amount that it costs to deliver essential government services such as fire protection, rescue, and emergency medical care is not based on the value of your property. Cost should be based on the level of service desired by the community, with the cost shared equitably based on property value.

While it is necessary to present a proposed lid lift to the voters when additional funds are needed to maintain the District's service level, success of such measures is dependent on public trust, desire to maintain current service level, and economic conditions.

### Fiscal Indicators

There are a multitude of measures that can be used to assess the fiscal health of a municipal corporation such as a Fire Protection District. It is essential to consider both internal financial data and economic, political, and legislative factors. For example, fund balances and a positive cash flow in the short term must be considered in light of the constitutional and legislative limitations on taxation to support fire district operations.

Central Whidbey Island Fire & Rescue established a strategic goal to ensure sustainable funding for service delivery. Two strategic performance measures were tied to that goal.

- Percentage to which the District's levy rate is below \$1.50/\$1000 AV. The District's anticipated levy rate in 2014 of \$1.37/\$1,000 AV is 8.7% below the statutory maximum of \$1.50/\$1000 AV.
- Percentage increase in the annual budget in comparison to the annual revenue change. The District's budget increased 4.47% in large part due to a staffing increase of 0.75 FTE with the first full year of service by the District's Firefighter/Mechanic.

While these two measures are reasonable, they are likely insufficient to provide a complete picture of the District's fiscal health. Other important measures of fiscal health include:

- Maintenance of a balanced budget (revenues less expenses)
- Multi-year trend in beginning fund balances (increasing or decreasing)
- Adequacy of the general fund beginning balance (established by policy as a minimum of 33% of budgeted maintenance and operations expenses)
- Ability to maintain adequate contingency reserve (established by policy as 10% of budgeted maintenance and operations expenses)

As illustrated in Table 18, CWIFR is projected to meet or exceed each of these fiscal performance measures through 2019 based on the assumptions identified in this long term financial plan. In future years, this plan will be adjusted based on current and projected conditions, providing improve accuracy in the near term.

Note: Where possible in 2013, actual values have been used (tax revenue, pending transfer from General Fund to Capital Projects Fund, actual capital expenditures) and are shown in **Bold Text**.

Table 20. CWIFR Long Term Cash Flow Projection (Revision 4.5)

General Fund	Actual	Budgeted	Proposed	Projected									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning General Fund Balance	\$2,755,179	\$1,469,388	\$1,398,756	\$1,061,381	\$1,017,124	\$947,673	\$887,534	\$798,049	\$677,598	\$524,501	\$337,021	\$113,364	(\$148,330)
Contingency													
10% Contingency (Administrative) Fund	\$166,875	\$189,519	\$197,985	\$208,503	\$214,758	\$221,500	\$228,145	\$234,990	\$242,039	\$249,301	\$256,780	\$264,483	\$272,417
Revenue													
Investment Interest	\$3,408	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Property Taxes (Includes New Construction)	\$1,609,528	\$2,114,328	\$2,050,052	\$2,086,067	\$2,122,441	\$2,159,179	\$2,196,284	\$2,233,761	\$2,271,612	\$2,309,842	\$2,348,454	\$2,387,452	\$2,387,452
New Construction	Included in Tax	Included in Tax	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000	\$16,000
Other Taxes/State Assessed Property	\$3,974	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280
WGH Contract	\$98,772	\$201,495	\$201,495	\$201,495	\$201,495	\$201,495	\$201,495	\$201,495	\$201,495	\$201,495	\$201,495	\$201,495	\$201,495
Other Deposits	\$47,124	\$53,920	\$43,920	\$43,920	\$43,920	\$43,920	\$43,920	\$43,920	\$43,920	\$43,920	\$43,920	\$43,920	\$0
Voided Warrants & Vendor Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Revenues	\$1,762,806	\$2,374,523	\$2,316,247	\$2,352,262	\$2,388,636	\$2,425,374	\$2,462,479	\$2,499,956	\$2,537,807	\$2,576,037	\$2,614,649	\$2,653,647	\$2,609,727
Expenditures													
Vouchers (M&O General Fund)	\$1,505,879	\$1,895,187	\$1,979,847	\$2,085,025	\$2,147,576	\$2,215,003	\$2,281,454	\$2,349,897	\$2,420,394	\$2,493,006	\$2,567,796	\$2,644,830	\$2,724,175
Investment Fee	\$177	\$850	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310	\$310
Tax Adjustment	\$13	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Correction & Vendor Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$1,506,069	\$1,896,237	\$1,980,357	\$2,085,535	\$2,148,086	\$2,215,513	\$2,281,964	\$2,350,407	\$2,420,904	\$2,493,516	\$2,568,306	\$2,645,340	\$2,724,685
Interfund Transfers													
To Compensated Absences Trust Fund	\$12,005	\$1,918	\$13,265	\$984	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
To General Capital Projects Fund	\$1,530,523	\$547,000	\$660,000	\$310,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Total Transfers	\$1,542,528	\$548,918	\$673,265	\$310,984	\$310,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Ending General Fund Balance	\$1,469,388	\$1,398,756	\$1,061,381	\$1,017,124	\$947,673	\$887,534	\$798,049	\$677,598	\$524,501	\$337,021	\$113,364	(\$148,330)	(\$533,288)
General Capital Projects Fund	Actual	Budgeted	Proposed	Projected									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Capital Projects Fund Balance	Fund Established	\$1,357,808	\$1,329,982	\$1,229,596	\$1,190,796	\$1,431,596	\$1,418,396	\$1,658,455	\$1,870,230	\$1,140,580	\$714,930	\$312,780	\$517,055
Interfund Transfers													
From General Fund	\$1,530,523	\$547,000	\$660,000	\$310,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Expenditures													
Vouchers (Capital Projects Fund)	\$172,715	\$574,826	\$760,386	\$348,800	\$29,200	\$283,200	\$29,941	\$58,225	\$999,650	\$695,650	\$672,150	\$65,725	\$48,625
	\$1,357,808	\$1,329,982	\$1,229,596	\$1,190,796	\$1,431,596	\$1,418,396	\$1,658,455	\$1,870,230	\$1,140,580	\$714,930	\$312,780	\$517,055	\$738,430
Compensated Absences Trust Fund	Actual	Budgeted	Proposed	Projected									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Compensated Absences Balance	\$0	\$12,005	\$13,923	\$27,188	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172
Interfund Transfers													
From General Fund	\$12,005	\$1,918	\$13,265	\$984	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures													
Vouchers (Compensated Absences)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Compensated Absences Balance	\$12,005	\$13,923	\$27,188	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172	\$28,172
Total Ending Balance (All Funds)	\$2,839,201	\$2,742,661	\$2,318,165	\$2,236,091	\$2,407,441	\$2,334,101	\$2,484,676	\$2,576,000	\$1,693,252	\$1,080,123	\$454,316	\$396,897	\$233,314

Fiscal Performance Measures	Actual	Budgeted	Proposed	Projected									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund Cash Flow													
Revenue - Expenses	\$256,737.00	\$478,286.00	\$335,890.43	\$266,726.14	\$240,549.65	\$209,860.37	\$180,515.65	\$149,548.49	\$116,902.78	\$82,520.68	\$46,342.52	\$8,306.77	(\$114,958.13)
GF Beginning Balance													
Percentage of GF Expense	182.94%	77.49%	70.63%	50.89%	47.35%	42.77%	38.89%	33.95%	27.99%	21.03%	13.12%	4.29%	-5.44%
Capital Projects Fund													
Percentage Funded	Fund Established	52.14%	83.58%	88.37%	91.00%	93.25%	96.11%	97.74%	99.19%	100.46%	101.61%	102.63%	103.56%
Compensated Absences Trust Fund													
Percentage Funded	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

## Fiscal Analysis

Analysis of CWIFR's fiscal position must be considered on multiple dimensions. These include

- The District's ability to maintain a balanced budget as indicated by a positive, **General Fund Cash Flow** (Table 20).
- Multi-year trends in **Beginning Fund Balance** (increasing or decreasing) for each fund. (Table 19)
- Adequacy of the **General Fund Beginning Balance** of at least 33% of budgeted maintenance and operations expenses) (Table 20)
- Ability to maintain a **Contingency** of 10% of anticipated Maintenance and Operations Expenses (Table 19).

### *General Fund Cash Flow*

As illustrated in Tables 19 and 20, the District maintains a balanced budget (Revenue minus General Fund Expense) through 2023. However, this is only part of the picture as the District needs to transfer money to the reserve funds (General Capital Projects and Compensated Absences Trust) and must maintain an adequate Contingency Fund and General Fund Beginning Balance.

### *Beginning Fund Balance Trends*

The General Fund Beginning Balance decreases each year from 2012 to 2024. This decrease was anticipated due to increasing expense and in part as a result of transfer of money to the General Capital Projects Fund (catching up on investment for future capital purchases).

The General Capital Projects Fund Beginning Balance fluctuates as a result of the timing of capital projects. As illustrated in Tables 19 and 20, the District will have sufficient funds to meet capital expenditure requirements over the next 10 years. The District is transferring sufficient money from the General Fund to increase the percentage to which the General Capital Project Fund is fully funded with a target of achieving 100% by 2021. However, without a decrease in expenses or an increase in revenue, it will not be possible to sustain this level of capital investment beyond 2018.

The Compensated Absences Trust Fund is fully funded and is projected to remain so.

### *Adequacy of the General Fund Beginning Balance*

The General Fund Beginning Balance must be sufficient to meet the District's operational expenses from January through March as tax revenue is received in April and November. The District has an established policy to maintain a minimum General Fund Beginning Balance of 33% of Maintenance and Operations Expenses. As illustrated in Tables 19 and 20, the District will maintain a General Fund Beginning Balance in excess of this minimum through 2018 while maintaining adequate Contingency and transfer to reserves for Capital and Compensated Absences.

### *Contingency Fund*

As illustrated in Table 19, the District will maintain a Contingency Fund (within the General Fund) of 10% of Maintenance and Operations Expense.

### ***Considerations***

As shown in Table 20, the District will need to either decrease expenses (below the projected 3% increase used in the Long Term Cash Flow Projection) or increase revenue to sustain current service levels beyond 2018. It is likely that increases in expense will average less than 3% over the period of this projection, which will increase the time over which we will be able to maintain current service levels. In addition to controlling increases in expenditure, the District continues to explore options for generating additional revenue through shared services (e.g., Basic Life Support Ambulance Agreement with WGH EMS and Fire Inspection Services for the Town of Coupeville and Island County).

One fiscal performance measure that is not illustrated in Table 20 is the District's Levy Rate. The levy rate fluctuates based on the Assessed Valuation (AV) of taxable property within the District. As noted earlier, the levy rate is reduced if property values increase and increases if property values decrease (with a maximum value of \$1.50/\$1000 AV). If property values increase sufficiently, it will be possible for the District to present a lid lift to the voters at some point in the future to ensure that service delivery levels meet community needs.

### ***The Bottom Line***

While the Long Term Cash Flow Projection illustrated in Table 19, shows an eventual negative General Fund Cash Flow and General Fund Beginning Balance, the District may not run a deficit. This projection simply serves to identify the point at which the District would no longer be able to sustain current service levels. In actuality, revenues would be increased to maintain current service levels or expenses would be decreased to maintain a balanced budget and continue to provide the best service possible (even if at a reduced level).

## Appendix C - Glossary of Terms

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

**Accounting System:** The total set of records and procedures used to record, classify, and report information on the financial status and operations of an entity.

**Accreditation:** Accreditation is a comprehensive self-assessment and evaluation model that enables organizations to examine past, current, and future service levels and internal performance and compare them to industry best practices. This process leads to improved service delivery. This process leads to improved service delivery by helping fire departments to: 1) Determine community risk and safety needs. 2) Evaluate the performance of the department. 3) Establish a method for achieving continuous organizational improvement.

**Actual:** Monies which have already been used or received as opposed to budgeted monies which are estimates of funds that may be spent or received.

**Adopted Budget:** The adopted budget is an annual financial plan approved by a resolution passed by the Board of Fire Commissioners which forms the basis for annual appropriation and expenditure of funds.

**Adoption:** Formal action in the form of a resolution by the Board of Fire Commissioners which sets the spending limits for the fiscal year.

**Agency/Trust Funds:** Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

**Aid Unit:** A vehicle licensed and equipped to provide Basic Life Support (BLS) emergency medical care. CWIFR operates one Transport Capable Aid Unit (under an Interlocal agreement with Whidbey General Hospital). In addition, the District has seven licensed aid vehicles (two Command Units, one Engine, two Brush Engines, rescue, and a medical emergency response vehicle (MERV).

**Apparatus Number:** A numerical designation used to identify district vehicles. The first two digits of this number are the year purchased and the second two digits reflect the sequence in which the vehicle was purchased in that year (e.g., 1301 would indicate that this was the first vehicle purchased in 2013).

**Appropriation:** The legal authorization granted by the Board of Fire Commissioners to make expenditures and incur obligations. An appropriation is usually limited in amount and as to the time when it may be expended.

**Assessed Valuation:** The assessed valuation is the value set for real estate or other property by the County Assessor as a basis for levying property taxes.

**Assets:** Property which has monetary value.

**Audit:** An examination to determine the accuracy and validity of records and reports by an agency whose duty it is to make sure the District conforms with established procedures and policies.

**Balanced Budget:** Appropriations limited to the total of estimated revenues and the unencumbered fund balances estimated to be available at the close of the current fiscal year. At the fund level, a balanced budget is defined as funds total resources comprised of beginning fund balance, revenues, and other funds are equal to the total of expenditures, other fund use, and the funds ending balance.

**BARS:** Stands for Budgeting, Accounting, Reporting System. The manual the State of Washington requires governmental entities (i.e., counties and cities) to use.

**Basis of Accounting:** A term used to refer to when revenues, expenditures, expenses, and transfers, and the related assets and liabilities, are recognized in the accounts and reported on the financial statements. It relates to the timing of the measurements made, regardless of the nature of the measurement, on either the cash or accrual method.

**Beginning Cash Balance:** The amount of unexpended funds carried forward from one fiscal year to the next.

**Benefits:** Employer contributions paid by the Fire District as part of the conditions of employment. Examples include: health/dental insurance, state public employees' retirement system, and employment security.

**Bond:** A written promise to pay a specific sum of money (principal) at a specified future date along with periodic interest rate. Bonds are typically used for long-term debt to pay for a particular capital expenditure.

**Brush Engine:** A small fire engine designed for vegetation (brush) fires (See Engine).

**Budget Amendment:** A change to a budget adopted in accordance with state law. A budget may be amended to increase expenditures/expenses at the fund level by Board approval with or without public notice or public hearing requirements, when unanticipated revenues occur or emergencies exist.

**Budget Calendar:** The schedule of key dates involved in the process of adopting and then executing an adopted budget.

**Budget Document:** The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past years' actual revenues, expenditures, and other data used in making the estimates.



**Budget Hearing:** The public hearings conducted by the Board of Fire Commissioners to consider and adopt the annual budget.

**Budget Message:** The opening section of the budget which provides the Board of Fire Commissioners and the Public with a general summary of the most important aspects of the proposed budget in comparison with the current and prior years.

**Budget Policy:** An overall plan to guide present and future courses of action regarding the coordination of revenues and expenditures.

**Budget:** A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. Sometimes it designates the financial plan presented to the appropriating body for adoption and sometimes the plan finally approved by that body. It is usually necessary to specify whether the budget under consideration is preliminary or approved.

**Budgetary Reporting:** The requirement to present budget-to-actual comparisons in connection with general purpose external financial reporting. Budgetary reporting is required in connection with the basic financial statements for both the general fund (current expense) and individual major special revenue funds with legally adopted annual budgets. Budgetary reporting is also required within the comprehensive annual financial report to demonstrate compliance at the legal level of control for all governmental funds with legally adopted annual budgets.

**Capital Assets:** Land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art, infrastructure, and all other tangible or intangible assets that are used in operations and have a value of greater than \$5,000 and a useful life greater than three years.

**Capital Budget:** A plan of proposed capital outlays and the means of financing them.

**Capital Projects Plan:** A plan for capital expenditures to be incurred each year over a fixed period of years, identifying the expected beginning and ending date, and the amount to be expended in each year and the method of financing those expenditure.

**Capital Outlay:** Fixed assets which have a value of \$5,000 or more and have a useful economic lifetime of more than three years.

**Capital Projects:** Projects which purchase or construct capital assets.

**Captain:** A Company Officer serving as a second level supervisor who is responsible for managing Lieutenants, Firefighters, and Emergency Medical Technicians. Volunteer Captains are responsible for managing volunteer members assigned to their station. The Full-Time Captain serves as the Training and Recruitment Officer. The Full-Time Captain is also certified as an EMT, Volunteer Captains may be certified as EMTs.

**Cash Basis Accounting:** The method of accounting where revenues are recorded when received and expenditures are recorded when paid.

**Center for Public Safety Excellence:** The Center for Public Safety Excellence (CPSE) promotes the continuous quality improvement of fire and emergency service agencies that serve communities worldwide by providing training and career resource information. As a nonprofit, 501(c)(3) corporation, CPSE supports and encourages agencies and personnel to meet international performance standards through various programs and the work of two commissions: the Commission on Fire Accreditation International (CFAI) and the Commission on Professional Credentialing (CPC).

**Chart of Accounts:** The classification system used by a governmental agency to organize the accounting for various funds.

**Command Unit:** A vehicle equipped with communications equipment and configured as a mobile office for an officer responsible to function as the Incident Commander (IC) at incidents requiring multiple resources such as a structure fire, marine rescue, or major vehicle accident.

**Commission on Fire Accreditation International (CFAI):** A CFAI is the component of the Center for Public Safety Excellence responsible for fire department accreditation.

**Commissioner:** Elected Official responsible for overall management of the District's affairs. The Fire Commissioners (as a body) appoint and supervise the Fire Chief.

**Community Risk Reduction (CRR):** CRR includes proactive and response measures taken by a community to reduce the impact of risk.

**Consumer Price Index (CPI):** A statistical description of price levels provided by the US Department of Labor. The index used as a measure of the increase in the cost of living.

**Contingency:** A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

**Cost of Living Adjustment (COLA):** An increase in salaries to offset the adverse effect of inflation on compensation.

**Debt Service Fund:** Governmental fund type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Debt Service:** The annual payment of principal and interest on the District's indebtedness.

**Deficit:** The excess of the liabilities of a fund over its assets. The excess of expenditures over revenues during an accounting period; or, in the case of

**Deputy Chief:** Chief Officer serving as second in command to the Fire Chief and is the District's Chief Operating Officer. CWIFR's Deputy Chief supervises the Full-Time Lieutenants and Volunteer Captains.

**District Secretary:** An appointed position responsible for preparing agendas, keeping minutes, and other administrative tasks for the Board of Fire Commissioners. This function is filled by the Office Manager.

**Division:** The term is used to administratively categorize the operational areas of the District (e.g., Administration, Operations, Life Safety/Community Risk Reduction, Training/Recruitment, Facilities, and Vehicle Maintenance).

**Emergency Medical Technician:** An emergency responder certified as an Emergency Medical Technician (EMT) Basic.

**Engine:** Fire apparatus equipped with a pump, water tank, and hose. CWIFR's has two types of fire engines, Type 1 (Structural) and Type 6 (Wildland). CWIFR's Type 1 engines are designated by the letter "E" and have a 1250 or 1500 gallon per minute pump, 750 or 1000 gallon water tank and a substantial complement of hose and tools. CWIFR's Type 6 engines are designated by the letter "B" (Brush) have a 375 gallon per minute pump, a 300 gallon water tank, and a small complement of hose and tools.

**Executive Staff:** Senior staff comprised of the Fire Chief, Deputy Chief, and Office Manager/Finance Officer.

**Exempt Employees:** Employees who are exempt from the overtime provisions of the Federal Fair Labor Standards Act (FLSA). The District Fire Chief, Deputy Chief, and Office Manager are exempt.

**Expenditures:** Decreases in net current assets. Expenditures include debt service, capital outlays, and those current operating costs which require the use of current assets.

**Finance Officer:** A civilian member of the District's executive staff responsible for budgeting, accounting, and reporting. This function is filled by the Office Manager.

**Fire Chief:** Chief Executive Officer of the District. The Fire Chief supervises the Deputy Chief, Office Manager, Training/Recruitment Captain, and Firefighter Mechanic.

**Firefighter/EMT:** A firefighter who is also certified as an Emergency Medical Technician (EMT) Basic. Full-Time and Part-Time Firefighters are also certified as EMTs, Volunteer Firefighters may be certified as an EMT.

**Firefighter:** Emergency responder certified at least to the Firefighter 1 and Hazardous Materials Operational levels.

**Fiscal Year:** Any yearly accounting period, without regard to its relationship to a calendar year. The fiscal year for Central Whidbey Island Fire & Rescue begins on January 1 and ends on December 31.

**Fixed Assets:** Assets intended to be held or used for the long term, such as land, buildings, and improvements other than buildings, machinery, and equipment.

**FTE:** Acronym for Full-time Equivalent. FTE is a numerical expression that indicates a given position's budgeted proportion to a "full-time" position. A position budgeted at 40 hours per week for 12 months equals 1.0 FTE. Other frequently budgeted levels are 20 hours per week (.5 FTE) to show a position that has been split between two funds because the employee's responsibilities directly affect two funds.

**Full-Time:** Employees who are regularly scheduled for 40 hours per week or more are classified as Full-Time.

**Fund Balance:** The excess of a fund's assets of a fund over its liabilities and reserves

**Fund:** A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**General Fund:** The general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in other fund types.

**General Obligation Bonds:** Bonds for which the full faith and credit of the issuing government are pledged for payment.

**GFOA:** The purpose of the Government Finance Officers Association is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership.

**Grants:** A contribution of assets (usually cash) by one governmental unit or other organization to be used or spent for a specified purpose, activity, or facility. Typically, these contributions are made to local governments from the State and Federal governments.

**Interfund Transfers:** Amounts transferred from one District fund to another (i.e., General Fund to General Capital Projects Fund or Compensated Absences Trust Fund).

**Interfund:** Activity between the District's funds

**Intergovernmental Revenue:** Grants, entitlements, shared revenues and payment for goods and services by one government to another.

**Intergovernmental:** Transactions conducted between two or more governments

**Interlocal Agreement (ILA):** An agreement made between local government units (such as cities, towns, and special purpose districts) in accordance with the Revised Code of Washington (RCW) 39.34 Interlocal Cooperation Act.

**Internal Control:** A plan of organization for purchasing, accounting, and other financial activities, which provides that, (1) The duties of employees are subdivided so that no single employee handles a financial action from beginning to end, (2) Proper authorizations from specific responsible officials

are obtained before key steps in the processing of a transaction are completed, and (3) Records and procedures are arranged appropriately to facilitate effective control.

**Levy Rate:** The rate at which taxes, special assessments or service charges are imposed. For example, the real and personal property tax levy is the rate at which property is taxed per \$1,000 of assessed valuation. The rate is determined by calculating the ratio of the maximum amount of property tax revenue allowable under state law and the total assessed valuation within the taxing district.

**Levy:** (Noun) The total amount of taxes, special assessments, or service charges imposed by a government.

**Levy:** (Verb) To impose taxes, special assessments, or service charges for the support of governmental activities.

**Lieutenant:** A Company Officer serving as a first level supervisor who is responsible for managing firefighters and emergency medical technicians. Volunteers and Full-Time employees may serve as Lieutenants. Full-Time Lieutenants manage a (budget) division or major program within the Operations Division (e.g. emergency medical services). Full-Time Lieutenants are also certified as EMTs, Volunteer Lieutenants may be certified as an EMT.

**Line Item:** A specific item or group of similar items defined by detail in a unique account in the financial records.

**Medical Emergency Response Vehicle (MERV):** A vehicle that may be staffed by a volunteer to provide emergency medical response in addition to the on-duty crew. Use of the MERV aids in the District's ability to minimize response time, provide adequate staffing for medical emergencies and respond to concurrent calls for service. The District's MERV is a SUV.

**Non-Exempt Employees:** Employees who are covered by the overtime provisions of the Federal Fair Labor Standards Act (FLSA). All District employees with the exception of the Fire Chief, Deputy Chief, and Office Manager are non-exempt.

**Non-Represented Employees:** Employees for whom terms and conditions of employment are not bargained by a union are designated as non-represented. CWIFR's Fire Chief, Deputy Chief, and part-time employees are non-represented.

**Object (or Object Code):** Used as expenditure classifications. This term applies to the article purchased or the service obtained. Typical object codes include personnel services (wages and salaries), contracted services (utilities, maintenance contracts, etc.) supplies and materials, and capital outlays.

**Office Manager:** A civilian member of the District's executive staff responsible for managing the Administrative Division. The Office Manager supervises Part-Time Office Staff.

**Operating Budget:** Plans of current expenditures and the proposed means of financing them. The annual operating budget is the primary means by which most of the financing, acquisition, spending, and service delivery activities of a government are controlled.

**Operating Revenues:** Those revenues received within the present fiscal year.

**Operating Transfer:** The regular, recurring transfers of cash from one fund (usually the general fund) to another, appropriated through the budget process.

**Other Comprehensive Basis of Accounting (OCBA):** OCBA refers to a system of accounting other than Generally Accepted Accounting Principles (GAAP). As a Fire Protection District, CWIFR is required to use the Cash Basis of Accounting as an OCBA.

**Paid Time Off (PTO):** PTO is leave provided to the District's executive staff in place of Annual Leave, Sick Leave, and Holiday Leave.

**Part-Time:** Employees who are regularly scheduled for 35 hours per week or 150.5 hours per month are classified as Part-Time.

**PERS:** Stands for Public Employees Retirement System provided for all regular City employees, other than law enforcement and fire fighter personnel, by the State of Washington.

**Program:** A broad function or area of responsibility of government services. It is a basic organizational unit of government that is composed of a group of specific activities and operations directed at attaining a common purpose or goal.

**Proposed Budget:** Financial and operating program prepared by the budget officer and submitted to staff for consideration.

**Represented Employees:** Employee's for whom terms and conditions of employment are bargained by a union are designated as represented. CWIR's full-time Firefighters, Lieutenants, and Captain are represented by Local 4299 International Association of Firefighters (IAFF).

**Rescue:** A fire apparatus designed to carry a substantial complement of rescue equipment. CWIFR's rescue primarily serves as a breathing air support unit (refilling the air cylinders used with self-contained breathing apparatus) and as a lighting plant (electrical generator and lights).

**Reserve Fund:** A fund used to segregate a portion of equity as legally set aside for a specific future use.

**Reserve:** A segregation of assets to provide for future use toward a specified purpose.

**Revenue Estimate:** A formal estimate of how much revenue will be earned from a specific source for some future period; typically, one year.

**Revenues:** Monies received or anticipated to be received during the year to finance District services. It includes such items as property taxes, interest income, and miscellaneous revenue.

**Salaries and Wages:** Amounts paid for services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and seasonal help.

**Strategic Plan:** A plan that defines organizational strategy, or direction, and provides a basis for making decisions on allocating its resources to pursue this strategy, including its capital and people.

**Target Hazards:** Occupancies or locations that present a significant or unusual risk and/or which may require a large of specialized resource commitment in the event of an emergency incident are designated as Target Hazards.

**Taxes:** Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments, or charges for services rendered only to those who pay.

**Transfers:** Internal movements of revenue and expenses among funds in the budget to provide needed sources of funding for expenses incurred on behalf of another fund.

**Trust Fund:** Funds used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments, and/or other funds.

**Unappropriated Fund Balance:** Where the fund balance at the close of the preceding year is not included in the annual budget, this term designates that portion of the current fiscal year's estimated revenues, which has not been appropriated. Where the fund balance of the preceding year is included, this term designates the estimated fund balance at the end of the fiscal period

**Unit Designation:** The unit designation (e.g., E51) identifies the nature of the unit (e.g., Engine, Water Tender, Command Unit, Support Vehicle) and the station assignment (e.g., Station 51) or specific unit (e.g., C501 is the Fire Chief).

**Volunteer:** Members who volunteer their services. Volunteer members are paid a stipend that is dependent on their rank and role, but not on the number of hours of service provided (as long as they meet the District's minimum activity standard).

**Water Tender:** Mobile water supply apparatus with a pump, large water tank and hose. CWIFR's water tenders are equipped with a 500 or 750 gallon per minute pump and a 2000 or 2500 gallon water tank.

**Working Capital:** The year-end balance of current assets less current liabilities.