

# Central Whidbey Island Fire-Rescue



## 2016 Adopted District Budget





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Central Whidbey Island Fire & Rescue  
Washington**

For the Fiscal Year Beginning

**January 1, 2015**

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, 2015. 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.

CWIFR will be submitting its 2016 Adopted Budget for review by the GFOA for the Distinguished Budget Presentation Award.

## 2016 Annual Budget

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

- Board Chairperson Paul Messner
- Commissioner Cheryl Engle
- Commissioner Steve Hutchinson

This 2016 Adopted annual budget was prepared by District staff:

- Fire Chief Ed Hartin, MS, EFO, FiFireE, CFO
- Deputy Chief Charlie Smith, CEMSO
- Office Manager/Finance Officer Kim Harpe
- Captain Jerry Helm, FO
- Lieutenant Jen Porter
- Acting Lieutenant Alex Majestic
- Lieutenant Derik Vrable
- Firefighter Dillon Rogers
- Firefighter Jim Huff
- Firefighter James Meek

Editorial Review

Sue Hartin

Citizen Review

- Dave Fish
- William Wiegand, MBA

The 2016 Central Whidbey Island Fire & Rescue Budget was adopted by the Board of Fire Commissioners on November 12, 2015.

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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 2016.

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

This section of the budget provides an overview of the Contingency Fund and detail of 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 2016 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 2016 Budget.

### ***Supplemental Data***

This section of the budget document is composed of appendices including Budget Adoption Resolutions and a Glossary of Terms.

### **Budget Summary**

A new addition to CWIFR budget documentation is the Budget Summary. This document is intended to provide an overview of CWIFR's annual budget and financial position in an easy to understand and simplified format. The Budget Summary is distributed to all District residents in conjunction with the District's Fall Newsletter and is available for download in Portable Document Format (PDF) from the 2016 Budget Process page on the District website.

## 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 District was honored to receive a Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada (GFOA) for its annual budget for the fiscal year beginning January 1, 2015. This was the second consecutive year in which the District has received this prestigious award. This award reflects the ongoing commitment of our Board of Fire Commissioners and District staff to meeting the highest principles of governmental budgeting. In order to receive the budget award, the District had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well the District's budget serves as a: Policy document, financial plan, operations guide, and communications device. CWIFR continues this commitment to excellence by improving the 2016 budget document based on feedback from the GFOA.

The 2016 Adopted District budget is 4.26% higher than in 2015. The majority of this increase is due to expenses related to a bond measure for capital facilities and apparatus improvements. The District's Board of Fire Commissioners directed that these expenses be included in the budget pending a decision to place a bond measure before the voters. This increase is within the District's long term financial plan and provides for improvement over current service delivery levels with a continued increase in volunteer staffing. Overall, the District is fiscally healthy. We are debt free, with sufficient revenue to meet operational needs and maintain an adequate ending balance in the General Fund.

The Adopted District budget does not include any increase in compensation for full-time, represented employees; as negotiations have not been concluded at the time of budget submittal. In addition, this does not include expenses related to placing a bond measure for capital facilities and apparatus before the voters in 2016. The issue of a voter approved bond and related expenses was presented to the Board of Fire Commissioners as a separate item in the budget process after approval was integrated into the final budget presented for approval at the Board's regular meeting in November.

There are several major structural changes in the 2016 Adopted District budget. Most significant of these is the transfer of the personal services expense (salaries, wages, and benefits) for six full-time employees from the Operations Division to the Life Safety/Community Risk Reduction (CRR) Division. While not having an overall economic impact, this change more accurately represents the primary role and responsibility of these employees in relation to CRR. A second structural change involves transferring training related overtime from other Divisions to the Training & Recruitment Division. This change provides a more accurate picture of expenses related to the training function. These changes are discussed in detail in the Division narratives.

In 2010, the District identified that reserves were insufficient to meet projected capital expenditures required to replace existing apparatus and equipment over the long term. Investment in the General

Capital Projects Fund has been substantially increased to meet near term needs and achieve full funding for apparatus and equipment by 2030.

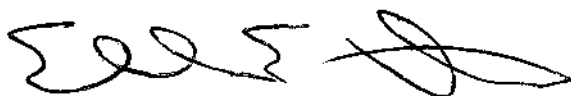
In addition to capital expenditures for apparatus and equipment necessary to maintain operational capability, the District has significant long term capital facilities needs. In 2015, the District, assisted by the architectural and engineering firm Rice Fergus Miller, completed an assessment of current capital facilities and developed a long term (50 year) capital facilities plan outlining renovation and additions to existing District facilities. An overview of this plan is provided in the General Capital Projects Fund section of the Adopted District Budget.

Due to constitutional and statutory limits on taxation, the District faces a challenge in maintaining current service delivery levels beyond 2020 without voter approval for additional revenue to meet operating and capital needs. There are several methods for the District to request a voter approved increase in revenue. The first is a lid lift, in which the voters may authorize an increase in the levy rate up to the statutory limit of \$1.50/\$1000 assessed value (AV) of taxable property within the District. However, this method will not allow the District to meet both operational and capital facilities and apparatus improvement needs. A second method is to request a voter approved bond, allowing the District to borrow funds for capital expenditures with a separate tax levy outside to fund the debt service (payment on borrowed funds) for these expenditures. This option would provide a fiscally sound mechanism to meet operational needs as well as addressing capital facilities and apparatus improvements. These options for meeting the District's operating and capital needs are addressed in substantive detail in the Long Term Financial Plan (Appendix C).

The assessed value (AV) of taxable property within the District decreased 16.35% between 2010 and 2014. AV increased 2.35% in 2014 as a result of rebounding property values and new construction but was relatively flat in 2015 with an estimated increase of 0.97% (the actual increase will be confirmed in early 2016). The Island County Auditor's office indicates that the north and south ends of Whidbey Island saw a more dramatic increase in AV, while Central Whidbey and Camano Island saw only a slight increase. The Auditor's Office indicated that it is likely that the rate of increase in AV in the Central Whidbey area will improve in 2016.

Over the last 25 years, AV has seen an average increase of 7.96% annually. This average value may be a bit misleading as there have been several years in which the increase was dramatic while most years the increase has been more modest. Based on historical data, we anticipate that AV will continue to increase at a modest rate which will slowly reduce the District's levy rate over time.

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, FIFireE, 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, each serving a six year term. 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

By statute, the Board of Fire Commissioners 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 Messner has served for 28 years and Commissioner Cheryl Engle has served for 24 years. Commissioner Steve Hutchinson was appointed in 2014 to fill the vacancy created by resignation of Commissioner Tom Smith and ran unopposed in the 2015 general election. Commissioner Messner served as a firefighter from 1976 until his election as a Fire Commissioner in 1985 and Commissioner Steve Hutchinson served as a firefighter from 1988 until 2015.

### 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 1928 to provide fire protection for the Town of Coupeville. In 1952, 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 1987, 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 1990 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 an area of 50 square miles with a population of approximately 8,500 (WA OFM, 2014a, 2014b) 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.

Figure 2. Central Whidbey Island Fire & Rescue Locus Map



### *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 divided by State Route (SR) 20. The older commercial district, which also contains county offices, and health care facilities is located north of SR 20. The area south of SR 20 includes schools and newer commercial development.

The Town of Coupeville also contains a majority of the District's target hazards<sup>1</sup>

- Front Street (several blocks of old, wood frame commercial buildings and Coupeville wharf)
- 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

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<sup>1</sup> Target hazards present a higher level of risk than the typical residential structures found throughout the District.

### ***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 people per square mile (mi<sup>2</sup>) with pockets of higher density throughout the District. However, the majority of CWIFR's response area is extremely rural.

As illustrated in Table 1, the median age of the District's population is considerably higher than that of the state of Washington and of that for residents within the Oak Harbor (North Whidbey) zip code. The population within the Coupeville zip code has a slightly lower median age than that of residents in two of the three South Whidbey zip codes, and the median age of residents in the Greenbank zip code is substantially higher than in any other area on Whidbey Island.

The population and age related demographics of the District have an impact on workload and ability to recruit volunteer members. The large number of District residents over the age of 50 results in a substantial demand for emergency medical services and a higher potential risk of injury and death from fire incidents. In addition, the limited number of residents in the age group typical of volunteer firefighters (particularly in Greenbank) presents an ongoing challenge to maintaining adequate staffing.

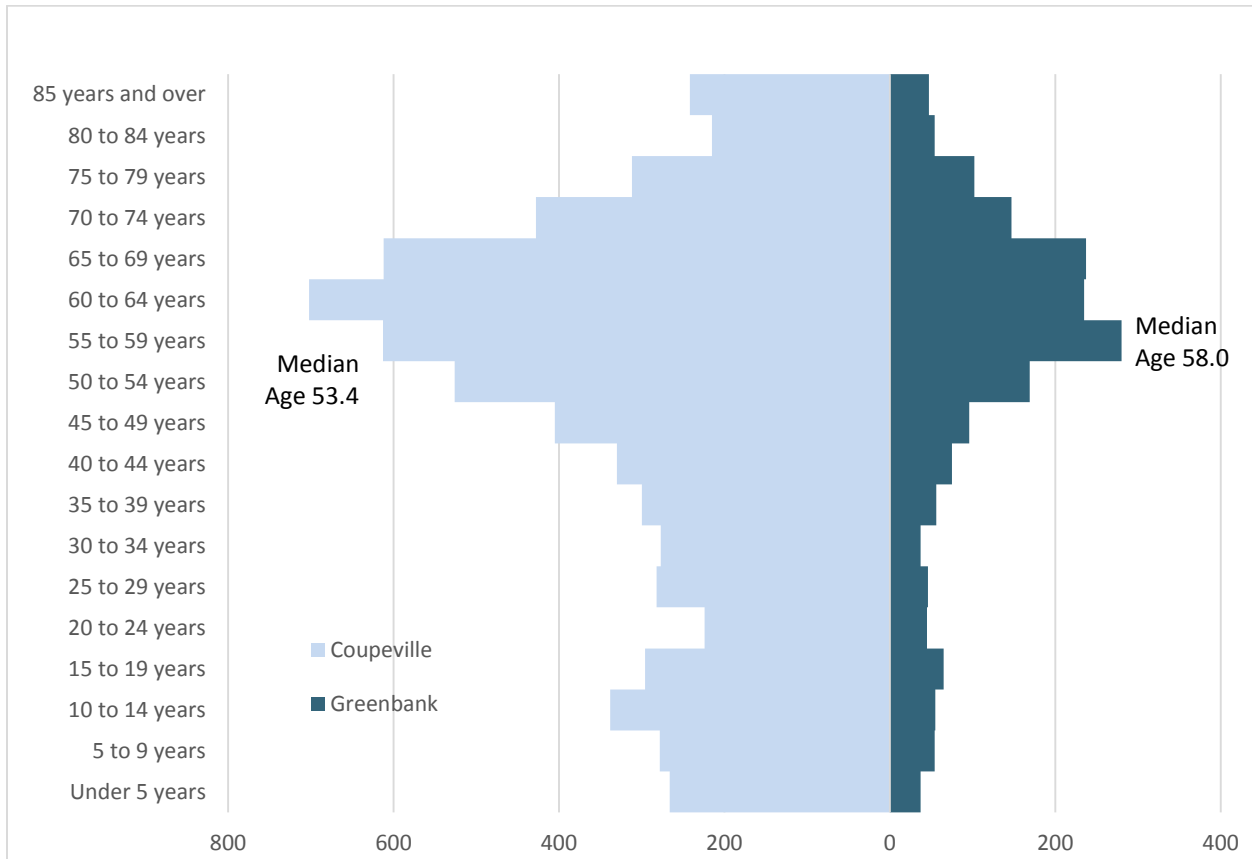


Table 1. Population and Median Age for Washington State and Whidbey Island

Area	Total Population	Median Age
Washington State	6,724,540	37.3
Oak Harbor/North Whidbey (98277)	37,823	33.0
Coupeville (98239)	6,646	53.4
Greenbank (98253)	1,837	58.0
Freeland (98249)	4,561	54.9
Langley (98260)	5,278	54.4
Clinton (89235)	5,635	51.2

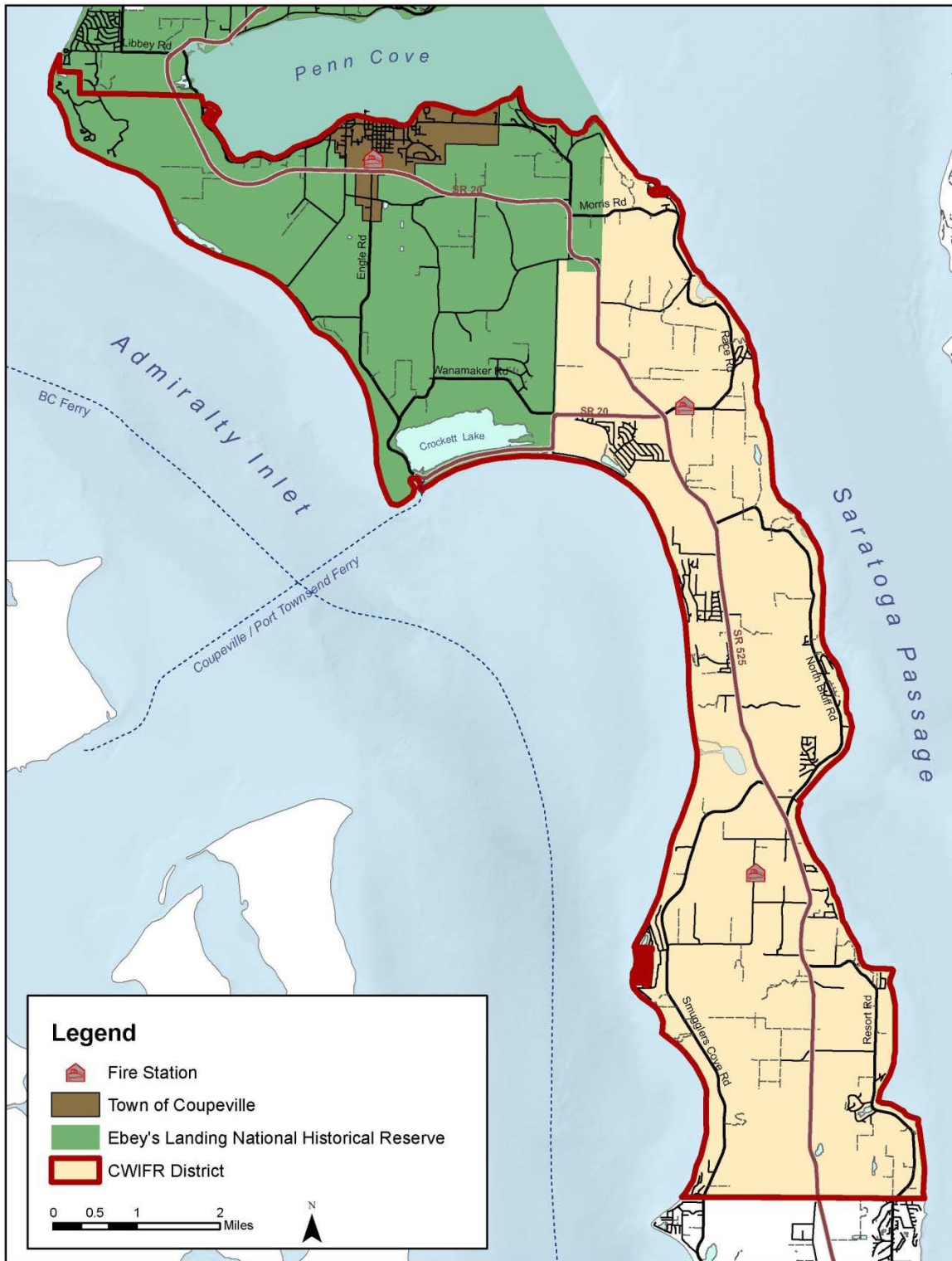
Note: Developed from 2010 Census Data (US Census Bureau, 2015) American Fact Finder, Community facts [zip code] 98277, 98239, 98253, 98249, 98260, 98253, and [state] Washington.

Figure 3. Population Distribution by Age in Coupeville and Greenbank Zip Codes



Note: Developed from 2010 Census Data (US Census Bureau, 2015) American Fact Finder, Community Facts [zip code] 98239 and 98253.

Figure 4. District Map



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 in 1928, 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 services. In addition, we have moved towards establishing 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 2 illustrates CWIFR’s proactive and response services.

Table 2. 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> <li>• Community Preparedness</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> <li>• Non-Emergency Services</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 boarder 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 are in Oak Harbor and Bayview. In addition, CWIFR operates a Basic Life Support Ambulance from the Race Road Fire Station

Figure 5. Station 51-Main Street, Coupeville



Figure 6. Station 53-Race Road, Coupeville





Figure 7. Station 54-Day Road, Greenbank

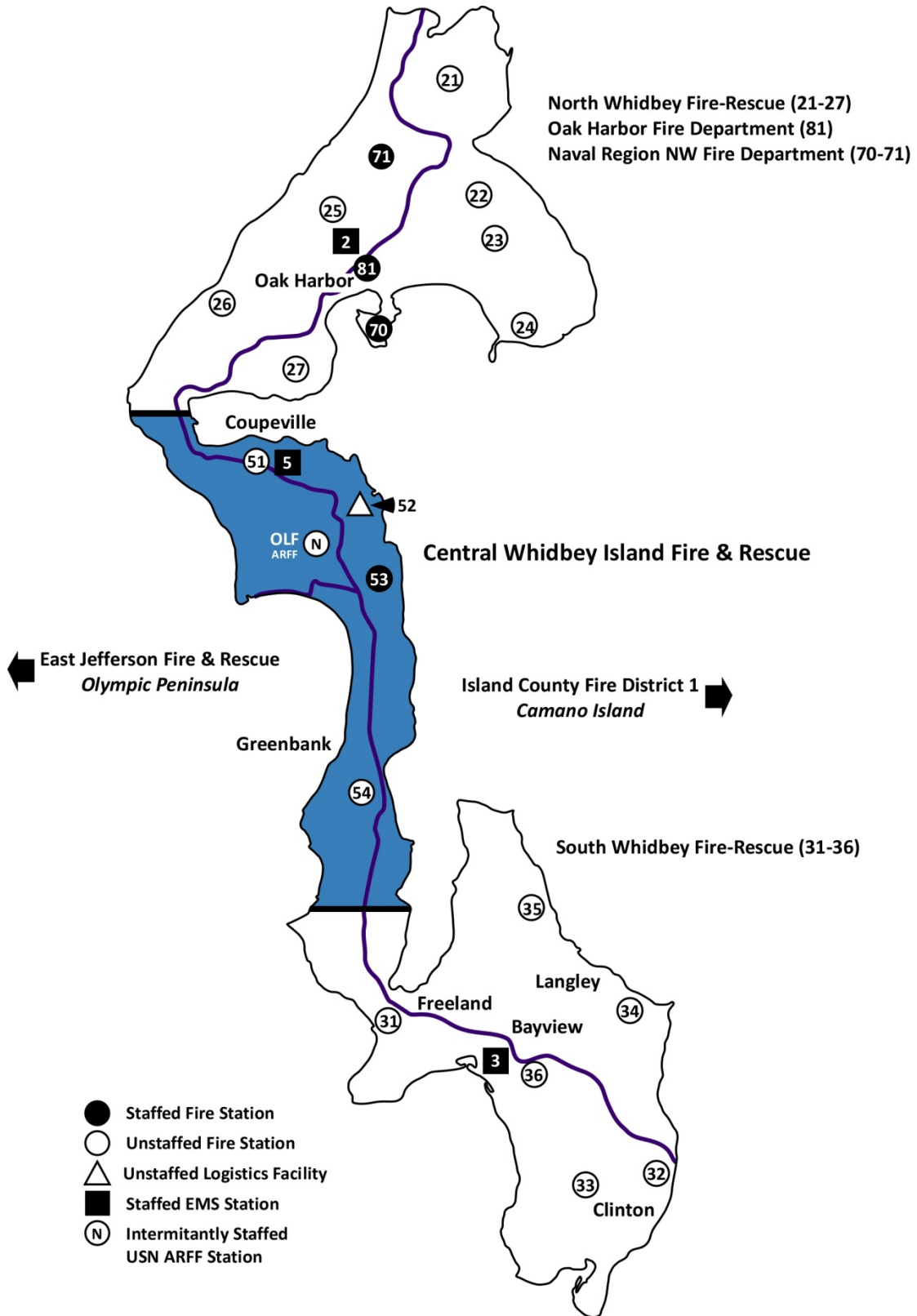


In addition to its three fire stations, CWIFR maintains a decommissioned fire station on Morris Road in Coupeville as a logistics facility, providing space for storage of equipment and supplies.

Figure 8. Station 52 (Logistics Facility)



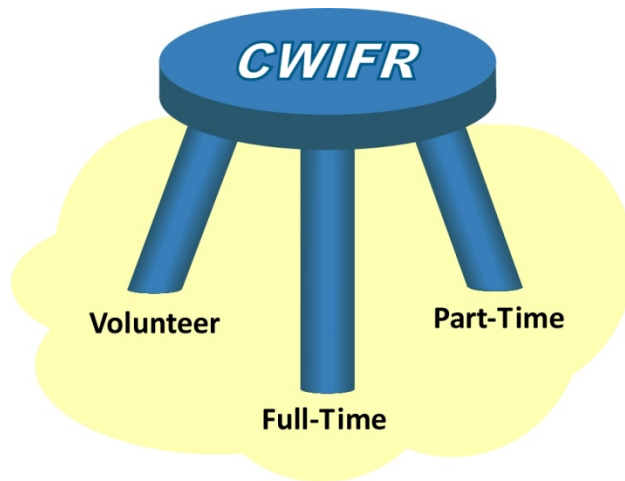
Figure 9. Fire Station Locations



## 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 10). 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 10. 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 which require 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 11. CWIFR Organization/Lines of Accountability

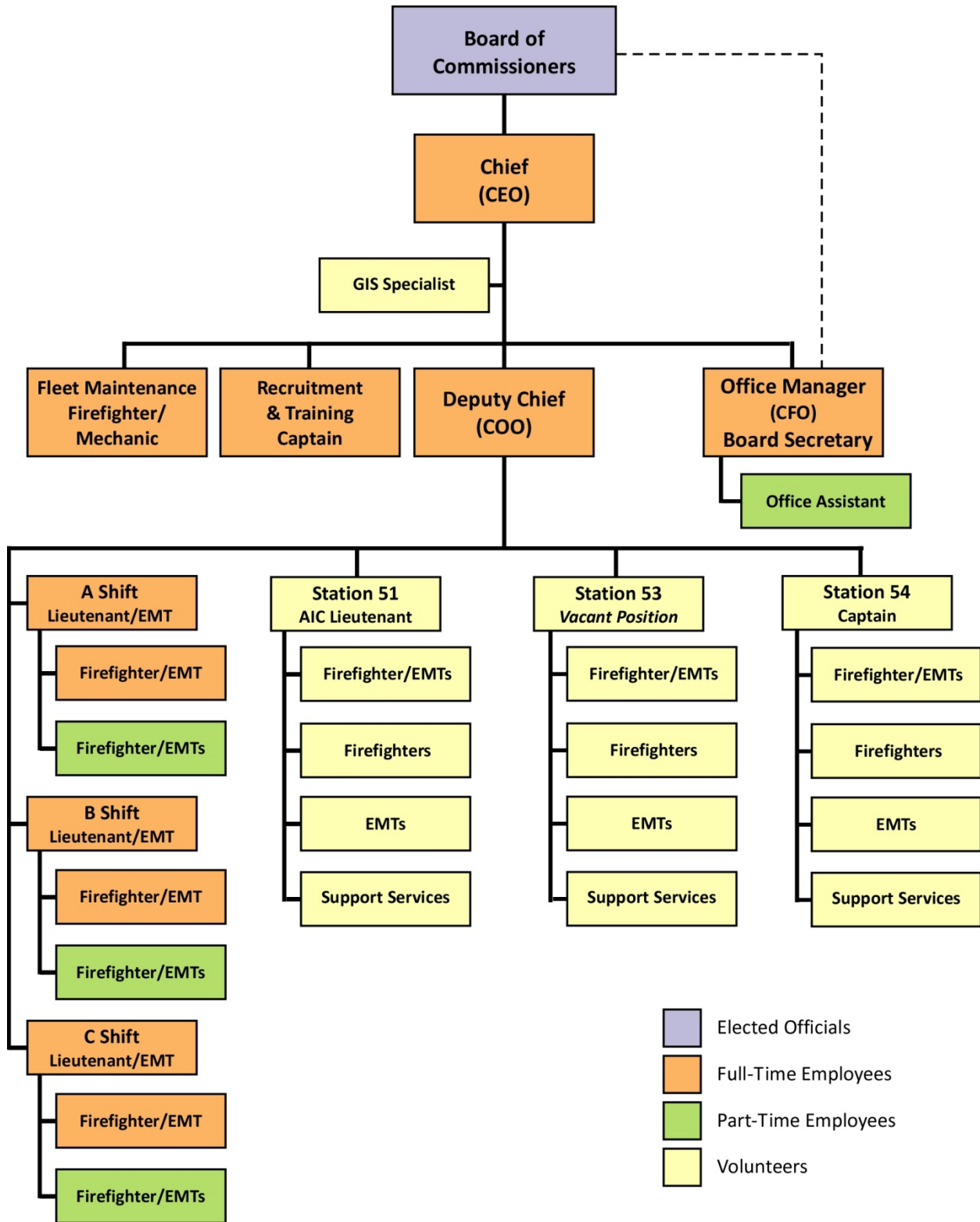




Table 3. Summary of Personnel

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		14.0	0.0	0.0	0.0	0.0
Subtotal	3.5	31.0	0.0	1.0	0.0	1.0

2015 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	10.0	0.0	0.0	0.0	0.0
Volunteer		25.0	0.0	0.0	0.0	0.0
Subtotal	3.5	41.0	0.0	1.0	0.0	1.0

2016 Personnel	Administration	Operations	Life Safety	Training	Facilities	Vehicle Maintenance
Full-Time	3.0	0.0	6.0	1.0	0.0	1.0
Part-Time	0.5	10.0	0.0	0.0	0.0	0.0
Volunteer	1.0	32.0	0.0	0.0	0.0	0.0
Subtotal	4.5	42.0	6.0	1.0	0.0	1.0

*Note:* Six full-time members (Firefighters and Lieutenants) have been transferred from the Operations Division to the Life Safety/Community Risk Reduction Division (highlighted in Table 3). This organizational change is discussed in detail in the Operations and Life Safety/Community Risk Reduction Narrative sections of the Budget.

Figure 12. Functional Organization



## 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, or 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 4 outlines the District’s strategic themes and outcomes.

Table 4. Strategic Themes & 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. As illustrated in Table 5, each perspective provides answers to an important question.

Table 5. Critical Perspectives

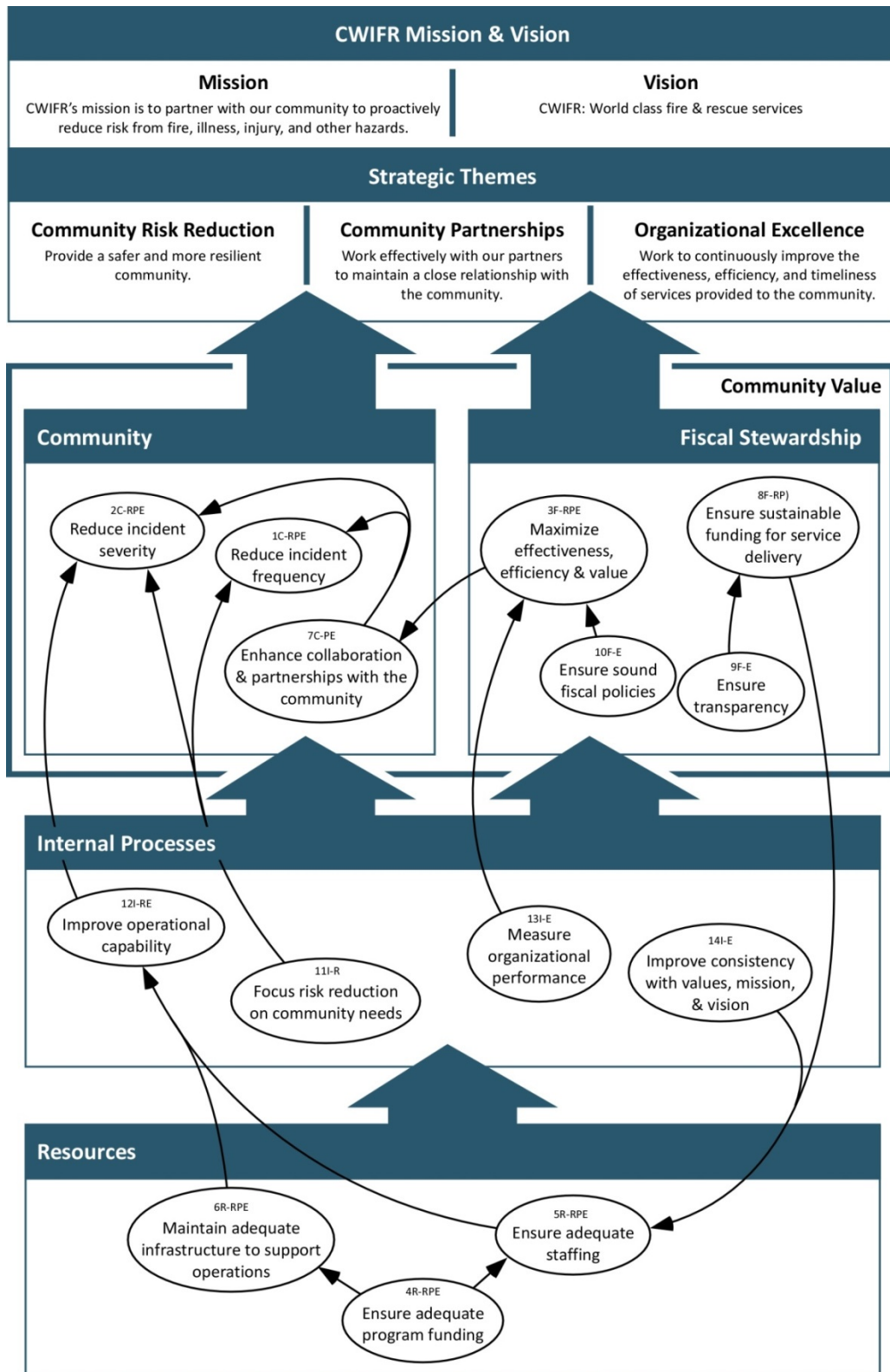
Perspective	Questions Answered	
<b>Community</b>	How will we achieve or exceed the community's risk reduction outcome objectives?	How will we provide the greatest value to the community?  (Outcomes/Cost Effectiveness)
<b>Fiscal Stewardship</b>	How will we provide the most cost effective service to the community?	
<b>Internal Processes</b>	In what internal processes must we excel in order to exceed the community's expectations?	
<b>Physical and Human Resources</b>	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, it serves as the District's strategic *bull's eye*. Figure 13 provides a graphic illustration of how these goals relate to our Strategic Themes, Mission, and Vision.

Figure 13. Enterprise Wide Strategy Map<sup>2</sup>



<sup>2</sup> The alphanumeric designation for each goal identifies the goal number, perspective, and strategic theme.

CWIFR has made tremendous strides in achieving the goals in the four 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.

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.

### **Performance Measurement**

Why measure performance? “Neither the act of measuring performance nor the resulting data accomplishes anything itself; only when someone uses these measures in some way do they accomplish something” (Behn, 2003, p. 586). Measuring performance is essential to both defining a starting point and for evaluating progress. As Kaplan and Norton (2004) observe, “You can’t manage what you can’t measure...You can’t measure what you can’t describe” (p. xiii).

Effective organizational performance requires measurement to first establish a baseline and subsequently to evaluate progress toward established goals. However, performance management provides benefits beyond checking progress (Neely, 2002).

Performance measurement supports continuous learning in which feedback is used for identifying achievements and making adjustments to agreed-upon strategies or initiatives. This process is critical to continued progression towards the attainment of organizations’ mission and vision. It also can provide a balanced and systematic attempt to assess the effectiveness of operations from different points of view: financial, operational performance, community, and members.

### ***Strategic Performance Measures***

One of CWIFR’s enterprise-wide Strategic Goals is to measure organizational performance. This goal is closely aligned with the District’s value of excellence and vision of world class fire and rescue service by providing a foundation for continuous improvement.

In the end, performance is measured after the fact. For example, success in treating a patient that is in cardiac arrest can only be determined after the patient survives to leave the hospital and return to a normal life (or they do not). Similarly, community fire safety can be measured on the basis of death, injury, and property loss. These are lagging (after the fact) or outcome measures. In most cases, outcomes are influenced by multiple factors, some of which are directly controlled or influenced by the District and others which are outside the District’s direct control or influence. For example, emergency medical outcomes are influenced by the patient, the patient’s primary care physician, CWIFR, Whidbey General Hospital (WGH) Emergency Medical Services, and the definitive care provided by WGH or another hospital. Fire safety outcomes are similarly complex.

Leading indicators or performance drivers measure factors that are critical to achievement of specified goals or successful performance as measured by lagging indicators (outcome measures). For example, in both cardiac arrest and structure fire response, response time is an important factor and may serve as a useful leading indicator or performance driver when assessing emergency response effectiveness.

CWIFR's Strategic Plan identified multiple outcome measures and performance drivers for each strategic goal. However, the number and complexity of these measures along with the limited capacity for the District's records management system, finance and accounting system, and work practices initially made performance measurement extremely difficult. In 2012, the District implemented a new finance and accounting system to improve financial processes and begin the process of improving measurement of financial performance measures. In the 4<sup>th</sup> quarter of 2014, the District began implementation of a new records management system and process to improve collection and analysis of operational data.

As part of the 2015 Budget process, CWIFR Executive Staff assisted by the Citizen Budget Review Working Group reviewed and refined the multiple performance measures identified in the 2011-2016 Strategic Plan to clarify and refine the most important strategic performance measures based on what is most important to stakeholders. In 2015, the District began the process of implementing use of these performance measures to establish baseline organizational performance and provide a basis for organizational improvement. While this effort was not fully completed in 2015, substantial progress was made and work continues.

#### ***CWIFR's Balanced Scorecard***

The performance measures in this Balanced Scorecard address each of the Strategic Goals in the District's Enterprise Wide Strategy and several additional goals identified in the District's Strategic Plan.

*Note:* Goals in **bold** type are enterprise wide goals (see Figure 13, Enterprise Wide Strategy Map).

Table 6 illustrates the District's strategic goals, performance measures related to those goals, and baseline performance data. For performance measures that have not yet been implemented, discussion is provided on obstacles and action steps required for implementation. Performance measures that have not yet been implemented are shaded in light yellow.

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Table 6. Balanced Scorecard

Community Perspective				
Strategic Goal	Performance Measure	Outcomes		
<b>Reduce incident frequency (1C-RPE)</b>	Change in total calls for service/1000 population <ul style="list-style-type: none"> <li>• Fire incidents/1000 population</li> <li>• Emergency medical responses/1000 population</li> <li>• Total incidents/1000 population</li> </ul>	Year	2013	2014
		Population	6,132	6,202
		Fire Incident Rate	2.86	3.46
		Rescue/EMS Incident Rate	95.11	91.02
		Total Incident Rate	141.73	149.31
	Discussion: Population within the District is estimated by the Washington Office of Financial Management (WA OFM) on an annual basis. Given the small sample size for this data, it is important to recognize that analysis of trends will require multiple years of data. In addition, the District can directly influence a small proportion of the drivers of demand for service, requiring broad based community wide effort to reduce incident frequency.			
	Percentage of homes (dwelling units) receiving a safety survey annually.	A pilot project for implementation of home safety surveys was initiated in the 4 <sup>th</sup> quarter of 2015 with full implementation scheduled for 2016 (inclusive of establishing baseline data). This performance measure will be reported in 2017.		
<b>Reduce incident severity (2C-RPE)</b>	Percentage of structure fires beyond the room of origin on arrival confined to the building of origin.	100% of structure fires occurring in 2014 that had extended beyond the room of origin prior to arrival were confined to the building of origin. However, in two instances, there was minor heat damage to the exterior of a single exposure building (prior to arrival).		
	Percentage of structure fires confined to the room or area of origin.	62% of structure fires occurring in 2014 were confined to the room or area of origin. 37.5% of structure fires occurring in 2014 presented defensive fire conditions on arrival, predominantly due to delayed alarm.		
	Percentage of District population receiving CPR Training (Hands-Only or Certification) annually.	7.58% of the District's population (470 participants) received CPR training in 2014. This is short of the District's target of providing CPR training to 10% of the District's population annually.		



Table 6. Balanced Scorecard (Continued)

Community Perspective		
Strategic Goal	Performance Measure	Outcomes
<b>Reduce incident severity (2C-RPE)</b>	Cardiac Arrest Save Rate (Utstine Criteria)	Anecdotal data shows an increase in the District's cardiac arrest save rate (patient self-reporting). However, as Whidbey Island does not yet have a cardiac arrest registry (allowing for follow up on survival rate while maintaining medical confidentiality), accurate save rate data is not yet available.
	Extent to which CWIFR meets its adopted Standard of Coverage (SOC) <ul style="list-style-type: none"> <li>• 80% Fractile Response Time First Unit (All Emergency Incidents)</li> <li>• 80% Fractile Response Time for Minimum Response Force (Fire &amp; Cardiac Arrest)</li> <li>• 80% Fractile Response Time for Effective Response Force (Fire &amp; Cardiac Arrest)</li> <li>• Percentage Turnout of On-Call Staff on Structure Fires (Day/Night)</li> </ul>	The District's SOC has not yet been adopted by the Board of Fire Commissioners (this is anticipated for late 2015 or early 2016). Data is currently being collected that will allow reporting on this measure after adoption of the SOC.

Table 6. Balanced Scorecard (Continued)

Community Perspective		
Strategic Goal	Performance Measure	Outcomes
<b>Enhance collaboration and partnerships with the community (7C-PE)</b>	Positive (effectiveness, efficiency, or relationship) outcomes with clear linkage to community coalitions or partnerships [QUALITATIVE]	<ul style="list-style-type: none"> <li>The District has maintained an Interlocal agreement with Whidbey General Hospital to operate a basic life support ambulance and collaborative provision of emergency medical care.</li> <li>The District has maintained an Interlocal agreement with the Town of Coupeville to perform fire and life safety inspections within the Town. In addition, the District has an informal arrangement with the Town to perform annual fire hydrant inspections and flow testing.</li> <li>The District has implemented an Interlocal agreement with Island County to perform annual fire and life safety inspections to commercial occupancies.</li> <li>The District has established a collaborative relationship with the Coupeville Neighborhood Emergency Teams to train residents of Coupeville in appropriate response to emergencies.</li> <li>The District has taken a leadership role in establishing WIp prevent as an island-wide risk reduction coalition involving multiple agencies and citizen representatives.</li> </ul>
Improve community satisfaction (17C-E)	Mean satisfaction score on the District’s biennial community survey for each the four dimensions of the community value proposition: <ul style="list-style-type: none"> <li>Effective</li> <li>Timely</li> <li>Friendly, Helpful, &amp; Compassionate</li> <li>Efficient and Affordable</li> </ul>	The District is in the process of implementing a program to survey each customer served by the District (beginning with emergency response services). A similar performance measure will be established based on this survey type and will be reported on in 2017.  Work continues to establish a strategy to implement a community wide biennial survey.
Increase accuracy of community risk perception (18C-E)	Extent to which community members correctly identify major fire, accident, and health risks on the District’s biennial community survey.	Work continues to establish a strategy to implement a community wide biennial survey.

Table 6. Balanced Scorecard (Continued)

Fiscal Stewardship Perspective		
Strategic Goal	Performance Measure	Outcomes
<b>Maximize effectiveness, efficiency, and value (3F-RPE)</b>	Per Capita Cost of Fire & Rescue Service	2014 Per Capita Cost \$283.70 <i>2015 Population Data Not Yet Available from WA OFM</i>
	Case examples of providing value to the community through effective and efficient service [QUALITATIVE]	In 2015, the District purchased a used 25' Safe Boat to replace its existing 17' Rigid Hull Inflatable Boat. Purchase of this used vessel and refurbishment by department staff saved the District approximately \$183,000 over the cost of a new vessel of the same type and size.
	Administrative Staff to Operational Staff Ratio	The District has 3.3 Full Time Equivalent (FTE) administrative staff (including Fire Chief and Deputy Chief as 0.9 FTE administrative). This provides an administrative to operational staff ratio of 0.087.
<b>Maximize effectiveness, efficiency, and value (3F-RPE)</b>	Apparatus Maintenance Cost/Repair Cost	A fleet maintenance records management system (RMS) was purchased and implemented in 2015. This system will provide the data necessary to track apparatus maintenance and repair cost as well as lifecycle cost of the District's apparatus.
	Facilities Maintenance Cost/Repair Cost	A system must be developed and implemented to address tracking of facilities maintenance and repair cost as part of implementing the Facilities Maintenance Plan completed in 2015.
<b>Ensure sustainable funding for service delivery (8F-RP)</b>	Percentage Below \$1.50/\$1000 AV Levy Rate	With a current levy rate of \$1.36/\$1000 AV, the District's property tax levy is 9.33% below the statutory maximum of \$1.50/\$1000 AV. This is an improvement as the District's property tax levy was 8.0% below the statutory maximum in 2014.

Table 6. Balanced Scorecard (Continued)

Fiscal Stewardship Perspective		
Strategic Goal	Performance Measure	Outcomes
<b>Ensure transparency (9F-E)</b>	Achievement of the Government Finance Officers Distinguished Budget Presentation Award	The District received its second consecutive GFOA Distinguished Budget Presentation Award in 2015.
	Mean score on availability, organization and clarity of District fiscal information on the District's biennial community survey.	Work continues to establish a strategy to implement a community wide biennial survey.
	Mean transparency score on the District's biennial community survey.	Work continues to establish a strategy to implement a community wide biennial survey.
	Achievement of the Government Finance Officers Certificate of Conformance for Cash Basis Financial Reporting	Work continues to establish a strategy to implement a community wide biennial survey.
<b>Ensure sound fiscal policies (11F-E)</b>	General obligation bond rating	As it is likely that the District will be placing a bond measure before the voters in 2016, the District's bond rating will be determined as part of that process.

Table 6. Balanced Scorecard (Continued)

Internal Process Perspective		
Strategic Goal	Performance Measure	Outcomes
Ensure effective HR practices (19I-E)	Retention rate: <ul style="list-style-type: none"> <li>• % of volunteer members with greater than 24 months service</li> <li>• % of part-time members with greater than 24 months service</li> </ul>	45% of volunteer members have greater than 24 months service. 40% of part-time members have greater than 24 months service
	Percentage of members qualified to test for promotion to the next highest organizational level <ul style="list-style-type: none"> <li>• Full-Time Firefighter→Full-Time Lieutenant</li> <li>• Full-Time Lieutenant→Full-Time Captain</li> <li>• Part-Time Firefighter→Full-Time Firefighter</li> <li>• Volunteer Firefighter→Full-Time Firefighter</li> <li>• Volunteer Firefighter→Part-Time Firefighter</li> <li>• Volunteer Firefighter→Volunteer Lieutenant</li> </ul>	50% of Full-Time Firefighters are qualified to test for the position of Full-Time Lieutenant. 0% of Full-Time Lieutenants are qualified to test for the position of Full-Time Captain. 100% of Part-Time Firefighters are qualified to test for the position of Full-Time Firefighter. 18% of Volunteer Firefighters are qualified to test for the position of Full-Time Firefighter. 27% of Volunteer Firefighters are qualified to test for the position of Part-Time Firefighter. 9% of Volunteer Firefighters are qualified to test for the position of Volunteer Lieutenant.
	Percentage of officers holding professional designation (COD or CFOD)	42.8% of the District’s fire officers hold professional designation.
	<p><i>Discussion:</i> Professional designation provides external validation of achievement and maintenance of professional development to established standards. Chief Hartin holds designation as a Chief Fire Officer from the Center for Public Safety Excellence, Commission on Professional Credentialing (CPSE/CPC) and as a Fellow of the Institution of Fire Engineers. Deputy Chief Smith holds designation as a Chief Emergency Medical Service Officer from the CPSE/CPC. Captain Helm holds designation as a Fire Officer from the CPSE/CPC.</p>	

Table 6. Balanced Scorecard (Continued)

Internal Process Perspective				
Strategic Goal	Performance Measure	Outcomes		
<b>Focus risk reduction on community needs (12I-R)</b>	Percentage change in the rate of incident occurrence (incidents/1000 population) for risks identified as high frequency (e.g., ground level falls) or high criticality (e.g., structure fires and cardiac arrest).	Year	2013	2014
		Population	8022	8097
		Structure Fire Rate	0.62	0.99
<p>The District has only a partial year of detailed data on medical responses. Baseline data, the medical component of this performance measure, will be determined in 2016 (2015 data).</p>				
<p><i>Discussion:</i> Population within the District is estimated by the Washington Office of Financial Management (WA OFM) on an annual basis. Given the small sample size for this data, it is important to recognize that analysis of trends will require multiple years of data. In addition, the District can directly influence as small proportion of the drivers of demand for service, requiring broad based community wide effort to reduce incident frequency.</p>				
Extent to which preventative programs identify and focus on highest risks instead of targets of opportunity [QUALITATIVE]		<p>The District has identified falls, cardiac arrest, and fires involving older adults as being the highest risks in the District based on incident data, anecdotal evidence, and national incident and demographic data.</p> <p>The District’s leadership in Wlprevent and pilot home safety survey project are positive steps forward in addressing these risks. However, continued work is needed.</p>		

Table 6. Balanced Scorecard (Continued)

Internal Process Perspective																																			
<b>Improve consistency with values, mission, and vision (14I-E)</b>	Organizational rating for consistency with values, mission, and vision in the District’s biennial community survey.	Work continues to establish a strategy to implement a community wide biennial survey.																																	
<b>Improve operational capability (10I-RE)</b>	Percentage of members meeting individual performance standards.	Individual performance standards are under development and will be implemented in 2016.																																	
	Percentage of companies meeting performance standards.	Company performance standards are under development and will be implemented in 2016.																																	
<b>Measure organizational performance (13I-E)</b>	Percentage of compliance with CFAI Accreditation Criteria <ul style="list-style-type: none"> <li>• Critical Criterion</li> <li>• Criterion by Category</li> </ul>	<p>CWIFR made improvements in 56% of the CFAI Critical Accreditation Criterion and has reached 28% compliance with these criterion.</p> <p>Compliance by Category: CWIFR has made improvements and achieved the following levels of compliance across all criterion by category:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Improved</th> <th>Compliance</th> </tr> </thead> <tbody> <tr> <td>Governance &amp; Administration</td> <td>8%</td> <td>100%</td> </tr> <tr> <td>Assessment and Planning</td> <td>57%</td> <td>26%</td> </tr> <tr> <td>Goals and Objectives</td> <td>25%</td> <td>75%</td> </tr> <tr> <td>Financial Resources</td> <td>22%</td> <td>89%</td> </tr> <tr> <td>Programs</td> <td>65%</td> <td>26%</td> </tr> <tr> <td>Physical Resources</td> <td>52%</td> <td>44%</td> </tr> <tr> <td>Human Resources</td> <td>13%</td> <td>18%</td> </tr> <tr> <td>Training &amp; Competency</td> <td>35%</td> <td>0%</td> </tr> <tr> <td>Essential Resources</td> <td>16%</td> <td>16%</td> </tr> <tr> <td>External System Relations</td> <td>0%</td> <td>0%</td> </tr> </tbody> </table>	Category	Improved	Compliance	Governance & Administration	8%	100%	Assessment and Planning	57%	26%	Goals and Objectives	25%	75%	Financial Resources	22%	89%	Programs	65%	26%	Physical Resources	52%	44%	Human Resources	13%	18%	Training & Competency	35%	0%	Essential Resources	16%	16%	External System Relations	0%	0%
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Training & Competency	35%	0%																																	
Essential Resources	16%	16%																																	
External System Relations	0%	0%																																	

Table 6. Balanced Scorecard (Continued)

Resource Perspective			
Strategic Goal	Performance Measure	Outcomes	
<b>Ensure adequate funding (4R-RPE)</b>	General Fund beginning balance as a percentage of budgeted General Fund expenses.	The projected 2016 general fund beginning balance as a percentage of budgeted General Fund expenses is 89.25%	
	Percentage of full funding of reserve funds: <ul style="list-style-type: none"> <li>• Capital Projects Fund</li> <li>• Compensated Absences Fund</li> <li>• Contingency (Administrative) Fund</li> </ul>	Capital Projects Fund is 66.79% fully funded Compensated Absences Fund is 100% fully funded The Contingency Fund is 100% fully funded	
<b>Ensure adequate staffing (5R-RPE)</b>	On-Duty Staff/1000 Population (Day/Night)	Average daily staffing for 2015 (year to date) is 5.64 during the day and 3.67 during the night. <i>2015 Population Data Not Yet Available from WA OFM.</i> The baseline for this measure will be established in 2016.	
	On-Call Staff/1000 Population (Day/Night)	Some part-time firefighters do not live on the island and are not available in on-call status when not on duty. The District's current staffing data system makes it difficult to differentiate between part-time staff who are on-call and those who are not. Efforts are ongoing to improve this element of data collection.	
<b>Maintain adequate infrastructure to support operations (6R-RPE)</b>	Percentage of Apparatus In-Service Time by Kind/Type	<b>Apparatus Kind/Type</b>	<b>In-Service Time</b>
		Type 1 Engines	97.60%
		Type 1 Water Tenders	99.28%
		Type 6 Engines	99.83%
		Air Unit	99.96%

2015 has served as the baseline year for these performance measures with progress measured in subsequent years as additional data becomes available.



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## 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

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 General Fund ending balance of 43% of budgeted expenditures in the subsequent year to provide:

- Sufficient funds to meet current expense in advance of receipt of tax revenue in April (estimated as 33% of the maintenance and operations budget)
- 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 is debt free, having retired its long term general obligation bond in 2011.

CWIFR has developed a Long Term Financial Plan (see Appendix C), 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.

As with all municipal entities in Washington state, Central Whidbey Island Fire & Rescue (CWIFR) is regularly audited by the Washington State Auditor. As the District's revenues exceeded \$2,000,000 in 2014, the District will receive its first comprehensive financial and accountability audit in November 2015. The financial and accountability 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 as well as assessment of compliance with state laws and regulations. Until 2014, the District's revenues had been less than \$2,000,000 and the Washington State Auditor conducted an accountability audit every three years to examine fiscal processes to determine if the District had appropriate internal controls in compliance with state laws and regulations. The District has completed this audit since 1986 without a finding.

### Financial Assumptions Used in the Budget Process

CWIFR maintains a Long Range Financial Plan (Appendix C) 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 2016 District budget (additional long range assumptions are detailed in Appendix C-Long Term Financial Plan).

### **Revenue**

There are several revenue limitations based on the provisions of the Washington State Constitution and Revised Code of Washington (RCW). These limitations are accepted as given within the context of the budget process:

**Constitutional Limitation:** 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).

**Statutory Limitation-Fire Districts:** 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).

**Statutory Limitation Emergency Medical Services (EMS):** The RCW allows an EMS levy to a maximum regular property tax rate of \$0.50/\$1000 of assessed value (RCW 458.19.060). The Whidbey General Public Hospital District levies this tax and other taxing districts with the hospital district's boundaries are precluded from levying a tax for EMS services.

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

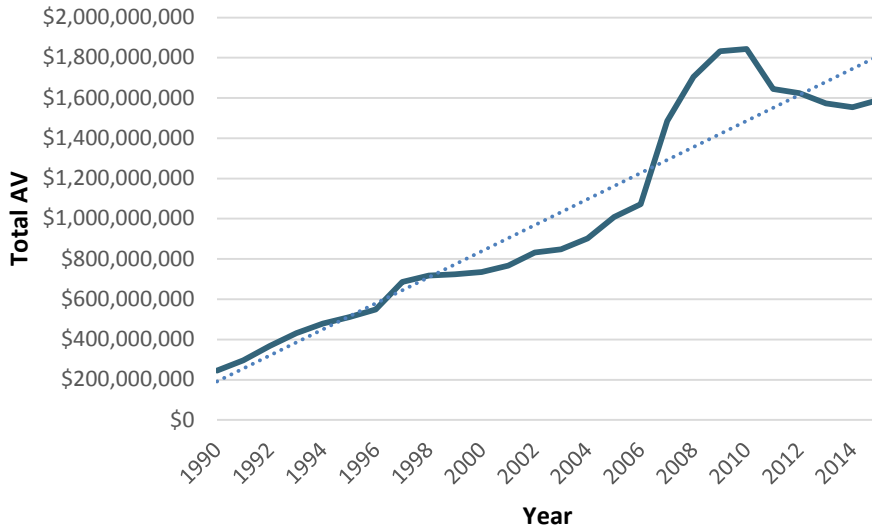
**Assumption R1:** In 2014 the District's taxable Assessed Value (AV) increased 2.35% for the 2015 tax year and in 2015 the taxable AV remained relatively flat with an increase of 0.97%.

**Assumption R2:** The District's AV will increase between 1% and 5% over the next several years, reducing the District's levy rate while maintaining a maximum 1% increase in the District's maximum tax levy.

The following data support Assumptions R1 and R2. In 20 of the last 24 years, assessed valuation within the District has increased. The magnitude of the change in assessed valuation has varied widely over this time period (-10.72% to 38.57%). Over this 24 year period, the average change in AV has been an increase of 7.96%. The assessed value (AV) of taxable property within the District decreased 16.35% between 2010 and 2014. AV increased 2.35% in 2014 as a result of rebounding property values and new construction but was relatively flat in 2015 with an estimated increase of 0.97% (the actual increase will be confirmed in early 2016). The Island County Auditor's office indicates that the north and south ends of Whidbey Island saw a more dramatic increase in AV, while Central Whidbey and Camano Island saw only a slight increase. The Auditor's Office indicated that it is likely that the rate of increase in AV in the Central Whidbey area will improve in 2016.

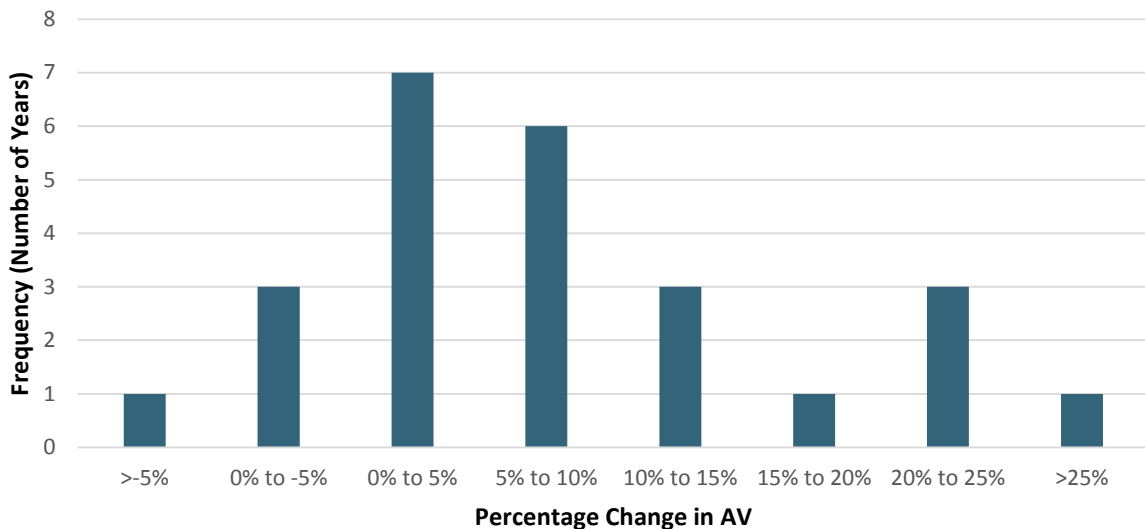
Over the last 25 years, AV has seen an average increase of 7.96% annually. This average value may be a bit misleading as there have been several years in which the increase was dramatic while most years increase has been more modest. Based on historical data, we anticipate that AV will continue to increase at a modest rate which will slowly reduce the District’s levy rate over time.

Figure 14. Change in Assessed Value (AV) within the District’s Boundaries



The average change in AV of 8.23% between 1990 and 2015 is a bit misleading as it is substantially influenced by the 38.5% increase occurring in 2007 and several other years in which AV saw a substantial increase. It is more useful to examine the frequency with which ranges of percentage change occurred. As illustrated in Figure 15, it has been most common for AV to have increased between 0% and 5% but in many years, the increase in AV was of greater magnitude.

Figure 15. Histogram of Percentage Change in AV



Over the last year, the median price for all homes (detached, townhouses, condominiums) has increased 15.2% (Redfin. 2015).

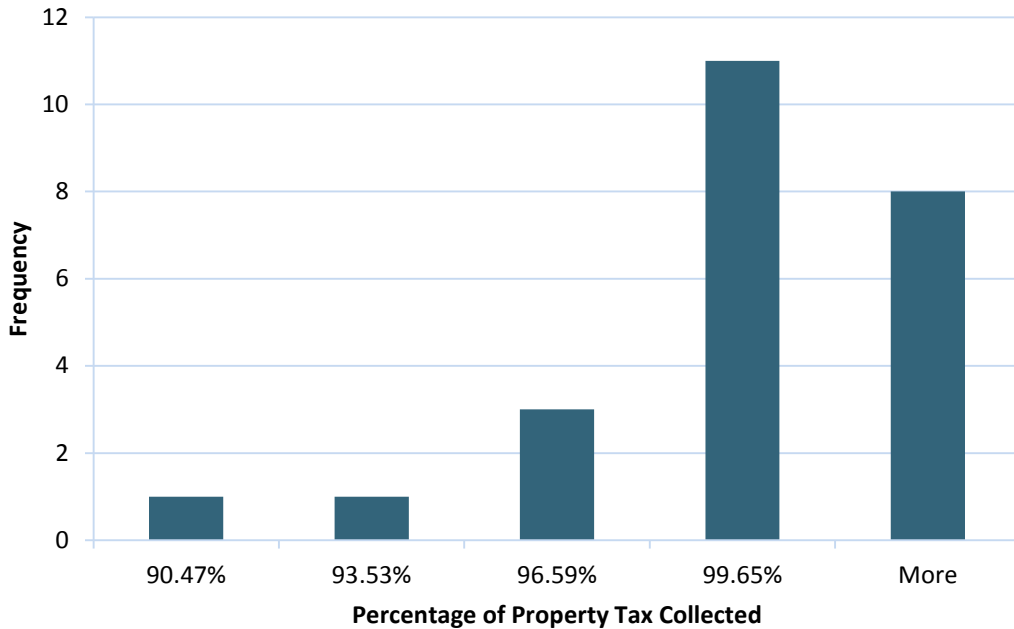
**Assumption R3:** The District will collect 96% of property taxes in the year in which they are levied.

**Assumption R4:** Revenue generated through the Interlocal agreement between the District and Whidbey General Hospital to staff a Basic Life Support Ambulance will continue through 2016.

**Assumption R5:** The Interlocal Agreement between the District and Whidbey General Hospital to staff a Basic Life Support Ambulance will continue with the same general terms beyond the end of 2016.

Assumption R3 is supported by historical data on the percentage of the property tax levied in a given year that is collected in that year. As illustrated in Figure 16, the District’s property tax levy collection rate has been above 96% on a fairly consistent basis (the only instances of a lower collection rate occurred in the early 1990s).

Figure 16. Percentage of CWIFR’s Property Tax Collected in the Year Levied 1990-2014



Assumption R4 is supported by the existing Interlocal Agreement between the District and WGH that expires on December 31, 2015 and the likelihood that this contract will be renewed under similar conditions as currently exist. Assumption R5 is supported by the ongoing nature and mutual benefit provided by this agreement which has been in place between the District and WGH since 2009.

**Assumption R6:** In 2014, the District saw a 100% increase in AV added to the tax rolls due to new construction. It is not anticipated that this level of increase will be sustained, but that new construction will slowly rebound and maintain a consistent level in the near to mid-term.

**Expense**

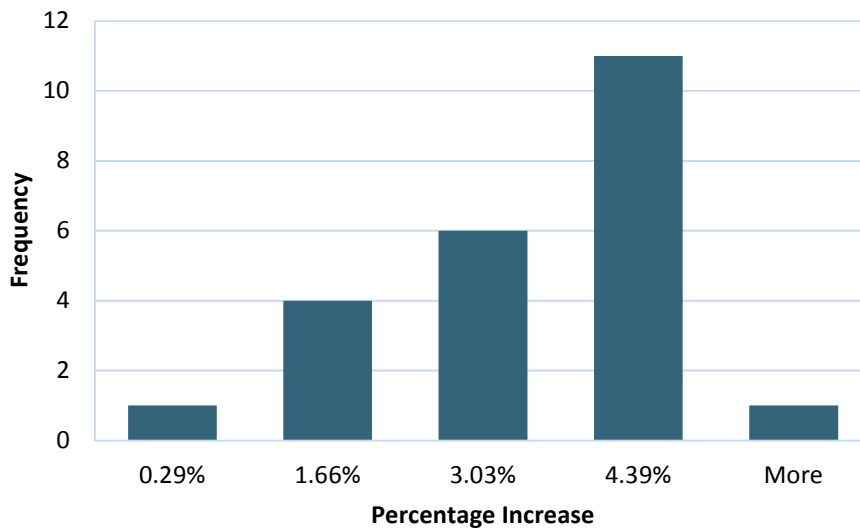
The following two expense assumptions were used in developing the 2015 Adopted District Budget.

**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.

Assumptions E1 and E2 are supported by historical Consumer Price Index data for Seattle. Over the last 54 years, the CPI-U has increased in each year.

Figure 17. Historical Changes in the Seattle-Tacoma CPI-U 1996-2014



Projections by Conway Pedersen Economics, Inc. forecast an increase in the CPI-U of 0.7% in 2015 and 2.3% to 2.4% each year for the next several years (Conway Pedersen Economics, Inc., 2015).

**Assumption E3:** Regional increases in minimum wage to \$15.00/hour and potential for an increase in the state minimum wage will have a direct or indirect impact on personal services expense for the District’s part-time staff (and potentially full-time staff due to compression between the lower and higher pay grades).

The District’s part-time staff is currently paid above the Washington state minimum wage and compensation is targeted to the median of other agencies in the region using part-time

firefighters and emergency medical technicians. However, current compensation is significantly less than \$15.00/hour.

The current Washington minimum wage is \$9.47/hour. Initiative 688, approved by Washington voters in 1998, requires the Washington Department of Labor & Industries to make a cost-of-living adjustment to the minimum wage each year based on the federal Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). Over the last five years, the average annual increase has been 2.07%. In addition, the city of Sea Tac has approved a minimum wage increase to \$15.24 and the city of Seattle has approved a minimum wage increase to \$15.00 by 2018-2021. An increase in the minimum wage is also on the ballot for the city of Tacoma in November 2015. The District has seen a reduction in the number of applicants for part-time firefighter vacancies over the last year, but it's uncertain if this is the result of the current wage level of this position.

### ***Fund Balance***

The General Fund Beginning Balance is projected to decrease each year from 2015 to 2019 (at which point the beginning fund balance would be less than 43% (33% of anticipated general fund expense and 10% contingency required by District policy). 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. 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 for capital equipment and fire apparatus with a target of achieving 100% by 2028. However, without a decrease in expenses or an increase in revenue, it will not be possible to sustain this level of capital investment beyond 2019. The General Capital Projects Fund is not adequately funded to support Capital Facilities Projects that are likely to be necessary over the next 10 years and beyond. Current revenue streams (within the constraints of constitutional and legislative limits) will not be sufficient to meet projected operational and capital requirements beyond 2019 without a levy increase or a voter approved bond for major capital projects.

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

### ***Budgetary Impacts & Implications***

Increases in the District's total tax levy are limited to 1% over the prior year's authorized levy (excluding new property added to the tax rolls). If total Assessed Value (AV) increases, the levy rate will decrease. 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 the duration of time for which CWIFR will be able to sustain current service levels without an increase in revenue (which would require a voter approved lid lift).



The current collective bargaining agreement expired April 30, 2015, but was extended by Memorandum of Understanding through November 30, 2015 with no change in conditions. It is anticipated that the District will negotiate a multi-year agreement with Local 4299 International Association of Firefighters prior to the end of November and that some level of compensation increase spread over the life of the agreement will be necessary to maintain the District's market position at the median of comparable agencies.

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.

The District's Facilities Plan has identified the need for capital facilities investment in both the near and mid-term. Consideration must be given to a method of financing these capital improvements that would provide revenue outside the levy limitation of \$1.50/\$1000 AV. In addition, the Board will need to consider how and when such a bond measure and future lid lift to meet operational expense requirements should be presented to the voters of the District. Alternative scenarios to meet these needs are presented in the District's Long Term Financial Plan (Appendix C).

### Overview of Budget Structure

The Washington State Auditor prescribes budgeting, accounting and reporting requirements for all local governments (RCW 43.09.200). The Washington State Budgeting and Reporting System (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 a comprehensive budget document including 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.

Included within the General Fund, the **Contingency Fund** is 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

purpose 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>3</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 (CRR):** 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 and buildings and equipment related to fixed facilities (e.g., heating, ventilating, and air conditioning systems (HVAC), water systems, electrical backup generators).

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<sup>3</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 (e.g., Operations, Facilities), but work within the Administrative or Life Safety/Community Risk Reduction Division. In other cases, a Division is staffed by a single individual (e.g., Recruitment & Training, Vehicle Maintenance).

- **Vehicle Maintenance:** Functions and/or activities related to maintenance and repair of vehicles and other portable equipment.

**Divisions and Funds**

All Divisions are included in the General Fund budget. In addition, Divisions may have expenditures in other funds, particularly the Capital Projects Fund. Table 7 illustrates the allocation of funds and expenditures by Division with each Fund for the 2016 budget year.

Table 7. 2016 Division/Fund Matrix

Division	Fund				
	General Fund	Debt Service	Grants Management	Compensated Absences	Capital Projects
Administration	◆			◆	
Operations	◆				◆
Life Safety/CRR	◆				
Training & Recruitment	◆				
Facilities	◆				◆
Vehicle Maintenance	◆				

**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 into 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.

**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 Adopted District budget. As illustrated in Table 8, this bottom up process has both advantages and disadvantages.

Table 8. 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 Adopted 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 tool.</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>Overestimation:</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 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/or 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 & Workflow**

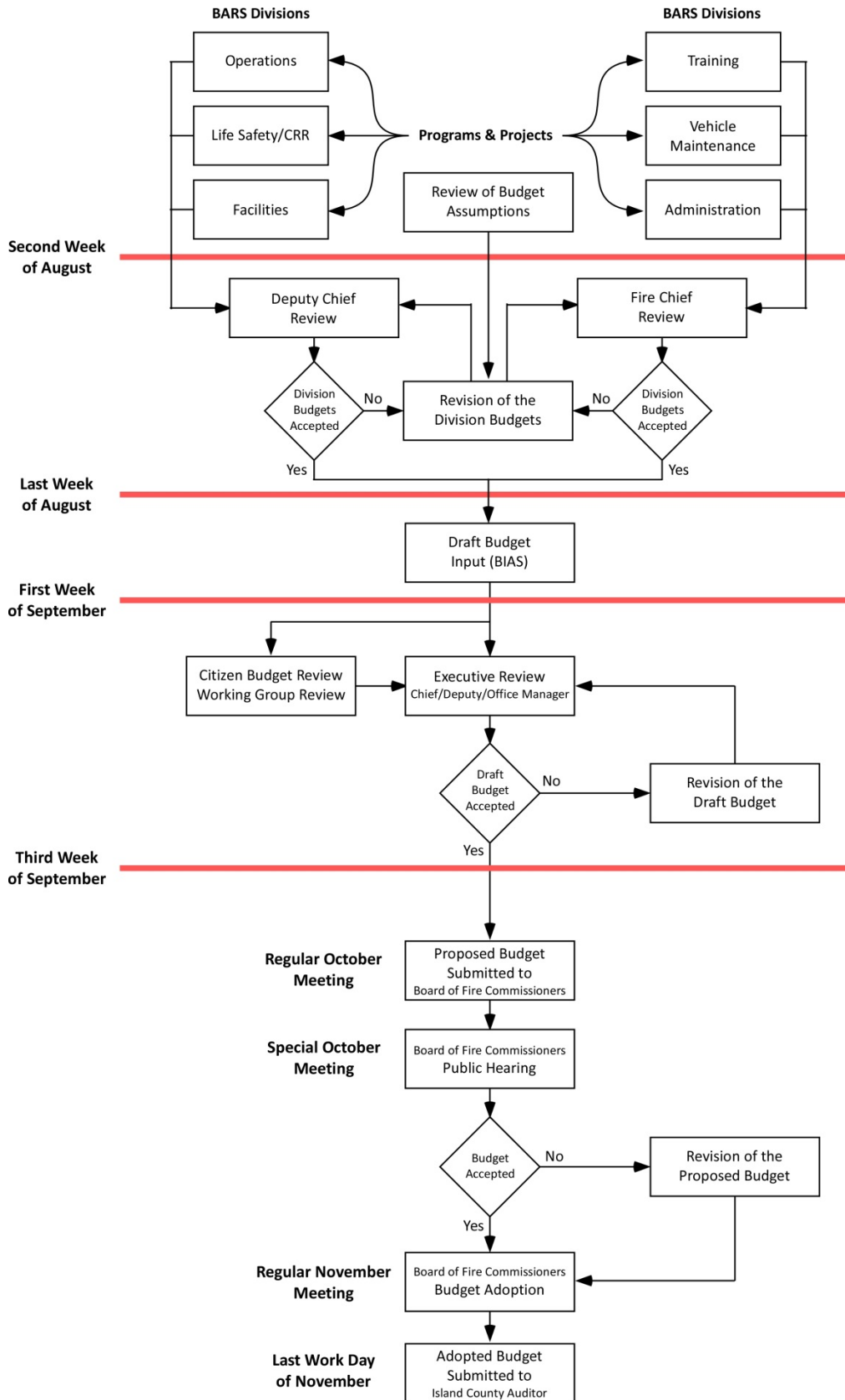
The District’s budget process begins in April with review of the District’s Strategic Goals, Capital Projects Plan, and other major policies, followed by development of Project, Program, and Division Budgets and concludes in November with adoption of the budget by the Board of Fire Commissioners and submittal to the Island County Auditor. Table 9 details the timeline for specific budget development activity taking place over the course of the year.

Table 9. 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	Community Budget Review Working Group review of budget assumptions
July	Development of Division Budgets
August	Review & revision of Division Budgets Draft District Budget input (BIAS)
September	Executive review & revision of the Adopted District Budget Community Budget Review Working Group review of Adopted District Budget
October	Submittal of the Adopted District Budget to the Board of Fire Commissioners Public Budget Hearing Budget accepted or revisions specified by the Board of Fire Commissioners
November	Adoption of the Budget by the Board Adopted Budget submitted to the Island County Auditor Board of Fire Commissioners, Executive Staff, and Community Budget Review Working Group review and discussion of the budget process and recommendations for improvement.
December	Adopted budget submitted to the Government Finance Officers Association (GFOA) Distinguished Budget Award Program for review.

Figure 18 illustrates the workflow and key milestones for budget development and approval.

Figure 18. Budget Development Workflow



### ***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:** 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

In 2015, Division and Program Managers began 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

### ***Community Budget Review***

A working group composed of community members is selected by the Fire Chief to serve in an advisory capacity, providing input to the Fire Chief and Finance Officer on the budget and budget document from a community perspective to ensure transparency and clarity. The working group is engaged throughout the budget process including review and discussion of budget assumptions, draft budget documents, participation in the budget hearing, and review of the final budget document.

### ***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 \$2,000, the Board of Fire Commissioners must be notified at its 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 Adopted budget changes in the accounting system as they are identified. This entry includes the adopted amount of the line item, the Adopted (adjusted) amount of the line item, the difference, percentage difference, and justification of the Adopted 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 Adopted 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 Washington State 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 permitted 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.

While the District uses Cash Basis Accounting, the District's budget process recognizes property tax revenue and revenue on an accrual basis and estimates revenue from other miscellaneous sources.



## Financial Policies

The District has adopted 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.

### *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 its 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*

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Standard Operating Guideline 1.3.1 *Budget* (CWIFR, 2014a).

- 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***

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Standard Operating Guideline 1.3.2 *Procurement* (CWIFR, 2015a).

- 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 District's 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.

### ***Finance & Accounting***

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Standard Operating Guideline 1.3.3 *Finance & Accounting* (CWIFR, 2015b).

- Financial and accounting duties and responsibilities shall be separated to the greatest extent possible so that no staff member has sole control over cash receipts, payroll, bank reconciliations, accounts payable, or other accounting functions.
- Finance and accounting policies and procedures shall be consistent with the requirements of the Washington State Auditor's Budgeting and Reporting System (BARS) for entities using cash basis accounting and the best practices recommended by the Government Finance Officers Association (GFOA).
- Access to computer or online systems for accounting, personnel, payroll, and banking is controlled by password access. Permissions within each system are set to allow appropriate level of access depending on role and responsibility.
- The District shall maintain a Surety Bond for Commissioners, District Secretary, Fire Chief, Deputy Chief, & Office Manager in an amount equivalent to approximately two months of the District's maintenance and operations expense.
- Financial and accounting policies are reviewed annually by the Board of Fire Commissioners.

### ***Travel & Training Expenses***

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Standard Operating Guideline 1.3.4 *Travel and Training Expense and Reimbursement* (CWIFR, 2012).

- CWIFR encourages all members to expand their knowledge, skills, and abilities through professional development programs on a local, state and national or international level. In addition, the District encourages its members to participate as a member of local, state, and national professional organizations.
- 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 District's authorized functions, and which does not have as its primary objective the benefit of a private interest.
- 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.

### ***Asset Management***

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Standard Operating Guideline 1.3.5 *Asset Management* (CWIFR, 2015c).

- 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.

### ***Use of District Resources***

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Standard Operating Guideline 1.3.6 *Use of District Resources* (CWIFR, 2015d).

Be a good steward of public funds and ensure that use of District resources is in compliance with applicable laws and regulations, and achieves results that are in the best interest of the District and its taxpayers.

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

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Draft Standard Operating Guideline 1.3.7 *Revenue & Cash Management* (CWIFR, 2014b).

- The District's primary source of revenue is a property tax levy as specified in the Revised Code of Washington (RCW) Chapter 52.16. However, the District shall work to develop diversification of revenue to include, but is not limited to intergovernmental revenue, and fees for service.
- Consistent with the provisions of Washington State Constitution Article VIII § 7, District services that benefit specific users rather than the community as a whole must be supported by fees and charges. User fees should reflect the direct and indirect cost of providing the service.
- The District will fund current expenditures with current revenues, avoiding the use of one-time funds for ongoing expense, postponing needed expenditures, or depleting reserves to meet current expenses.
- CWIFR will 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.
- The District shall clearly set forth transfers between funds (e.g., General Fund and General Capital Projects Fund) in the District's annual budget or adjustments. If necessary to meet cash flow requirements, interfund loans shall be paid back in the near term and not result in a change in fund equity.
- The District will actively seek grant funding for both operating and capital expenditures, provided that the grant is consistent with the District's mission and goals, provides a benefit that exceeds cost, and does not commit the District to long term tax funded expenditures following the completion of the grant period.

### *Investment*

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Standard Operating Guideline 1.3.8 *Investment* (CWIFR, 2014c).

- It is the policy of Central Whidbey Island Fire & Rescue to invest public funds in a manner which will provide maximum security with the highest investment return while meeting the cash flow demands of the District and conforming to all state and local statutes governing the investment of public funds.
- Management responsibility for the investment program is delegated to the District's Finance Officer under the supervision of the Fire Chief.
- Pursuant to the provisions of Revised Code of Washington (RCW) Chapter 36.29.020, if the Board of Fire Commissioners determines that it is necessary to redeem or sell any of the purchased securities before their ultimate maturity date, the Board shall by resolution, direct the Island County Treasurer to take that action.

### **Debt**

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Standard Operating Guideline 1.3.9 *Debt* (CWIFR, 2014d).

- It is the policy of Central Whidbey Island Fire & Rescue to consider community needs, the District's current and projected long term fiscal position and overall cost to the District's taxpayers in determining if debt should be issued by the District.
- It is the policy of Central Whidbey Island Fire & Rescue to consider issuance of debt consistent with the provisions of the Revised Code of Washington (RCW) Chapter 52.16.180 for major capital projects as defined in SOG 1.3.10 Capital Projects

### **Capital Projects**

The following financial policies have been established by the Board of Fire Commissioners and are delineated in Draft Standard Operating Guideline 1.3.10 *Capital Projects* (CWIFR, 2014e).

- The District will maintain its physical assets at a level that is adequate to protect its capital investment and to minimize future maintenance and replacement cost. The District budget will provide for adequate maintenance and orderly replacement of capital assets.
- CWIFR will maintain a multi-year plan for capital improvements that is in alignment with the District's Strategic Plan, update it annually and make all capital improvements in accordance with the plan.
- The capital and operating budget processes shall be integrated to allow consideration of operating and capital expenditures within the context of the current and projected fiscal condition of the District.
- The District shall transfer sufficient revenue from the General Fund to the General Capital Projects Fund on an annual basis to fund replacement of capital assets having a useful life of 25 years or less (e.g., fire apparatus, other vehicles, and equipment) with current revenue whenever possible.
- The District will consider issuance of debt for large capital projects having a useful life in excess of 25 years (e.g., facilities).

### **Financial Summaries**

Table 10 provides a summary of District Revenues and *Expenditures* in 2014, adopted budget (as of the first quarter budget adjustment) in 2015, and Adopted 2016 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 10. 2015 Financial Summary

General Fund	Actual	Adjusted	Adopted
	2014	2015	2016
<b>Beginning General Fund Balance</b>	\$1,570,348	\$1,329,154	\$1,062,680
Contingency (Administrative) Fund (10% of M&O)	\$173,909	\$207,640	\$210,785
Beginning GF Balance (Less Contingency)	\$1,396,439	\$1,121,514	\$851,895
<b>Revenue</b>			
Investment Interest	\$2,277	\$2,500	\$2,500
Property Taxes Rev (Includes New Construction)	\$2,111,153	\$2,165,519	\$2,187,496
Other Taxes/State Assessed Property	\$1,926	\$2,280	\$2,280
WGH Contract	\$302,243	\$201,495	\$201,495
Other Deposits	\$41,256	\$43,920	\$44,000
Voided Warrants & Vendor Credits	\$6,418	\$0	\$0
Total Operating Revenues	\$2,465,273	\$2,415,714	\$2,437,771
<b>Expenditures</b>			
Regular Budgeted Expenditures (M&O General Fund)	\$1,739,094	\$2,076,395	\$2,107,852
Contingency Expenditures	\$11,817	\$0	\$0
Investment Fee	\$121	\$300	\$300
Tax Adjustment	\$2,081	\$200	\$200
Correction & Vendor Credits	\$6,418	\$0	\$0
Total Expenditures	\$1,759,531	\$2,076,895	\$2,108,352
<b>Interfund Transfers</b>			
To General Capital Projects Fund	\$933,671	\$605,293	\$288,000
To Compensated Absences Fund	\$13,265	\$0	\$9,440
To Grants Management Fund	\$0	\$0	\$0
To Debt Service Fund	\$0	\$0	\$0
Total Transfers From General Fund	\$946,936	\$605,293	\$297,440
<b>Ending General Fund Balance</b>			
Contingency (Administrative Fund Ending Balance)	\$162,092	\$207,640	\$210,785
Ending GF Balance (Less Congingency)	\$1,167,062	\$855,041	\$883,874
<b>Total Ending General Fund Balance</b>	\$1,329,154	\$1,062,680	\$1,094,659
General Capital Projects Fund	Actual	Budgeted	Adopted
	2014	2015	2016
<b>Beginning Capital Projects Fund Balance</b>	\$486,341	\$933,671	\$1,034,996
<b>Revenue</b>			
Bond Revenue	\$0	\$0	\$0
<b>Interfund Transfers</b>			
From General Fund	\$933,671	\$605,293	\$288,000
<b>Expenditures</b>			
Vouchers (Capital Projects Fund)	\$486,341	\$503,967	\$48,200
<b>Ending Capital Projects Fund Balance</b>	\$933,671	\$1,034,996	\$1,274,796

Table 10. 2015 Financial Summary (Continued)

Compensated Absences Trust Fund	Actual	Budgeted	Adopted
	2014	2015	2016
<b>Beginning Compensated Absences Balance</b>	\$13,923	\$17,672	\$17,672
<b>Interfund Transfers</b>			
From General Fund	\$13,265	\$0	\$9,440
<b>Expenditures</b>			
Vouchers (Compensated Absences)	\$9,516	\$0	\$0
<b>Ending Compensated Absences Balance</b>	\$17,672	\$17,672	\$27,112
Grants Management Fund	Actual	Budgeted	Adopted
	2014	2015	2016
<b>Beginning Grants Management Balance</b>	\$0	\$0	\$0
<b>Revenue</b>			
Grants	\$0	\$0	\$0
<b>Interfund Transfers</b>			
From General Fund	\$0	\$0	\$0
<b>Expenditures</b>			
Vouchers (Grants Management)	\$0	\$0	\$0
<b>Ending Grants Management Balance</b>	\$0	\$0	\$0
Debt Service Fund	Actual	Budgeted	Adopted
	2014	2015	2016
<b>Beginning Debt Service Balance</b>	\$0	\$0	\$0
<b>Revenue</b>			
Property Taxes (Voter Approved Debt)	\$0	\$0	\$0
<b>Interfund Transfers</b>			
From General Fund	\$0	\$0	\$0
<b>Expenditures</b>			
Vouchers (Debt Service)	\$0	\$0	\$0
<b>Ending Debt Service Absences Balance</b>	\$0	\$0	\$0
All Funds	Actual	Budgeted	Adopted
	2014	2015	2016
<b>Total Ending Balance (All Funds)</b>	\$2,280,497	\$2,115,348	\$2,396,567

Table 10. 2015 Financial Summary (Continued)

Fiscal Performance Measures	Actual	Budgeted	Adopted
	2014	2015	2016
<b>General Fund Cash Flow</b>			
Revenue - Expenses	\$705,742	\$338,819	\$329,419
<b>GF Beginning Balance</b>			
Percentage of GF Expense	89.25%	64.00%	50.40%
<b>Capital Projects Fund</b>			
Percentage Funded	45.15%	44.47%	48.88%
<b>Compensated Absences Trust Fund</b>			
Percentage Funded	100.00%	100.00%	100.00%
<b>Levy Rate</b>			
General Levy	\$1.38	\$1.36	\$1.36
Voter Approved Bond Levy	\$0	\$0	\$0
Total Levy	\$1.38	\$1.36	\$1.36

### Significant Changes in Fund Balance

There is only one significant (greater than 10%) change in ending fund balances in the 2015 budget year. The ending balance of the General Capital Projects Fund is projected to increase by 23.16% due to transfer from the General Fund. Overall, the total of all funds is projected to increase 13.29%.

### Balanced Budget

The District maintains a balanced budget and the Total Ending Balance is anticipated to increase from 2015 through 2019 at which time increases in expense may exceed increases in revenue (See Appendix C-Long Term Financial Plan, Table 22). Several options exist to maintain current service levels beyond 2019 while maintaining a balanced budget:

- Limit increases in expense. The District's 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 bond measure for major capital projects (e.g., fire station renovation/expansion and major apparatus) to the District's voters. A voter approved bond would establish a separate levy for these large capital projects and preserve the regular levy for normal maintenance and operations expense.
- 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.

Additional detail on the District's strategy to meet operational and capital needs is provided in the District's Long Term Financial Plan (Appendix C).



## Revenue

### Overview of Revenue Streams

Tax revenue is CWIFR's largest revenue stream, comprising approximately 90% 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 8% of total district revenue. Approximately 2% 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 rationale behind the tax structure in the state constitution and related laws is that the costs of delivering essential services such as fire protection, rescue, and emergency medical care is not based on the value of your property. Cost is based on level of service desired by the community, with the shared cost based on property value.

The District's 2014 Assessed Valuation (AV) for 2015 tax collection was \$1,594,863,329 which at a Levy Rate of \$1.3757/\$1000 AV provided a total levy of \$2,194,058. The total property tax levy (excluding addition of taxes on new construction) can increase a maximum of 1% resulting in a maximum 2016 levy of \$2,215,998. While new construction has been extremely limited for the last several years, the Island County Planning and Economic Development Department reports a significant increase in building permits during 2015 (which will result in increased new construction revenue).

As discussed in the Budget Assumptions section of this document, in 20 of the last 24 years, assessed valuation within the District has increased. The magnitude of the change in assessed

valuation has varied widely over this time period (-10.72% to 38.57%). However, the majority of years examined have seen an increase in assessed valuation of greater than five percent. 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 substantially 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 to provide fire and life safety inspection services in commercial occupancies.

Table 11. Revenue from Interlocal Agreements

Interlocal Agreement	2015 Actual Revenue	2016 Adjusted Revenue	2017 Projected Revenue
WGH EMS	\$201,495	\$201,495	\$201,495
Coupeville Fire Inspections	\$8,000	\$8,000	\$8,000
Island County Fire Inspections	\$8,000	\$8,000	\$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. This fund 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 2014 Actual District Expenditures and 2015 Adjusted Budget are provided along with the Adopted Budget for 2016 (see Figure 19).

Figure 19. Budget Layout

Budget Category Description					2014	2015	2016
522	XX	XX	XX	Line Item Description	\$XX,XXX	\$XX,XXX	\$XX,XXX

**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 2015 include the following:

- **Distinguished Budget Presentation Award:** The District received the Government Finance Officers Association (GFOA) Distinguished budget presentation award for the second consecutive year (2014 and 2015 budget years). This award represents a significant achievement and reflects the commitment of the Board of Fire Commissioners and District staff to meeting the highest principles of governmental budgeting. This accomplishment supported the District's Strategic Goals to increase transparency and ensure sound financial policies. In addition, it supported meeting CFAI Accreditation Criteria 4A Financial Planning (4A.2 Defined Budget Policy & Process).
- **Revised the District's Long Term Financial Plan:** The District's long term financial plan was revised and expanded to address capital facilities infrastructure requirements as identified in the 2015 Capital Facilities Plan. This initiative addresses the District's Strategic Goal to ensure sustainable funding for service delivery. In addition, this initiative supports achievement of CFAI Accreditation Criteria 4A Financial Planning (4A.4 Integrated Financial and Strategic Planning and 4C.2 Long Term Liabilities and Debts).
- **Improved IT Infrastructure:** The District's information technology (IT) infrastructure was improved by providing off-site backup of the District's primary computer server to enhance redundancy and reliability of data storage, installation of e-mail archiving hardware and software to increase the efficiency of the District's ability to meet electronic records requests, and implementation of a pilot project to use I-Pads as mobile data computers, providing a considerable cost savings over prior hardware. This initiative addresses the District's Strategic Goal to maintain adequate infrastructure to support operations and to maximize effectiveness,

efficiency, and value. In addition, this initiative supports achievement of CFAI Accreditation Criteria 9C Administration and Support Services (9C.3 Technological Resources).

- **Records Management System Implementation:** Completed implementation of the incident documentation component of the District's new Records Management System to improve data collection and analysis and reporting. This project was initiated in 2014 and continued into 2015. This project specifically addressed the District's Strategic Goals for providing necessary infrastructure and measuring organizational performance. This accomplishment supported the District's Strategic Goal to maintain adequate infrastructure to support operations. In addition, it supported meeting CFAI Accreditation Criteria 9C Administration and Support Services (Criteria 9C.3 Technological Resources).
- **Long Term Facilities Plan:** In conjunction with the Facilities Division, completed 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. This project specifically addressed the District's Strategic Goals for providing necessary infrastructure. In addition, it provided a foundation for meeting CFAI Accreditation Criteria 6B Fixed Facilities (6B.1 Space Allocation, 6B.2 Buildings & Grounds, 6B.3 Distribution of Physical Facilities, and 6B.4 Regulatory Compliance).
- **Fire Insurance Re-Rating:** In October 2015, the District will have completed a re-rating by the Washington Survey and Rating Bureau to establish new fire insurance rating classifications for the Town of Coupeville and the unincorporated areas of the District. While the re-rating site visit will have been completed, it is not anticipated that the District's new classifications will have been defined and communicated prior to the completion of the 2016 budget process. This initiative addresses the District's Strategic Goal to maximize effectiveness, efficiency, and value. While not specifically addressing CFAI Accreditation Criteria, there are multiple overlaps between the criteria and WSRB requirements.
- **Financial Audit:** In November of 2015 (after adoption of the District's 2016 Budget), the District will have completed its first financial audit by the Washington State Auditor's Office (SAO). This accomplishment meets the SAO audit requirements for municipal corporations with revenues over \$2,000,000 and the District's Strategic Goals to ensure sound fiscal policies, ensure transparency, and to maximize effectiveness, efficiency, and value. In addition, this accomplishment addresses CFAI Accreditation Criteria 4B Financial Practices (4B.5 Independent Financial Audit).
- **Standard of Coverage:** In December of 2015, the District's Standard of Coverage (SOC) will have been presented to the Board of Fire Commissioners for Adoption. The SOC provides a comprehensive risk assessment and specifies risk based response standards. This accomplishment supports the District' Strategic Goals to improve operational capability and measure organizational performance. In addition, this accomplishment addresses CFAI Accreditation Criteria 2B Fire Risk Assessment and Response Strategies and 2C Non-Fire Risk Assessment and Response Strategies.

Several Administrative Division initiatives Adopted for 2015 were deferred until 2016, these include:

- Assessment of the District's financial management practices using the Chartered Institute of Public Finance and Accountancy (CIPFA)/Government Finance Officers Association (GFOA) Financial Management Model.
- Collaboration with other agencies that have effectively implemented Lean process to improve effectiveness and efficiency
- Revision of the District's strategic plan

### ***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 2016 include the following:

- **CQI Program:** Working with Operations and Life Safety/Community Risk Reduction Division personnel, continue implementation and refinement of the District's Continuous Quality Improvement (CQI) program focused on improving both the quality of emergency operations and incident report data from fire and emergency medical operations. This initiative supports achievement of the District's Strategic Goal to improve operational capability. In addition, this initiative supports achievement of CFAI Accreditation Criteria 5G Emergency Medical Services (EMS) (5G.8 Independent Review of Patient Records).
- **Financial Management Assessment:** Assessment of the District's financial management practices using the Chartered Institute of Public Finance and Accountancy (CIPFA)/Government Finance Officers Association (GFOA) Financial Management Model. This initiative addresses the District's Strategic Goal to ensure sound financial policies and CFAI Accreditation Category 4 Financial Resources.
- **Lean Process:** Collaboration with other municipal agencies that have effectively implemented Lean<sup>4</sup> Processes to improve the effectiveness and efficiency of service delivery. This initiative addresses the District's Strategic Goals to measure organizational performance and maximize effectiveness, efficiency, and value. In addition, this initiative supports achievement of CFAI Accreditation Criteria 9C Administration and Support Services (9C.1 Administrative & Support Processes).
- **Strategic Plan Revision:** Revision of the District's Strategic Plan for 2016-2020. This initiative supports achievement of the District's Strategic Goal to measure organizational performance. In addition, this initiative supports continued achievement of CFAI Accreditation Criteria 2D Strategic or Long Term Master Plan (2D.1 Strategic or Master Plan).
- **Inventory Control RMS:** Implementation of the inventory control function within the District's Records Management System (RMS). This functionality is included in the ImgageTrend software as a service (SAS) records management system purchased in the 4<sup>th</sup> quarter of 2014 and does not require additional expenditure. This initiative addresses the District's Strategic Goals to measure organizational performance and maximize effectiveness, efficiency, and value. In addition, this initiative supports achievement of CFAI Accreditation Criteria 9C Administration and Support Services (9C.1 Administrative & Support Processes).

### **2016 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).

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<sup>4</sup> In the public sector, the core idea of Lean Process is to maximize community value while minimizing waste.

Table 12. Administrative Division Budget

					2014 Actual	2015 Adjusted	2016 Adopted
<b>Administration Salaries &amp; Wages</b>							
522	10	11	01	Fire Chief Wages	\$99,265	\$101,613	\$101,613
522	10	11	02	Deputy Chief Wages	\$67,768	\$85,933	\$85,713
522	10	11	03	Office Manager Wages	\$52,102	\$53,202	\$53,202
522	10	11	07	Command Duty Officer Stipend	\$10,340	\$10,599	\$10,599
522	10	12	04	Office Assistant Wages	\$10,576	\$11,960	\$12,480
522	10	13	05	Commissioner Wages	\$13,794	\$13,338	\$13,338
522	10	13	06	District Secretary Wages	\$1,768	\$1,824	\$1,824
522	10	19	01	Fire Chief (Deferred Comp)	\$8,826	\$9,145	\$9,145
522	10	19	02	Deputy Chief (Deferred Comp)	\$4,948	\$7,849	\$7,714
522	10	19	03	Office Manager (Deferred Comp)	\$2,084	\$2,128	\$2,128
<b>Sub Total</b>					<b>\$271,470</b>	<b>\$297,591</b>	<b>\$297,756</b>
<b>Administration Benefits</b>							
522	10	21	01	Fire Chief (Medicare Only)	\$1,550	\$1,883	\$1,883
522	10	21	02	Deputy Chief (Medicare Only)	\$1,174	\$1,656	\$1,632
522	10	21	03	Office Manager (FICA/Medicare)	\$3,900	\$4,233	\$4,233
522	10	21	04	Office Assistant (FICA/Medicare)	\$1,070	\$915	\$955
522	10	21	05	Commissioners (FICA/Medicare)	\$1,074	\$1,020	\$1,020
522	10	21	06	District Secretary (FICA/Medicare)	\$135	\$140	\$140
522	10	21	07	Command Duty (Medicare Only))	\$136	\$150	\$150
522	10	22	01	Fire Chief (L&I)	\$681	\$950	\$762
522	10	22	02	Deputy Chief (L&I)	\$707	\$950	\$762
522	10	22	03	Office Manager (L&I)	\$330	\$469	\$357
522	10	22	04	Office Assistant (L&I)	\$0	\$184	\$143
522	10	22	05	Commissioners (L&I)	\$0	\$46	\$20
522	10	22	06	District Secretary (L&I)	\$3	\$9	\$8
522	10	23	01	Fire Chief (Medical/Dental)	\$12,551	\$13,610	\$13,610
522	10	23	02	Deputy Chief (Medical/Dental)	\$9,146	\$21,844	\$21,845
522	10	23	03	Office Manager (Medical/Dental)	\$16,935	\$17,996	\$17,996
522	10	24	01	Fire Chief (LEOFF)	\$5,436	\$5,910	\$5,910
522	10	24	02	Deputy Chief (LEOFF)	\$3,048	\$5,112	\$5,029
522	10	24	03	Office Manager (PERS)	\$4,799	\$5,376	\$5,376
522	10	24	05	Office Assistant (PERS)	\$2,393	\$1,209	\$1,261
522	10	28	04	Employee Assistance Program	\$984	\$1,321	\$1,321
<b>Sub Total</b>					<b>\$66,053</b>	<b>\$84,983</b>	<b>\$84,413</b>



Table 12. Administrative Division Budget (Continued)

					2014 Actual	2015 Adjusted	2016 Adopted
<b>Administration Office &amp; Operating Supplies</b>							
522	10	31	01	Office Supplies	\$5,495	\$5,795	\$5,795
522	10	31	02	Computer Software	\$2,678	\$7,650	\$8,209
522	10	31	03	Commissioner Supplies	\$972	\$1,200	\$0
522	10	31	04	Uniforms - Admin & Commissioners	\$1,139	\$2,900	\$2,400
522	10	31	05	Copy Fees	\$3,591	\$5,700	\$6,300
522	10	31	06	Books & Publications	\$146	\$200	\$200
522	10	31	07	Member Recognition	\$1,459	\$2,400	\$2,400
<b>Sub Total</b>					<b>\$15,480</b>	<b>\$25,845</b>	<b>\$25,304</b>
<b>Administration Small Tools &amp; Minor Equipment (&lt;\$5,000)</b>							
522	10	35	01	Computer Hardware	\$3,981	\$3,000	\$3,000
522	10	35	02	Office Equipment	\$0	\$0	\$0
522	10	35	03	Furniture	\$54	\$1,500	\$1,500
<b>Sub Total</b>					<b>\$4,035</b>	<b>\$4,500</b>	<b>\$4,500</b>
<b>Administration Professional Services</b>							
522	10	41	01	Legal	\$1,033	\$7,000	\$3,000
522	10	41	02	Accounting	\$2,128	\$2,200	\$2,200
522	10	41	03	Recruitment & Testing	\$0	\$0	\$80
522	10	41	04	Medical & Psychological	\$0	\$40	\$40
522	10	41	05	Vaccinations	\$0	\$120	\$120
522	10	41	06	Information Technology	\$19,836	\$20,877	\$20,874
522	10	41	07	MRSC	\$360	\$320	\$370
522	10	41	08	Consulting	\$786	\$0	\$28,000
<b>Sub Total</b>					<b>\$24,143</b>	<b>\$30,557</b>	<b>\$54,684</b>
<b>Administration Communications</b>							
522	10	42	01	Postage & Shipping	\$4,214	\$5,440	\$5,440
522	10	42	02	Internet Service Provider (ISP)	\$119	\$120	\$60
522	10	42	03	Telephone	\$5,066	\$5,650	\$5,700
522	10	42	04	Cellular Telephones	\$2,677	\$3,240	\$3,787
522	10	42	05	Cable/Internet	\$2,822	\$2,720	\$3,240
<b>Sub Total</b>					<b>\$14,898</b>	<b>\$17,170</b>	<b>\$18,227</b>
<b>Travel, Lodging, &amp; Meals</b>							
522	10	43	01	Commissioners Travel	\$892	\$1,000	\$1,000
522	10	43	02	Staff Travel	\$1,489	\$1,500	\$1,500
<b>Sub Total</b>					<b>\$2,381</b>	<b>\$2,500</b>	<b>\$2,500</b>

Table 12. Administrative Division Budget (Continued)

					2014 Actual	2015 Adjusted	2016 Adopted
<b>Administration Advertising</b>							
522	10	44	01	Legal Advertising	\$4,206	\$2,500	\$2,500
522	10	44	03	Admin Recruitment	\$0	\$0	\$125
<b>Sub Total</b>					<b>\$4,206</b>	<b>\$2,500</b>	<b>\$2,625</b>
<b>Administration Operating Rentals &amp; Leases</b>							
522	10	45	01	Copier	\$5,943	\$5,950	\$5,952
522	10	45	03	Miscellaneous Equipment Rental	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$5,943</b>	<b>\$5,950</b>	<b>\$5,952</b>
<b>Administration Insurance</b>							
522	10	46	01	Liability/Umbrella	\$33,063	\$36,369	\$40,006
<b>Sub Total</b>					<b>\$33,063</b>	<b>\$36,369</b>	<b>\$40,006</b>
<b>Repair &amp; Maintenance</b>							
522	10	48	01	Computer R&M	\$0	\$0	\$0
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>\$0</b>	<b>\$100</b>	<b>\$100</b>
<b>Miscellaneous</b>							
522	10	49	01	Professional Memberships	\$4,045	\$4,700	\$4,700
522	10	49	02	Subscriptions	\$1,315	\$2,600	\$1,500
522	10	49	03	Commissioner Off-Site Expense	\$42	\$200	\$200
522	10	49	04	Staff Off-Site Expense	\$585	\$200	\$200
522	10	49	05	On-Site Meeting Expense	\$449	\$450	\$450
522	10	49	06	Recognition/Awards Dinner	\$160	\$300	\$300
522	10	49	08	Finance Charges	\$371	\$500	\$500
<b>Sub Total</b>					<b>\$6,967</b>	<b>\$8,950</b>	<b>\$7,850</b>
<b>Administrative Intergovernmental Services</b>							
522	10	51	01	Administrative Audit	\$0	\$11,500	\$0
522	10	51	02	Non-Legislative Election Fees	\$0	\$2,000	\$29,000
522	10	51	03	Legislative Election Fees	\$1,973		\$0
522	10	52	04	Sales Tax (Not Paid with Purchase)	\$836	\$2,000	\$2,000
<b>Sub Total</b>					<b>\$2,809</b>	<b>\$15,500</b>	<b>\$31,000</b>
<b>Total Administrative Division Budget</b>					<b>\$451,448</b>	<b>\$532,515</b>	<b>\$574,917</b>

### *Major Expenditures/Changes*

The Administrative Division budget increased 8.79%. This increase is entirely due to expenses related to placing a voter approved bond for capital facilities and apparatus improvements on the ballot in 2016. The Board of Fire Commissioners has directed that these expenses be included in the budget, pending a decision to move forward with presenting a bond measure to the voters.

### **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 part-time and volunteer Firefighters and Company Officers. In previous years, the Operations Division included full-time Firefighters and Company Officer assigned to shift work; however in 2016 these personnel have been reallocated to the Life Safety/Community Risk Reduction Division. This organizational change more accurately reflects the primary responsibility of these full-time employees which includes fire and life safety inspections, public education, and pre-incident planning risk reduction activities. While assigned to the Life Safety/Community Risk Reduction Division full-time Company Officers and Firefighters also respond to emergency incidents.

Table 13. Operations Staffing

Classification	Volunteer	Part-Time	Full-Time
Company Officer/EMTs	0	0	0
Company Officers	2	0	0
Firefighter/EMTs	2	10	0
Firefighters	5	0	0
Support Services (Apparatus Operator)	0	0	0
EMTs	6	0	0
<b>Total Staff</b>	<b>15</b>	<b>10</b>	<b>0</b>

### ***Accomplishments***

Major operational accomplishments in 2015 include the following:

- ***Standard Equipment Inventory:*** The District established a standardized equipment inventory to be carried on each type of apparatus (e.g., Type 1 Engines, Type 6 Engines, and Type 1 Water Tenders). Implementation of a standard equipment inventory improves tactical functionality and simplifies training and maintenance requirements. This standard inventory will serve as a guide in consolidation, replacement, and addition of equipment carried on apparatus in the current and future years. This accomplishment addressed the District's strategic goal of improving operational performance and CFAI Criterion 5A Fire Suppression (5A.2 Equipment) and 6E Small Tools and Equipment.
- ***Low Angle Rescue Program:*** CWIFR purchased equipment to perform low angle rescue operations based on the risks presented with the District. Operational level training in low angle rescue operations for full-time and part-time members will be substantially completed by the end of 2015 with make-up training and assessment of knowledge and skills to be completed prior to the end of 1<sup>st</sup> Quarter 2016. This accomplishment addresses the District's strategic goal of improving operational performance and CFAI Criterion 5E Technical Rescue (5E.2 Apparatus and Equipment, 5E.4 Standard Operating Guidelines/Procedures, and 5E.5 Training and Operational Standards).
- ***Marine 5 Replacement:*** The District's water rescue craft, Marine 5, was upgraded from a 17' rigid hull inflatable (HIB) to a 25' aluminum boat specifically designed for marine rescue operations. The District characterized the operational environment, tactical requirements, and developed specifications for a replacement vessel ahead of schedule allowing the District to purchase a used 25' Safe Boat with two new 225 horsepower outboard motors at a considerable savings. Minor refurbishment and equipping of this vessel will be completed by the end of 2015. This accomplishment addressed the District's strategic goal of improving operational performance, specifically during marine responses, and CFAI Criterion 5F Hazardous Materials (5F.2 Apparatus and Equipment and 5F.3 Supplies and Materials) and 5J Marine and Shipboard Fire and Rescue.
- ***Wellness Program.*** The District's wellness program has been expanded to include periodic medical physicals, annual fitness assessment, and flu vaccination for members and their families. Funding is in place and a contract established for medical physicals. However, participation in the medical physical and flu vaccination programs has been limited. The District has initiated an informational and educational program in an effort to increase participation. A pilot test of member fitness assessments will be completed by the end of 2015 with full implementation, pending negotiation with Local 4299 International Association of Firefighters on negotiable elements of the Wellness program. This accomplishment addresses the District's Strategic Goal of promoting member health and wellness and CFAI Accreditation Criteria 7G Wellness/Fitness Program.

- **Continuous Quality Improvement (CQI) Program.** The District implemented a new Records Management System (RMS) and a program to improve the quality of incident documentation as a critical element in improving the quality of service delivery. At present this program includes 100% review of National Fire Incident Reporting System (NFIRS) documentation as well as review of selected Patient Care Reports (PCR) This program will be expanded to include participation of volunteer, part-time, and full-time members to continue improvement of incident documentation and incident operations. This accomplishment focuses on the District's Strategic Goals of improving organization's effectiveness, efficiency, and value and measuring organizational performance. In addition, this accomplishment addresses CFAI accreditation criteria 5G Emergency Medical Services (5G.8 Independent Review of Patient Records) as well as Criteria 5 Programs on a more comprehensive basis related to review of all emergency response programs.

### **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 2016 Include:

- **Structural Collapse:** Whidbey Island has a high potential for significant earthquake activity, which will ultimately result in substantial building damage. As an earthquake is a regional disaster, it is unlikely that the District can count on timely and substantial mutual aid response to aid in rescue operations. In addition to major and wide spread structural collapse related to an earthquake, CWIFR is often called upon to respond to incidents involving isolated damage or partial structural collapse related to vehicles impacting buildings. As such it is incumbent on the District to develop basic capability to respond to structural collapse incidents. This initiative involves risk assessment and development of strategies for implementation of an operational level structural collapse program including training (e.g. Rescue Systems 1) and identification of resource requirements for an operational level structural collapse response program. This initiative addresses the District's strategic goals of improving operational performance, reducing incident severity, and improving knowledge of best practices. In addition, this accomplishment addresses CFAI accreditation criteria 2D Plan for Maintaining and Improving Response Capabilities, 5E Technical Rescue, 5G EMS, 5H Domestic Preparedness Planning and Response, and 6E Tools, Supplies and Small Equipment.
- **Wellness Program Improvement:** This initiative involves selection, training, and certification of additional Peer Fitness Trainers (PFT) to provide supportive assistance to members; mandatory, non-punitive physical training (PT) while on duty; and establishment of incentives that will encourage participation of volunteer members in fitness and wellness related activities. This initiative addresses the District's Strategic Goal of promoting member health and wellness. In addition, this accomplishment addresses CFAI accreditation criteria 7G Wellness/Fitness Program.
- **Special Event Risk Assessment and Planning:** A large number of festivals and special events are held within the District. Each of these events results in a substantial influx of participants and many result in a significant positive economic impact. The large number of participants as well as the unique characteristics of some of these festivals and events (e.g., road closures) presents unique public safety challenges. This initiative involves working with other public safety agencies (e.g. Whidbey General Hospital EMS, Coupeville Marshal, and Island County Sherriff) and festival and event organizers to assess the potential risks and develop standardized contingency plans and event-specific deployment strategies for potential emergency incidents. This initiative addresses the District's strategic goals of improving operational performance capabilities, reducing incident severity, and improving knowledge of best practices. In addition, this accomplishment addresses CFAI accreditation Criterion 2B Fire Risk Assessment and Response Strategies, Criterion 2C Current Deployment and Performance, Criterion 2D Plan for Maintaining and Improving Response Capabilities, Criterion 5H Domestic Preparedness Planning and Response, and Criterion 10A External Agency Relationships

**2016 Division Budget**

Table 14. Operations Division Budget

					2014 Actual	2015 Amended	2016 Adopted
<b>Operations Salaries, Wages, &amp; Stipends</b>							
522	20	10	01	Full-Time FF/LT	\$385,895	\$406,722	\$0
522	20	10	03	Part-Time Firefighter Wages	\$127,074	\$150,475	\$155,278
522	20	12	02	Callback Overtime	\$4,848	\$5,383	\$7,587
522	20	12	01	Shift Coverage Overtime	\$19,773	\$20,490	\$0
522	20	13	01	Project Overtime	\$3,342	\$5,508	\$794
522	20	14	01	Training Overtime	\$3,368	\$10,014	\$0
522	20	15	01	Education Incentive	\$2,059	\$4,833	\$0
522	20	16	01	FF/LT Holiday Pay	\$17,564	\$18,487	\$0
522	20	17	01	FF FF/LT AIC Pay	\$3,920	\$4,473	\$0
522	20	18	01	FT FF/LT (Def Comp)	\$15,286	\$16,269	\$0
522	20	18	04	VIP Annual Pay	\$4,675	\$3,625	\$6,050
522	20	19	04	Quarterly Stipend	\$19,947	\$30,731	\$53,913
<b>Sub Total</b>					<b>\$607,751</b>	<b>\$677,010</b>	<b>\$223,622</b>
<b>Operations Benefits</b>							
522	20	21	01	FT FF/LT (Medicare)	\$6,427	\$6,932	\$0
522	20	21	03	PT FF (FICA/Medicare)	\$9,724	\$11,511	\$11,879
522	20	21	04	Volunteer FF (FICA/Medicare)	\$1,949	\$3,986	\$4,857
522	20	22	01	FT FF/LT (L&I)	\$15,772	\$22,146	\$0
522	20	22	03	PT FF (L&I)	\$13,734	\$18,251	\$18,253
522	20	23	01	FT FF/LT (Medical & Dental)	\$83,761	\$92,208	\$0
522	20	23	02	PT FF (Life Insurance)	\$177	\$261	\$226
522	20	24	01	FT FF/LT (LEOFF)	\$23,742	\$25,004	\$0
522	20	24	03	PT FF (PERS)	\$11,704	\$15,206	\$15,691
522	20	26	01	Volunteer FFs (Pension & Medical)	\$1,447	\$2,430	\$3,060
522	20	26	03	VFIS Accident & Sickness Coverage	\$3,442	\$3,630	\$3,630
522	20	26	04	Life Insurance (Trusteed Plans)	\$242	\$372	\$451
<b>Sub Total</b>					<b>\$172,120</b>	<b>\$201,937</b>	<b>\$58,047</b>

Table 14. Operations Division Budget (Continued)

					2014 Actual	2015 Amended	2016 Adopted
<b>Operations Office &amp; Operating Supplies</b>							
522	20	31	01	Fire Supplies	\$3,150	\$5,400	\$3,150
522	20	31	02	EMS Supplies	\$6,611	\$1,550	\$2,278
522	20	31	03	Special Operations Supplies	\$0	\$300	\$300
522	20	31	04	Small Equipment R&M	\$1,179	\$2,500	\$5,120
522	20	31	10	Uniforms (PT & Vol)	\$15,093	\$26,100	\$23,700
522	20	31	07	Computer Software	\$1,395	\$1,395	\$1,395
522	20	31	08	Computer Hardware	\$0	\$0	\$0
522	20	31	09	Office Supplies	\$160	\$1,060	\$1,100
<b>Sub Total</b>					<b>\$27,588</b>	<b>\$38,305</b>	<b>\$37,043</b>
<b>Operations Fuel</b>							
522	20	32	01	Motor Fuel	\$24,412	\$30,000	\$31,000
<b>Sub Total</b>					<b>\$24,412</b>	<b>\$30,000</b>	<b>\$31,000</b>
<b>Small Tools &amp; Minor Equipment (&lt;\$5,000)</b>							
522	20	35	01	Fire Equipment	\$4,920	\$10,950	\$10,600
522	20	35	02	EMS Equipment	\$0	\$200	\$600
522	20	35	03	Special Operations Equipment	\$300	\$750	\$7,270
522	20	35	04	Communications Equipment	\$3,195	\$4,000	\$5,676
522	20	35	05	Personal Protective Equipment	\$43,691	\$38,000	\$38,450
522	20	35	06	Miscellaneous Equipment	\$0	\$0	\$500
522	20	35	07	Computer Equipment	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$52,105</b>	<b>\$53,900</b>	<b>\$63,096</b>
<b>Professional Services</b>							
522	20	41	01	Breathing Air Testing	\$136	\$954	\$500
522	20	41	02	SCBA Testing	\$2,826	\$6,360	\$3,986
522	20	41	03	Recruitment & Testing	\$3,804	\$4,500	\$4,490
522	20	41	04	Medical & Psychological	\$11,918	\$30,100	\$29,970
522	20	41	05	Vaccinations	\$130	\$7,340	\$12,315
<b>Sub Total</b>					<b>\$18,813</b>	<b>\$49,254</b>	<b>\$51,261</b>
<b>Communications</b>							
522	20	42	01	ICOM Dispatch Charges	\$27,946	\$30,635	\$33,485
522	20	42	02	ICOM Other Charges	\$0	\$0	\$0
522	20	42	03	Data Cards for MDCs	\$2,745	\$3,100	\$1,836
<b>Sub Total</b>					<b>\$30,690</b>	<b>\$33,735</b>	<b>\$35,321</b>



Table 14. Operations Division Budget (Continued)

					2014 Actual	2015 Amended	2016 Adopted
<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</b>							
522	20	48	02	Communications Equipment R&M	\$357	\$2,700	\$3,500
522	20	48	03	Equipment R&M	\$2,740	\$2,300	\$3,365
522	20	48	04	Boat R&M	\$1,312	\$2,975	\$4,200
522	20	48	06	Personal Protective Equipment R&M	\$693	\$1,500	\$1,500
<b>Sub Total</b>					<b>\$5,101</b>	<b>\$9,475</b>	<b>\$12,565</b>
<b>Miscellaneous Services</b>							
522	20	49	01	Miscellaneous Services	\$0	\$0	\$0
522	20	49	02	Incident Rehab & Meals	\$257	\$1,500	\$1,500
<b>Sub Total</b>					<b>\$257</b>	<b>\$1,500</b>	<b>\$1,500</b>
<b>Total Operations Division Budget</b>					<b>\$938,838</b>	<b>\$1,095,116</b>	<b>\$513,455</b>

**Major Expenditures/Changes**

The Adopted Operations Division Budget decreased substantially in comparison to the 2015 Adjusted Budget. This change is largely the result of reallocation of six full-time positions from Operations to the Life Safety/Community Risk Reduction Division.

Other significant expenditures include an increase in Special Operations Equipment expense to support the District's expanded marine operations program, additional Communications Equipment expense to outfit new volunteers with radio pagers, and expansion of the District's Wellness Program to include flu vaccinations for members immediate family members (reducing the risk to members and the public as well as having a positive impact in workplace absences due to illness of members or their families).

### **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***

Given the major responsibility for Life Safety/Community Risk Reduction placed on our full-time Fire Officers and Firefighters the District has reallocated these positions to the Life Safety/Community Risk Reduction Division. 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.

Staffing of the Life Safety/Community Risk Reduction Division is comprised of three full-time Lieutenants, one of whom serves as the Division Manager, and three full-time Firefighters. All personnel assigned to this Division are certified as Fire Inspectors and the Division Manager is also certified as a Public Educator. In addition to life safety/community risk reduction, members assigned to this division also respond to emergency incidents and serve in operational roles for delivery of fire suppression, rescue, and emergency medical services.

### ***Accomplishments***

Major life safety and community risk reduction accomplishments in 2015 include the following:

- ***Commercial Fire Inspections:*** Fire and life safety inspections of commercial occupancies within the unincorporated areas of the District were initiated under an Interlocal agreement with Island County. Commercial occupancies have been inventoried and will receive an initial inspection by the end of 2015. This accomplishment addresses the District's Strategic Goals to reduce incident frequency and enhance partnerships and collaboration with the community. In addition, this accomplishment addressed CFAI Accreditation Criteria 5B Fire Prevention/Life Safety Programs (5B.2 Code Enforcement Program).
- ***CRR Coalition:*** The District established a cost sharing agreement with South Whidbey Fire/EMS to fund community risk reduction initiatives that serve the needs of both Districts. The Whidbey Island Risk Reduction Coalition was re-branded as WIp prevent and the coalition clarified its mission, values, and overarching initial focus on falls among older adults. Preliminary work has been completed to identify risk reduction services provided by government agencies and non-

governmental organization (NGOs) and to identify evidence based fall prevention and mitigation programs. This accomplishment addressed the District's Strategic Goals to focus risk reduction on community needs, reduce incident frequency and severity, to enhance collaboration and partnerships with our community, and increase the accuracy of community perception of risk. In addition, it addresses CFAI Accreditation Criteria 5C Public Education Programs (5C.5 Program Analysis and Targeted Delivery).

- **Home Safety Survey Pilot Project:** Based on response and demographic analysis, CWIFR's target risks include falls, cardiac arrest, and fires involving older adults and low income residents. Identification of falls and cardiac arrest as trauma and medical target risks is based on District specific frequency and consequence. Fire risk for older adults and low income adults and families is based on national and regional experience (due to limited District specific data). A Home Safety Survey will be implemented prior to the end of 2015. The pilot project will be conducted in Terry Mobile Park. This neighborhood was selected based on the occurrence of multiple fires over the last several years and concentration of low income families. This accomplishment addressed the District's Strategic Goals to focus risk reduction on community needs, reduce incident frequency and severity, to enhance collaboration and partnerships with our community, and increasing the accuracy of community perception of risk. In addition, it addresses CFAI Accreditation Criteria 5C Public Education Programs (5C.5 Program Analysis and Targeted Delivery, and 5C.8 Focus on Low Income Families).
- **Hydrant Inspection & Testing:** The District worked closely with the Town of Coupeville, water districts, and water system operators to identify water system characteristics, water supply available for fire protection, and to ensure that fire hydrants are inspected annually and flow tested within a five year interval. This project has been essential to ensuring adequate and reliable water supply for fire protection within the District and addresses the District's Strategic Goals to maintain adequate infrastructure to support operations and to enhance collaboration and partnerships with the community. In addition, this project addresses CFAI Accreditation Criteria 9A Water Supply (9A.2 Adequate and Reliable Water Supply, 9A.4 Coordination with Water Systems Managers, and 9A.7 Hydrant Testing & Maintenance).
- **Long Driveway Program:** Prior to the end of 2015, CWIFR will have implemented a program to identify and develop pre-plans for homes or other buildings with limited access due to long driveway length. Initial work has included 1) definition of critical driveway or access characteristics, 2) established a preliminary inventory of long (>1000 foot) driveways using Arc GIS, and 3) identified a methodology for marking long driveways and water supply relay points. This accomplishment has addressed the District's Strategic Goal to improve operational capability and CFAI Accreditation Criteria 2B Fire Risk Assessment and Response Strategies (2B.3 Fire Risk Classification and Identification).

- **Target Hazard Preplanning:** The District has identified structural fire target hazards, and prior to the end of 2015 will have defined a methodology for developing the pre-plans within Arc GIS, and established a system to make preplans available for incident operations. This project addresses the District's Strategic Goal to improve operational capability and CFAI Accreditation Criteria 2B Fire Risk Assessment and Response Strategies (2B.3 Fire Risk Classification and Identification).

### **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 2016 include:

- **Wlprevent:** Work as a partner with other agencies and community members within the Wlprevent community risk reduction coalition to select and implement evidence based fall prevention and mitigation programs. This initiative addresses the District's Strategic Goals to focus risk reduction on community needs, reduce incident frequency and severity, to enhance collaboration and partnerships with our community, and increasing the accuracy of community perception of risk. In addition, it addresses CFAI Accreditation Criteria 5C Public Education Programs (5C.5 Program Analysis and Targeted Delivery).

- **Home Safety Survey:** The initial pilot project conducted in 2015 will be expanded with a focused effort on lower income neighborhoods, older homes (constructed prior to hard wired smoke detector code requirements), high risk homes identified during emergency response operations, and neighborhoods that have experienced a structure fire (capitalizing on teachable moments). This initiative addresses the District's Strategic Goals to focus risk reduction on community needs, reduce incident frequency and severity, to enhance collaboration and partnerships with our community, and increasing the accuracy of community perception of risk. In addition, it addresses CFAI Accreditation Criteria 5C Public Education Programs (5C.5 Program Analysis and Targeted Delivery, and 5C.8 Focus on Low Income Families).
- **Long Driveway Program:** Conduct a physical inspection of long driveways within the District to capture length, width, slope, driveway surface (asphalt, gravel, etc.), and other critical characteristics. At the option of the owner, the District will mark the driveway and water supply relay points. Owners of driveways that are inaccessible or have limited fire apparatus access will be notified and provided with specific guidance on improving emergency access. This project addresses the District's Strategic Goal to improve operational capability and CFAI Accreditation Criteria 2B Fire Risk Assessment and Response Strategies (2B.3 Fire Risk Classification and Identification).
- **Target Hazard Preplanning:** Develop GIS based target hazard preplans for major target hazards within the District. This project addresses the District's Strategic Goal to improve operational capability and CFAI Accreditation Criteria 2B Fire Risk Assessment and Response Strategies (2B.3 Fire Risk Classification and Identification).
- **Event Public Education Strategy:** Develop and document a comprehensive strategy to maximize the public education impact of District participation in public events such as the many festivals held within the District. This strategy will increase the accuracy of public risk perception, and define event specific risk reduction messages. This initiative addresses the District's Strategic Goals to focus risk reduction on community needs, to reduce incident frequency and severity, and to maximize effectiveness, efficiency, and value. In addition, it addresses CFAI Accreditation Criteria 5C Public Education Programs (5C.5 Program Analysis and Targeted Delivery).
- **Fire Inspection Records Management System:** Implement the Fire Inspections component of the ImageTrend records management system (RMS). Transition from a paper based system to electronic inspection documentation and use of the District's RMS to manage inspections will streamline workflow and maximize the effectiveness and efficiency. This initiative addresses the District's Strategic Goals to focus risk reduction on community needs, to reduce incident frequency and severity, and to maximize effectiveness, efficiency, and value. In addition, it addresses CFAI Accreditation Criteria 5B Fire Prevention/Life Safety Program (5B.2 Code Enforcement Program and 5B.7 Records Management System).

**2016 Division Budget**

Table 15. Life Safety/Community Risk Reduction Division Budget

					2014 Actual	2015 Amended	2016 Adopted
<b>Life Safety/CRR Personal Services</b>							
522	30	10	01	Full-Time FF/LT	\$0	\$0	\$419,038
522	30	11	01	Callback Overtime	\$0	\$0	\$0
522	30	12	01	Shift Coverage Overtime	\$0	\$0	\$21,111
522	30	13	01	Project Overtime	\$0	\$500	\$6,190
522	30	15	01	Education Incentive	\$0	\$0	\$5,587
522	30	16	01	FF/LT Holiday Pay	\$0	\$0	\$19,047
522	30	17	01	FT FF/LT AIC Pay	\$0	\$0	\$2,943
522	30	18	01	FT FF/LT Def Comp	\$0	\$0	\$16,762
<b>Sub Total</b>					<b>\$0</b>	<b>\$500</b>	<b>\$490,678</b>
<b>Life Safety/CRR Personal Services</b>							
522	30	21	01	FT FF/LT (Medicare)	\$0	\$0	\$6,992
522	30	22	01	FT FF/LT (L&I)	\$0	\$0	\$23,515
522	30	23	01	FT FF/LT (Medical & Dental)	\$0	\$0	\$92,651
522	30	24	01	FT FF/LT (LEOFF)	\$0	\$0	\$25,218
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$148,376</b>
<b>Life Safety/CRR Office &amp; Operating Supplies</b>							
522	30	31	01	Office Supplies	\$387	\$550	\$225
522	30	31	02	Fire Prevention	\$161	\$390	\$381
522	30	31	03	Dept Marketing / Fire Pub Ed	\$1,192	\$2,030	\$3,000
522	30	31	04	EMS Public Education Supplies	\$3,164	\$2,700	\$3,480
522	30	31	05	Fire Investigative Supplies	\$0	\$500	\$0
522	30	31	06	Pre-Incident Supplies	\$812	\$2,800	\$1,534
522	30	31	07	Books & Publications	\$0	\$280	\$75
522	30	31	08	Computer Software	\$0	\$600	\$2,500
522	30	31	09	Uniforms	\$0	\$0	\$2,400
<b>Sub Total</b>					<b>\$5,715</b>	<b>\$9,850</b>	<b>\$13,595</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	CRR/Pre-Incident Equipment	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Table 15. Life Safety/Community Risk Reduction Division Budget (Continued)

					2014 Actual	2015 Amended	2016 Adopted
<b>Life Safety/CRR Professional Services</b>							
522	30	41	01	Legal	\$0	\$0	\$0
522	30	41	02	Plans Review	\$244	\$500	\$500
522	30	41	03	Life Safety Consulting	\$3,858	\$2,500	\$1,600
<b>Sub Total</b>					<b>\$4,101</b>	<b>\$3,000</b>	<b>\$2,100</b>
<b>Life Safety/CRR Travel, Lodging, &amp; Meals</b>							
522	30	43	01	Life Safety Meetings	\$431	\$500	\$0
<b>Sub Total</b>					<b>\$431</b>	<b>\$500</b>	<b>\$0</b>
<b>Life 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>Life Safety/CRR Repair &amp; Maintenance</b>							
522	30	48	01	Miscellaneous R & M	\$0	\$100	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$100</b>	<b>\$0</b>
<b>Life Safety/CRR Miscellaneous Services</b>							
522	30	49	01	Professional Memberships	\$100	\$100	\$0
522	30	49	02	Life Safety Meeting Expense	\$0	\$500	\$0
522	30	49	03	Subscriptions	\$45	\$0	\$0
522	30	49	04	Community Risk Reduction Grant	\$0	\$1,000	\$0
<b>Sub Total</b>					<b>\$145</b>	<b>\$1,600</b>	<b>\$0</b>
<b>Total CRR Division Budget</b>					<b>\$10,393</b>	<b>\$15,550</b>	<b>\$654,749</b>

**Major Expenditures/Changes**

The Adopted Life Safety/Community Risk Reduction Division increased substantially in comparison to the 2015 Adjusted Budget. This change is largely the result of reallocation of six full-time positions from the Operations Division to Life Safety/Community Risk Reduction. There was no significant change in other areas of the Life Safety/Community Risk Reduction Division.

### **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 a 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 2015 include the following:

- **Initial Entry Training Program:** Common knowledge and skills necessary for effective performance in a wide range of roles has been identified and compiled into an initial entry training program that provides a solid foundation for volunteer members who intend to transition to the roles of firefighter or emergency medical technician, or who desire to serve in an operations support services role. This training program will be fully implemented in the first quarter of 2016. This initiative focuses on the District's Strategic Goals of ensuring effective human resource practices and adequate staffing. In addition, this initiative provides forward progress towards meeting CFAI Accreditation Criteria 8A Training and Education Program Requirements (8A.4 Defined Minimum Training Standards).
- **Integrated Rank and Role Career Path:** Training, certification, and qualification requirements have been identified for each organizational rank and role. Documentation of these requirements provide a clear professional development roadmap for members aspiring to higher rank or different roles within the organization. This initiative focuses on the District's Strategic Goals of ensuring effective human resource practices and adequate staffing. In addition, this initiative provides forward progress towards meeting CFAI Accreditation Criteria 8A Training and Education Program Requirements (8A.4 Defined Minimum Training Standards).



- **Individual and Crew Performance Standards:** A basic framework for individual and crew based performance standards will be completed by the end of 2015 to ensure that our members are proficient in critical skills and have the necessary physical capacity to perform in their current role. A pilot test of this assessment process using a single, multi-skill evolution will also be completed by the end of 2015. Performance standards will be expanded to include a range of fire, emergency medical, and rescue skills by the end of 2016. This initiative focuses on the District's Strategic Goals of ensuring effective human resource practices, adequate staffing, and promoting member health and wellness. In addition, this initiative provides forward progress towards meeting CFAI Accreditation 8A Training and Education Program Requirements (8A.4 Defined Minimum Training Standards), and 8B Training and Education Program Performance (8B.3 Performance Based Measurement and 8B.4 Individual and Company Evaluation).
- **Low Angle Rope Rescue:** Full-Time Firefighters and Officers and Part-Time Firefighters will be trained consistent with the provisions of National Fire Protection Association Standard 1006 or operational level rope rescue, with a specific emphasis on low angle rescue operations by the end of 2015. Volunteer Firefighters, Fire Officers, and Emergency Medical Technicians will be provided the option of participating in this operations level training and those not participating in the operations level training will be trained to the awareness level in 2016. This initiative addresses the District's strategic goal of improving operational performance and CFAI Criterion 5E Technical Rescue (5E.5 Training and Operational Standards).
- **Blue Card Program Implementation:** In the 2<sup>nd</sup> Quarter of 2015, the District began the process of implementing the Blue Card incident commander training and certification program. This program provides well supported and consistent approach to training our command officers, company officers, and members who act-in-capacity (AIC) as officers in managing Type V and VI (local level, limited duration) emergency incidents such as structure fires. All command officers will have completed training and certification and our full-time members will have completed a majority of the on-line training program by the end of 2015. In addition, one command officer will complete Blue Card Instructor qualification and the District will purchase the hardware and software necessary to develop a Command Training Center (CTC) by the end of 2015. This initiative will be extended into 2016 with certification of all company officers and AICs. This accomplishment addressed the District's strategic goal of improving operational performance. In addition this accomplishment addresses CFAI accreditation criteria 5A Fire Suppression (5A.4 Standard Operating Policies and Procedures and 5A5 Incident Management System) 8A Training and Education Program Requirements (8A.5 Command Staff Development) and 8C Training and Education Resources (8C.3 Instructional Materials).

**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 2016:

- **Training & Recruitment Plan:** Develop a multi-year integrated plan that addresses the District's current and future training and recruitment needs for volunteer, part-time, and full-time staff. This initiative addresses the District's strategic goals of improving operational capability and ensuring adequate staffing. In addition this initiative addresses CFAI accreditation criteria 8A Training and Education Program Requirements.
- **Integrated Learning Management System/EMS Training:** implement a new learning management system (LMS) in conjunction with South Whidbey Fire/EMS and integrate EMS training between the two agencies. The LMS will support on-line training for fire and EMS training as well as other administrative training requirements. In addition to common on-line training modules, the District will also integrate a substantial component of skills training with coordinated scheduling and delivery. This accomplishment will address the District's strategic goals of enhancing partnerships and collaboration with the community, promoting a culture of cooperation and teamwork, ensuring effective human resource practices, and ensure adequate staffing. In addition this initiative addresses CFAI accreditation criteria 8B Training and Education Program Performance (8B.5 Records Management System and 8C Training and Education Resources (8C.3 Instructional Materials).

- **Firefighter and Crew Leader Field Training and Evaluation Program (FTEP):** Expand the current FTEP used with Emergency Medical Technicians and Apparatus Operators to include Firefighters and Crew Leaders. This initiative focuses on the District's Strategic Goals of ensuring effective human resource practices and adequate staffing. In addition, this initiative provides forward progress towards meeting CFAI Accreditation Criteria 8A Training and Education Program Requirements (8A.4 Defined Minimum Training Standards), 8B Training and Education Program Performance (8B.3 Performance Based Measurement and 8B.4 Individual and Company Evaluation).
- **Blue Card Program Implementation:** Complete implementation of the Blue Card incident commander training and certification program with training and certification of company officers, and members who act-in-capacity (AIC) as officer in managing Type V and VI (local level, limited duration) emergency incidents such as structure fires. This involves company officers and AICs completing the Blue Card on-line training program and three day simulation lab. This accomplishment addressed the District's strategic goal of improving operational performance. In addition this accomplishment addresses CFAI accreditation criteria 5A Fire Suppression (5A.4 Standard Operating Policies and Procedures and 5A5 Incident Management System) 8A Training and Education Program Requirements (8A.5 Command Staff Development) and 8C Training and Education Resources (8C.3 Instructional Materials).
- **Marine Response Training:** The District's 2016 marine operations training program will focus on deployment and operation of the new rescue boat (25' Safe Boat), marine rescue operations, and response to marine oil and hazardous materials releases. The size and operational characteristics of the new boat will require requalification of apparatus operators (trailing and backing), coxswains and boat crewmembers. In addition, the District will work with the Washington State Department of Ecology to develop proficiency in deployment of oil spill boom to protect ecologically sensitive areas of the district in the event of an oil or hazardous materials release on the waterways surrounding the District. This initiative addresses the District's strategic goals of improving operational performance capabilities, reducing incident severity, and improving knowledge of best practices. In addition, this accomplishment addresses CFAI accreditation criteria 5F Hazardous Materials, 5G EMS, and 5J Marine and Shipboard Fire and Rescue.
- **Training Records Management System:** Implement the Training and Activities component of the ImageTrend records management system (RMS). Transition from the prior (Zoll) RMS will streamline workflow and maximize the effectiveness and efficiency. This initiative addresses the District's Strategic Goal to maximize effectiveness, efficiency, and value. In addition, it addresses CFAI Accreditation Criteria 8B Training and Education Program Performance (8B5 Records Management System).

**2014 Division Budget**

Table 16. Training/Recruitment Division Budget

					2014 Actual	2015 Amended	2016 Adopted
<b>Training Salaries &amp; Wages</b>							
522	45	11	01	FT CAPT (LT AIC as Captain)	\$71,754	\$76,688	\$78,610
522	45	12	01	Training Overtime	\$290	\$1,065	\$9,206
522	45	12	03	Project Overtime (Captain)	\$0	\$0	\$1,077
522	45	13	01	Training Education Incentive	\$0	\$0	\$0
522	45	17	01	AIC Differential	\$3,460	\$2,041	\$0
522	45	19	01	FT CAPT (Def Comp)	\$2,870	\$3,110	\$3,144
<b>Sub Total</b>					<b>\$78,374</b>	<b>\$82,904</b>	<b>\$92,037</b>
<b>Training Benefits</b>							
522	45	21	01	FT CAPT (Medicare Only)	\$1,090	\$1,306	\$1,309
522	45	22	01	FT CAPT (L&I)	\$2,297	\$3,668	\$3,695
522	45	23	01	FT CAPT (Medical/Dental)	\$9,967	\$19,521	\$20,265
522	45	24	01	FT CAPT (LEOFF)	\$4,735	\$4,709	\$4,722
<b>Sub Total</b>					<b>\$18,089</b>	<b>\$29,204</b>	<b>\$29,991</b>
<b>Training Office &amp; Operating Supplies</b>							
522	45	31	01	Office Supplies	\$85	\$500	\$100
522	45	31	02	Fire Training-Supplies	\$996	\$2,950	\$3,980
522	45	31	03	EMS Training -Supplies	\$0	\$1,000	\$0
522	45	31	04	Special Ops Training-Supplies	\$0	\$0	\$0
522	45	31	05	Officer Develop Training-Supplies	\$0	\$500	\$0
522	45	31	06	Other Training-Supplies	\$0	\$0	\$0
522	45	31	07	Computer Software	\$1,926	\$1,500	\$600
522	45	31	08	Books & Publications	\$1,872	\$2,500	\$2,000
522	45	31	09	Uniforms - Training	\$379	\$500	\$400
<b>Sub Total</b>					<b>\$5,259</b>	<b>\$9,450</b>	<b>\$7,080</b>
<b>Training Fuel</b>							
522	45	32	01	Training Propane	\$0	\$500	\$400
<b>Sub Total</b>					<b>\$0</b>	<b>\$500</b>	<b>\$400</b>

Table 16. Training/Recruitment Division Budget (Continued)

					2014 Actual	2015 Amended	2016 Adopted
<b>Training Small Tools &amp; Equipment (&lt;\$5000)</b>							
522	45	35	01	Fire Training - Sm Tools & Equipment	\$0	\$0	\$0
522	45	35	02	EMS Training - Small Tools & Equip	\$0	\$900	\$3,625
522	45	35	03	Special Ops Training	\$0	\$0	\$0
522	45	35	04	Officer Development	\$0	\$0	\$0
522	45	35	05	Computer Hardware	\$108	\$3,000	\$2,000
522	45	35	06	Safety Equipment	\$0	\$0	\$0
522	45	35	07	Station Furniture	\$0	\$2,700	\$2,160
<b>Sub Total</b>					<b>\$108</b>	<b>\$6,600</b>	<b>\$7,785</b>
<b>Training Professional Services</b>							
522	45	41	01	Consulting Services	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Training Travel, Lodging, &amp; Meals</b>							
522	45	43	01	Fire Training (TLM)	\$3,107	\$2,500	\$2,600
522	45	43	02	EMS Training (TLM)	\$69	\$2,000	\$2,800
522	45	43	03	Special Ops Training (TLM)	\$0	\$0	\$480
522	45	43	04	Officer Develop Training (TLM)	\$1,006	\$1,400	\$2,531
522	45	43	05	Other Training (TLM)	\$1,438	\$3,176	\$3,900
522	45	43	06	Commissioner Training (TLM)	\$6,464	\$8,700	\$6,458
<b>Sub Total</b>					<b>\$12,084</b>	<b>\$17,776</b>	<b>\$18,769</b>
<b>Advertising</b>							
522	45	44	01	Recruitment Advertising	\$519	\$1,000	\$500
<b>Sub Total</b>					<b>\$519</b>	<b>\$1,000</b>	<b>\$500</b>
<b>Operating Rentals &amp; Leases</b>							
522	45	45	01	Learning Management System	\$1,500	\$5,140	\$3,389
522	45	45	02	Equipment Rental	\$0	\$0	\$500
<b>Sub Total</b>					<b>\$1,500</b>	<b>\$5,140</b>	<b>\$3,889</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>

Table 16. Training/Recruitment Division Budget (Continued)

					2014 Actual	2015 Amended	2016 Adopted
<b>Training Miscellaneous</b>							
522	45	49	01	Fire Training-Registrations	\$6,162	\$10,485	\$8,500
522	45	49	02	EMS Training -Registrations	\$3,158	\$2,300	\$6,740
522	45	49	03	Special Ops Training -Registrations	\$0	\$500	\$1,200
522	45	49	04	Officer Develop Training -Registrations	\$0	\$7,600	\$4,075
522	45	49	05	Other Training -Registrations	\$449	\$7,800	\$4,960
522	45	49	06	Commissioner Training -Registrations	\$205	\$3,415	\$4,940
522	45	49	07	Tuition	\$3,122	\$5,780	\$5,000
522	45	49	08	Professional Memberships	\$0	\$225	\$225
522	45	49	09	Subscriptions	\$0	\$0	\$0
522	45	49	10	Vision Training	\$612	\$500	\$2,250
<b>Sub Total</b>					<b>\$13,709</b>	<b>\$38,605</b>	<b>\$37,890</b>
<b>Training Intergovernmental Professional Services</b>							
522	45	51	01	Permits	\$0	\$100	\$100
<b>Sub Total</b>					<b>\$0</b>	<b>\$100</b>	<b>\$100</b>
<b>Total Training Division Budget</b>					<b>\$129,641</b>	<b>\$191,779</b>	<b>\$198,941</b>

**Major Expenditures/Changes**

Overall, the Adopted Training/Recruitment Division Budget increased 8.12% from the 2015 Adopted Budget. The major factor influencing this increase is reallocation of training overtime from the Operations Division to Training. This change was made to more accurately represent the cost of the training function. However, training overtime expense did not increase significantly in comparison to 2015.

Other significant changes in training expense include the following:

- Increase in EMS Training Equipment to upgrade the District's cardiac arrest management simulation lab. CWIFR has been a leader in cardiac arrest management training on Whidbey Island and our original medium fidelity simulator has experienced considerable wear and tear. Replacement of this simulator will allow the District to continue to deliver high quality training in this area.
- Increase in Computer Equipment to improve the audio visual infrastructure at Station 54 Training Center by adding a flat screen television/computer monitor to the apparatus room for fireground simulations and ceiling mounted projector to the classroom. These improvements significantly enhance this facility's function as a Command Training Center. This expense will likely be offset by revenue generated by conducting simulation training for Blue Card Incident Commander certification.

- Increase in Learning Management System (LMS) expense resulting from a joint project with South Whidbey Fire/EMS to establish a common LMS to provide on-line training in both fire and EMS. The District previously used on-line learning for EMS, but the system used did not support fire training.
- Increase in Other Training Travel, Lodging, and Meals as a result of additional external training, specifically sending one member to attend a Peer Fitness Trainer course to provide adequate staffing for the District's Wellness Program.

These increases have been offset in part by a substantial reduction in expense for Training Operating Supplies

### **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 2015 include the following:

- **Facilities Preventative Maintenance Program.** The District's Facilities Preventative Maintenance Program will be completed by the end of 2015. This plan will identify routine and periodic maintenance requirements for buildings, building systems, and other facilities. This initiative addresses the District's Strategic Goals to maintain effectiveness, efficiency and value, and to maintain adequate infrastructure. In addition, it will move the District forward towards CFAI Accreditation Criteria 6B Fixed Facilities (6B.2 Buildings and Grounds).
- **Landscaping Assessment:** An assessment of landscaping at District facilities will be complete by the end of 2015. The focus of this assessment is to reduce workload on District staff, landscape maintenance cost, and benefiting the environment. This initiative addresses the District's Strategic Goals to maintain effectiveness, efficiency and value, and to maintain adequate infrastructure. In addition, it will move the District forward towards CFAI Accreditation Criteria 6B Fixed Facilities (6B.2 Buildings and Grounds).

- **Water Association:** Formation of a water system association with the owners of water shares in the well serving Station 54. This water system association will provide for ongoing maintenance and operation of the well serving this station (located on an adjacent property not owned by the District). This initiative addressed the District's strategic goal to maintain adequate infrastructure. In addition, it moves the District towards CFAI Accreditation Criteria 9A Water Supply (9A.4 Coordination with Water Systems Managers), 10A External Agency Relationships and 10B External Agency Relationships.

Replacement of lighting and other electrical components to reduce the District's electrical energy use as Adopted in the 2015 Budget was deferred based on the outcome of the District's facility study and questions raised regarding cost versus the projected payback. This initiative will be integrated with other capital facilities improvements in subsequent years.

### *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 2016:

- **Station 53 Water System.** Station 53 is served by a Class B Water System owned by the District that draws water from an on-site well. While providing water meeting state requirements for potable water, the system has experienced a number of issues related to water quality due to the mineral content of the water. These issues include increased maintenance of plumbing system components and mineral buildup on our apparatus paint and glass. This initiative involves installation of a water filter and softener. These improvements can be located in the pump house to reduce or eliminate any impact on any possible future renovations to Station 53. This initiative supports the District's strategic goals of ensuring adequate infrastructure and to maximize effectiveness, efficiency, and value. In addition, it will move the District forward towards CFAI Accreditation Criteria 6B Fixed Facilities (6B.2 Buildings and Grounds) and 9A Water Supply (9A.4 Coordination with Water Systems Managers).



- **Implement Facility Maintenance Plan:** Continue implementation of the maintenance plan developed in 2015 to improve the consistency and effectiveness of routine and periodic maintenance requirements for buildings, building systems, and other facilities. In addition, it will move the District forward towards CFAI Accreditation Criteria 6B Fixed Facilities (6B.2 Buildings and Grounds).

While not included as initiatives in 2016, there are a number of facilities related issues that will need to be addressed in the near future. Ideally these will be included in comprehensive capital facilities improvement program focused on Stations 51 and 53. However, if not, they will need to be addressed as separate capital initiatives.

- **Energy Efficiency:** Lighting and other electrical components while meeting the electrical code at the time of construction are not as energy efficient as newer systems. Upgrading the electrical system at District facilities could reduce energy use and provide long term cost savings. This project was originally Adopted in 2014, but deferred pending the outcome of the District facility study.
- **Station 51:** The exterior trim paint on Station 51 is getting weathered and has failed in some areas. Keeping a good coating on the trim is important to extending the life of the station exterior.
- **Station 53:** This station has multiple maintenance issues that need to be addressed in the near term. These include: Replacement of incorrectly installed roof flashing that has caused damage to the fascia, replacement of damaged fascia and repainting of exterior trim, and replacement of the heating system serving the office area as it is near the end of its service life and could be replaced with a more energy efficient system,

**2014 Division Budget**

Table 17. Facilities Division Budget

					2014 Actual	2015 Amended	2016 Adopted
<b>Facilities Office &amp; Operating Supplies</b>							
522	50	31	01	Janitorial Supplies	\$1,469	\$2,200	\$2,200
522	50	31	02	Station 51 (Operating Supplies)	\$56	\$500	\$668
522	50	31	03	Station 52 (Operating Supplies)	\$54	\$200	\$200
522	50	31	04	Station 53 (Operating Supplies)	\$2,586	\$2,208	\$2,200
522	50	31	05	Station 54 (Operating Supplies)	\$107	\$800	\$600
522	50	31	06	Training Center	\$26	\$2,500	\$2,500
<b>Sub Total</b>					<b>\$4,299</b>	<b>\$8,408</b>	<b>\$8,368</b>
<b>Facilities Fuel</b>							
522	50	32	01	Training Propane	\$0	\$1,200	\$0
522	50	32	03	Station 51 Propane	\$3,370	\$8,000	\$8,000
522	50	32	07	Station 52 Propane	\$1,266	\$1,500	\$1,500
522	50	32	10	Station 53 Propane	\$5,089	\$6,000	\$6,000
522	50	32	13	Station 54 Propane	\$7,240	\$7,000	\$7,000
<b>Sub Total</b>					<b>\$16,966</b>	<b>\$23,700</b>	<b>\$22,500</b>
<b>Facilities Small Tools &amp; Equipment</b>							
522	50	35	01	Facilities Furniture	\$0	\$500	\$2,800
522	50	35	02	Facilities Equipment & Tools	\$37	\$1,500	\$750
522	50	35	03	Grounds Equipment	\$1,553	\$2,000	\$1,000
522	50	35	04	Fitness Equipment	\$1,598	\$2,890	\$800
<b>Sub Total</b>					<b>\$3,188</b>	<b>\$6,890</b>	<b>\$5,350</b>
<b>Facilities Professional Services</b>							
522	50	41	01	Burn Building Inspection	\$0	\$0	\$2,600
522	50	41	02	Generator Testing & Maintenance	\$1,062	\$1,200	\$1,200
522	50	41	04	Fire & Security Systems	\$2,972	\$3,000	\$3,200
522	50	41	05	Fire Extinguishing Inspection	\$630	\$1,150	\$650
522	50	41	06	Pest Control Services	\$587	\$400	\$400
<b>Sub Total</b>					<b>\$5,252</b>	<b>\$5,750</b>	<b>\$8,050</b>
<b>Facilities Operating Rentals &amp; Leases</b>							
522	50	45	01	Equipment Rental	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Table 17. Facilities Division Budget (Continued)

					2014 Actual	2015 Amended	2016 Adopted
<b>Facilities Utilities</b>							
522	50	47	01	Station 51 Electric	\$3,068	\$4,000	\$4,300
522	50	47	02	Station 51 Garbage	\$319	\$375	\$375
522	50	47	03	Station 51 Water	\$287	\$300	\$300
522	50	47	04	Station 52 Electric	\$333	\$350	\$350
522	50	47	05	Station 52 Garbage	\$0	\$0	\$0
522	50	47	06	Station 53 Electric	\$9,966	\$10,900	\$10,000
522	50	47	07	Station 53 Garbage	\$2,917	\$3,100	\$3,900
522	50	47	08	Station 54 Electric	\$1,614	\$2,100	\$2,100
522	50	47	09	Station 54 Garbage	\$0	\$0	\$0
522	50	47	10	Training Center Electric	\$760	\$900	\$1,000
522	50	47	11	Landfill Fees	\$48	\$1,000	\$1,000
522	50	47	12	Station 53 Water	\$782	\$1,250	\$1,200
522	50	47	13	Station 54 Water	\$840	\$480	\$480
<b>Sub Total</b>					<b>\$20,933</b>	<b>\$24,755</b>	<b>\$25,005</b>
<b>Facilities Repair &amp; Maintenance</b>							
522	50	48	01	Station 51 (Repair & Maintenance)	\$804	\$2,800	\$3,000
522	50	48	02	Station 52 (Repair & Maintenance)	\$0	\$1,165	\$1,000
522	50	48	03	Station 53 (Repair & Maintenance)	\$18,686	\$12,025	\$7,000
522	50	48	04	Station 54 (Repair & Maintenance)	\$8,316	\$3,695	\$3,000
522	50	48	05	Training Center	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$27,806</b>	<b>\$19,685</b>	<b>\$14,000</b>
<b>Intergovernmental Professional Services</b>							
522	50	51	01	Station 51 Water Heater Inspection	\$0	\$138	\$138
522	50	51	02	Station 53 Water Heater Inspection	\$0	\$275	\$275
522	50	51	03	Station 54 Water Heater Inspection	\$0	\$138	\$138
<b>Sub Total</b>					<b>\$0</b>	<b>\$551</b>	<b>\$551</b>
<b>Facilities Intergovernmental Payments</b>							
522	50	20	01	Property Tax (Forest Protection)	\$135	\$140	\$138
<b>Sub Total</b>					<b>\$135</b>	<b>\$140</b>	<b>\$138</b>
<b>Total Facilities Division Budget</b>					<b>\$78,580</b>	<b>\$89,879</b>	<b>\$83,962</b>

### ***Major Expenditures/Changes***

Overall, the Adopted Facilities Division budget decreased 6.58% from the 2015 Adopted Budget.

While there are no major expenditures in the Facilities Division budget, efforts in 2016 are focused on preventative maintenance, energy efficiency, and environmental improvement. Planning and initial implementation completed this year will provide the basis for sustained improvements in these three areas.

### **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***

Major Vehicle Maintenance Division accomplishments in 2015 included:

- ***Continuous Improvement:*** Continued improvement of the Fleet Preventative Maintenance Program by implementing solid record keeping practices and on time scheduling of preventive maintenance procedures. This initiative supports the District's Strategic Goals to improve knowledge of best practice and maximize effectiveness, efficiency, and value. In addition, this accomplishment addressed CFAI Accreditation Criteria 6D (6D.1 Apparatus Maintenance Program and 6D.3 Apparatus and Equipment Maintenance Systems).

- **Annual Apparatus Inspection:** Completed 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. This initiative supports the District's Strategic Goal to maximize effectiveness, efficiency, and value. In addition, this accomplishment addressed CFAI Accreditation Criteria 6D (6D.1 Apparatus Maintenance Program and 6D.3 Apparatus and Equipment Maintenance Systems).
- **EVT and Fire Training & Certification:** The Firefighter/Mechanic achieved certification at the Firefighter 2 and Emergency Vehicle Technician Level 2 (Fire Apparatus). This initiative supports the District's Strategic Goal to ensure adequate staffing (in terms of qualification). In addition, this accomplishment addressed CFAI Accreditation Criteria 6D (6D.4 Staffing).

### **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 2016

- **Continuous Improvement:** Continue to develop and refine the fleet preventative maintenance program by keeping solid record keeping practices and on time scheduling of preventive maintenance procedures. This initiative supports the District's Strategic Goal to maximize effectiveness, efficiency, and value. In addition, this accomplishment will address CFAI Accreditation Criteria 6D (6D.1 Apparatus Maintenance Program and 6D.3 Apparatus and Equipment Maintenance Systems).
- **EVT Training & Certification:** Complete Master Level III EVT certification training for Fire Apparatus. This initiative supports the District's Strategic Goal to ensure adequate staffing (in terms of qualification). In addition, this accomplishment will address CFAI Accreditation Criteria 6D (6D.4 Staffing).

- **Mobile Repair Vehicle:** Improve the District’s preventative maintenance program by completing the assembly of a well outfitted fleet maintenance repair truck. This initiative supports the District’s Strategic Goals to improve knowledge of best practice and to maximize effectiveness, efficiency, and value. In addition, this accomplishment will address CFAI Accreditation Criteria 6D (6D.2 Appropriate equipment and tools are provided and 6D.3 Apparatus and Equipment Maintenance Systems).
- **Develop Standard Operating Guidelines (SOG):** Create SOGs for the repair and PM processes of the districts fleet. This initiative supports the District’s Strategic Goals to improve knowledge of best practice and to maximize effectiveness, efficiency, and value. In addition this accomplishment will address the CFAI Accreditation Criteria 6D (6D.5 Current standard operating procedures or general guidelines).
- **Improve Parts Inventory System:** Create a specific location and physical system for part inventory that will be integrated with our existing fleet maintenance software. This initiative supports the District’s Strategic Goals to maximize effectiveness, efficiency, and value. In addition this accomplishment will address the CFAI Accreditation Criteria 6E (6E.4 Inventory control and tracking).

**2014 Division Budget**

Table 18. Vehicle Maintenance Division Budget

					2014 Actual	2015 Amended	2016 Adopted
<b>Vehicle Maintenance Salaries &amp; Wages</b>							
522	60	11	01	FT FF Mechanic	\$57,726	\$63,319	\$66,917
522	60	12	01	FT FF Mechanic (Vehicle Maint. OT)	\$425	\$752	\$760
522	60	12	02	FT FF Mechanic (Other Overtime)	\$0	\$0	\$0
522	60	13	01	FT FF Mechanic (Educational Incentive)	\$1,155	\$1,246	\$1,338
522	60	19	01	FT FF Mechanic (Deferred Comp)	\$2,309	\$2,493	\$2,677
<b>Sub Total</b>					<b>\$61,615</b>	<b>\$67,810</b>	<b>\$71,692</b>
<b>Vehicle Maintenance Benefits</b>							
522	60	21	01	FT FF Mechanic (Medicare Only)	\$847	\$965	\$1,033
522	60	22	01	FT FF Mechanic (L&I)	\$2,293	\$3,668	\$3,695
522	60	23	01	FT FF Mechanic (Medical & Dental)	\$20,300	\$21,998	\$20,153
522	60	24	01	FT FF Mechanic (LEOFF)	\$3,237	\$3,480	\$3,727
<b>Sub Total</b>					<b>\$26,677</b>	<b>\$30,111</b>	<b>\$28,608</b>
<b>Vehicle Maintenance Office and Operating Supplies</b>							
522	60	31	01	Apparatus R&M Supplies	\$3,244	\$4,760	\$3,004
522	60	31	02	Computer Software	\$1,500	\$2,000	\$900
522	60	31	03	Computer Hardware	\$0	\$275	\$0
522	60	31	04	Uniforms - Mechanic	\$184	\$500	\$400
522	60	31	05	Office Supplies	\$28	\$450	\$500
<b>Sub Total</b>					<b>\$4,957</b>	<b>\$7,985</b>	<b>\$4,804</b>
<b>Small Tools &amp; Minor Equipment</b>							
522	60	35	01	Personal Protective Equipment	\$250	\$300	\$224
522	60	35	02	Vehicle Maintenance Tools	\$11,285	\$6,600	\$5,400
522	60	35	03	Computer Equipment	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$11,535</b>	<b>\$6,900</b>	<b>\$5,624</b>
<b>Vehicle Maintenance Travel, Lodging, &amp; Meals</b>							
522	60	43	01	Vehicle Maintenance Meetings	\$30	\$250	\$250
<b>Sub Total</b>					<b>\$30</b>	<b>\$250</b>	<b>\$250</b>

Table 19. Vehicle Maintenance Division Budget

					2014 Actual	2015 Amended	2016 Adopted
<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	\$37,199	\$38,000	\$29,000
<b>Sub Total</b>					<b>\$37,199</b>	<b>\$38,000</b>	<b>\$29,000</b>
<b>Vehicle Maintenance Miscellaneous</b>							
522	60	49	01	Miscellaneous	\$0	\$0	\$0
<b>Sub Total</b>					<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Mechanic Division Budget</b>					<b>\$142,012</b>	<b>\$151,556</b>	<b>\$140,478</b>

***Major Expenditures/Changes***

Overall, the Vehicle Maintenance Division budget was reduced 7.31% due predominantly to reduction of the cost of purchasing tools (startup cost for vehicle maintenance) and reduced repair and maintenance cost.



### Summary of General Fund by Division

As illustrated in Table 20, the total General Fund Budget increased 4.34%. The Operations Division and Life Safety/CRR Divisions show a dramatic change; this is largely due to reallocation of full-time firefighter and company officer positions within these two divisions. In addition, the Administrative Division shows a substantial increase due to expenses of placing a bond measure for capital facilities and apparatus improvements on the ballot in 2016. The Board has directed that these expenses be included in the budget pending a decision to place a bond measure before the voters (exclusive of these expenses, the budget increased 1.59%).

Table 20. General Fund Budget by Division

Division	2014 Actual	2015 Amended	2016 Adopted	Change
Administration	\$451,448	\$532,515	\$574,917	7.96%
Operations	\$938,838	\$1,095,116	\$513,455	-53.11%
Community Risk Reduction	\$10,393	\$15,550	\$654,749	4110.60%
Training	\$129,641	\$191,779	\$198,941	3.73%
Facilities	\$78,580	\$89,879	\$83,962	-6.58%
Mechanic	\$142,012	\$151,556	\$140,478	-7.31%
Total District Budget	\$1,750,912	\$2,076,395	\$2,166,502	4.34%

While not reflecting the actual allocation of costs in prior years, Table 21 illustrates changes in the Operations to Life Safety/CRR Divisions as if the reallocation of full-time positions had occurred in 2014. When controlling for this reallocation of staff, it becomes apparent that the Operations Division budget increased significantly and the Life Safety/CRR Division increased slightly in 2016.

Table 21. Another View of Operations and Life Safety/CRR Divisions

Division	2014 Actual	2015 Amended	2016 Adopted	Change
Operations	\$353,081	\$467,969	\$513,455	9.72%
Community Risk Reduction	\$592,782	\$646,015	\$654,749	1.35%

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## 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 to establish the fund and in subsequent years to maintain the fund at 10% of budgeted Maintenance and Operations expenses. In 2015, the District made the following contingency fund transfers:

#### *Labor and Industries*

The District's workers compensation insurance rates from the Washington Department of Labor and Industries increased after the adoption of the District's 2015 Maintenance and Operations Budget, resulting in a \$6,175 increase in workers compensation costs spread across eight line items (workers compensation for all employees and the Board of Fire Commissioners).

#### *Medical and Dental Expense*

During budget preparation the District was advised by its medical and dental insurance provider (Washington Fire Commissioners Association) that the medical and dental rates would remain at 2014 levels in 2015. However, 2014 medical and dental insurance expenses were reduced in that the provider did not charge a premium for one month. Unfortunately, the District used last year's expenses in budget calculations without accounting for the month in which no premium was charged, resulting in a shortfall of \$12,568.28.

In addition, two members added dependents which had not been anticipated during budget preparation resulting in an additional annual expense of \$5,856.72.

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## General Capital Projects Fund

### Overview of the General Capital Projects Fund

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. The General Capital Projects Fund was established in 2012 to accumulate assets for future capital purchases and for current capital expenditures. While this fund was established in 2012, Island County as the District's treasurer continued to maintain the District's funds in a single account. In 2015, the CWIFR directed Island County to segregate the District's funds into separate accounts by fund.

Capital expenditures are for items having a cost greater than \$5,000 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 \$5,000, but purchased in large enough quantity to reach the \$5,000 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.

At the start of 2016, the balance of the General Capital Project Fund is anticipated to be approximately \$1,034,997. The District plans a transfer of \$365,000 from the General Fund to the General Capital Projects Fund in 2016, providing a fund balance that is \$1,571,298 below the desired fund balance, of \$2,606,296 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 \$282,295 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 2028 (see Appendix C).

### 2016-2026 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 have 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

Table 22 outlines the District's current capital projects plan. Note that the capital facilities projects at Stations 51 and 53 identified in Table 22 are not currently funded.

## 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, Phase II expansion of Station 51 on Main Street in Coupeville (as originally anticipated by the District and Whidbey General Hospital), as well as any other future facilities requirements.

## Capital Facilities

In 2015, the District worked with the architectural and engineering firm of Rice Fergus Miller to complete a long range (50 to 75 year) plan to address District facilities requirements. The purpose of this study was to assess the physical and operational aspects of CWIFR's facilities, identify how they should be improved, what it will cost to undertake those improvements, and a strategy for accomplishing that.

In general, the District's facilities are in relatively good physical condition, but lack modern contamination control features (e.g., decontamination facilities, proper storage of personal protective equipment), have limited storage space, living quarters, and overnight accommodation for on-duty personnel.

A number of improvements were identified as operationally critical at all of the stations irrespective of the issues associated with physical space. These included emergency generators (Station 51), fire and smoke alarms (Station 54), fire sprinklers (Stations 53 and 54), earthquake resistance, improved heating and ventilation systems, and diesel exhaust removal systems.

Operational improvements needed at all stations include additional space for proper cleaning and storage of personal protective equipment, equipment decontamination, physical fitness, and additional overnight accommodations to support increased response capabilities (volunteer, part-time, and full-time staff). In addition, the plan identified immediate programmatic needs for maintenance of District vehicles. In addition, potential partnerships with other agencies for regional fire and emergency services vehicle maintenance were examined along with the programmatic needs for this type of shared service.

The most pressing needs identified during this planning process included remodel and additions to Station 51 in Coupeville and Station 53 on Race Road. Remodel and addition of Station 54 in Greenbank was identified as the next pressing need. Future needs included an independent vehicle maintenance facility to be located at Station 53 on Race Road (dependent on establishment of regional partnerships for fire and emergency services vehicle maintenance).

For additional and more detailed information, refer to *Capital Facilities Planning Central Whidbey Island Fire & Rescue* (Rice Fergus Miller, 2015).

***Comprehensive Capital Projects Funding***

Given the expense of facilities related capital improvements, constitutional and statutory limitations on revenue, and the District's current capital reserves, it will be necessary for the District to use voter approved debt to finance major projects. During the 2016 budget process, the Board of Fire Commissioners directed that expenses related to a voter approved bond be included in the Adopted District budget pending a decision to place a bond measure before the voters. As this bond would fund capital projects, these expenses have been offset in the current year by reducing the amount transferred from the General Fund to the General Capital Projects fund. Additional detail on potential funding strategies for major capital projects is provided in the District's Long Term Financial Plan.

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Table 22. 2015-2026 Capital Projects Schedule

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Starting Cash &amp; Investments</b>	\$486,341	\$933,671	\$1,034,996	\$1,274,796	\$1,321,596	\$1,647,371	\$1,962,430	\$1,356,780	\$1,013,130	\$720,980	\$1,035,255	\$1,360,285	\$1,721,060
<b>Revenue (Inter-Fund Transfer)</b>	\$933,671	\$605,293	\$288,000	\$345,000	\$345,000	\$370,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000
<b>Total</b>	\$1,420,012	\$1,538,963	\$1,322,996	\$1,619,796	\$1,666,596	\$2,017,371	\$2,342,430	\$1,736,780	\$1,393,130	\$1,100,980	\$1,415,255	\$1,740,285	\$2,101,060
<b>Expenditures</b>													
594-22-64-11 Server Replacement						\$10,716							
594-22-64-05 Replace/Upgrade AEDs								\$28,000					
594-22-64-06 Mobile Data Computer Replacement							\$14,000						
594-22-64-04 Replace Apparatus 8601 (E542)	\$63,339	\$1,713											
594-22-64-09 Refurbish Apparatus 0701 (T54) & 0702 (T53)	\$156,741	\$206,000											
594-22-64-12 NEW Apparatus 1301 (C502)	\$35,617	\$10,968								\$46,500			
594-22-64-14 Hose & Appliances	\$24,888	\$23,200	\$23,200	\$23,200	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225
594-22-64-08 Fire 5 Upgrade (Repeater & Simulcast)	\$119,301												
594-22-63-03 Facilities Study (Architectural & Engineering)	\$47,175	\$20,086											
594-22-64-23 ImageTrend Records Management System	\$13,500										\$17,234		
594-22-64-24 IT Infrastructure Improvements	\$8,847										\$12,650		
594-22-64-25 Fit Test Upgrade (Software/Hardware)	\$5,614										\$5,861		
594-22-63-06 Replace Floor at Station 54 (Hall and Classroom)	\$11,319												
594-22-63-08 Replace Cabinets at Station 53	→	<i>Deferred</i>											
594-22-63-09 Electrical Efficiency Upgrade (Stations 51, 53, 54)	→	<i>Deferred</i>											
594-22-64-17 Replace Apparatus 0501 (A53)		\$75,000											
594-22-64-18 Replace Apparatus 0301 (M5)		\$117,000											
594-22-64-19 Thermal Imager (TI) Replacement		\$30,000		\$15,000									
594-22-64-32 Rescue Equipment Replacement		\$20,000											
594-22-64-33 Fire 1 Upgrade (Transmitter Replacements)		→	\$18,000										
594-22-63-06 Station 53 Water System Upgrade			\$7,000										
594-22-64-26 Landscaping Trailer			<i>Not Funded</i>										
594-22-63-04 Station 51 Phase 2				<i>Not Funded</i>									
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						<i>Not Funded</i>							
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 Building/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>	\$486,341	\$503,967	\$48,200	\$298,200	\$19,225	\$54,941	\$985,650	\$723,650	\$672,150	\$65,725	\$54,970	\$19,225	\$19,225
<b>Ending Balance</b>	\$933,671	\$1,034,996	\$1,274,796	\$1,321,596	\$1,647,371	\$1,962,430	\$1,356,780	\$1,013,130	\$720,980	\$1,035,255	\$1,360,285	\$1,721,060	\$2,081,835

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## Capital Budget

Table 23. Capital Projects Budget

					2014 Actual	2015 Adjusted	2016 Adopted
594	22	64	04	Replace Apparatus 8601 (E542)	\$63,339	\$1,713	
594	22	64	09	Refurbish Apparatus 0701 (T54) & 0701 (T53)	\$156,741	\$206,000	
594	22	64	12	NEW Apparatus (505)	\$35,617	\$10,968	
594	22	64	08	Fire 5 Radio System Upgrade	\$119,301		
594	22	64	14	Hose & Appliances	\$24,888	\$23,200	\$23,200
594	22	63	03	Architectural and Engineering	\$47,175	\$20,086	
594	22	64	24	E-Mail Archive System	\$5,300		
594	22	64	25	Fit Test Upgrade (Software/Hardware)	\$5,614		
594	22	63	06	Replace Floor at Station 54 (Hall & Classroom)	\$11,319		
594	22	63	08	Station 53 Common Area Renovation		<i>Deferred</i>	
594	22	63	09	Electrical Efficiency Renovation		<i>Deferred</i>	
594	22	64	17	Replace Apparatus 0501 (A53)		\$75,000	
594	22	64	18	Replace Apparatus 0301 (M5)		117,000	
594	22	64	18	Thermal Imager Replacement		\$30,000	
594	22	64	32	Rescue Equipment Replacement		\$20,000	
594	22	64	33	Fire 1 Radio System Upgrade		→	\$18,000
594	22	63	06	Station 53 Water System Upgrade			\$7,000
694	22	64	26	Landscaping Trailer			<i>Not Funded</i>
<b>Total</b>					<b>\$541,780</b>	<b>\$503,967</b>	<b>\$48,200</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.

#### **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 adopted to accomplish this task:

- 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 with 2" hose on an incremental basis (one engine annually). The change to 2" hose for high flow handlines provides greater mobility with limited staffing while maintaining a flow capability of 250 gallons per minute (gpm).

- 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 (WSRB) credit for the District’s hose inventory.

**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.

**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 as the cost of maintenance and testing of the District’s fire hose is based on a consistent inventory of hose on apparatus and in reserve as required by the WSRB.

#### **2014-594-22-64-33 Fire 1 Radio System Upgrade**

**Description:** This project would fund CWIFR’s share of replacing aging transmitters on the Fire 1 (Paging/Dispatch) radio system.

**Purpose & Justification:** The Island County Communications Center (ICOM) is upgrading the Fire 1 radio system. This system is the means by which CWIFR is dispatched to emergency incidents and our volunteer and other on-call members are paged for response. This upgrade is necessary to maintain reliability of the system by replacing aging radio transmitters.

**Strategic Goal:** This project supports the District’s Strategic goals to maintain adequate infrastructure to support operations (Resources).

**Estimated Change in Operational Expense:** This project will have no significant impact on operational expense as maintenance of this element of the communications system is distributed across all fire service agencies in the Island County. However, replacement of aging equipment will likely reduce the probability of failure of critical system components which would result in repair or unanticipated replacement expense spread across all system users.

***2014-594-22-63-06 Station 53 Water System Upgrade***

**Description:** This project would fund installation of a water filter and softener in the pump house behind Station 53. The filtration system would be sized to service the station and bunkhouse to remove excess minerals and sediment from the water.

**Purpose & Justification:** Over the years we have experienced several maintenance issues related to the quality of water at Station 53. These have included malfunction of valves and plumbing controls, and mineral buildup on our apparatus paint and glass. Installation of a water filter and softener has been recommended as a solution to improve water quality and reduce maintenance issues related to water quality. The filter and water softener will be located in the pump house to minimize impact on any future renovations to Station 53.

**Strategic Goal:** This project supports the District's Strategic goals to maintain adequate infrastructure to support operations (Resources).

**Estimated Change in Operational Expense:** The filter and water softener system has minimal operational cost and this cost will be offset by reduced maintenance expense for water system components and controls.

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## 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, Deputy Chief, Office Manager).

### Compensated Absences Expenditures

The District's Deputy Chief resigned to accept a position with a larger fire and rescue agency in August of 2014. As provided in Standard Operating Guideline (SOG) 1.2.11 *Executive Staff Salary & Benefits*, he was paid for 240 hours of accrued and unused Long Term Sick Leave. This resulted in an expenditure of \$9,516.

### Current Compensated Absences Liabilities

At present the District's liability for compensated absences is based on 240 hours of sick leave buyback for the Fire Chief and Office Manager. The Deputy Chief's position was filled earlier in 2015 and at the end of the year may choose to transfer accrued, but unused Paid Time Off (PTO) leave to Long Term Sick Leave. Given the Deputy's rate of leave accrual, there is likely to be limited liability for compensated absences related to the Deputy Chief's Long Term Sick Leave for 2016 (and likely for several years).

Table 24. Compensated Absences Liability

Position	Hourly Rate	Buyback (hrs)	Total Liability
Fire Chief	\$48.85	240	\$11,725
Deputy Chief	\$41.21	<240	<i>Undetermined</i> <sup>5</sup>
Office Manager	\$25.58	240	\$6,139
Total Compensated Absences Liability			\$17,863

In anticipation of future compensated absence liability \$9,440 will be transferred from the General Fund to the Compensated Absences Trust Fund in 2016.

<sup>5</sup> The Deputy's transfer from PTO to Long Term Sick Leave for 2015 will be determined at the end of the year.

Table 25. Compensated Absences Trust Fund Budget

	Actual 2014	Budgeted 2015	Adopted 2016
<b>Beginning Compensated Absences Balance</b>	\$13,923	\$17,672	\$17,672
<b>Interfund Transfers</b>			
From General Fund	\$13,265	\$0	\$9,440
<b>Expenditures</b>			
Vouchers (Compensated Absences)	\$9,516	\$0	\$0
<b>Ending Compensated Absences Balance</b>	\$17,672	\$17,672	\$27,112

The Compensated Absences Trust Fund is fully funded at 100% of the District's liability for Long Term Sick leave. 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 District's 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.

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## **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.

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Appendix A - Tax Increase and Budget Adoption

Levy Certification



Levy Certification

Submit this document to the county legislative authority on or before November 30 of the year preceding the year in which the levy amounts are to be collected and forward a copy to the assessor.

In accordance with RCW 84.52.020, I, Paul Messner, (Name)

Board Chair, for Central Whidbey Island Fire & Rescue #5, do hereby certify to (Title) (District Name)

the Island County County legislative authority that the Commissioner's (Name of County) (Commissioners, Council, Board, etc.)

of said district requests that the following levy amounts be collected in 2016 as provided in the district's (Year of Collection)

budget, which was adopted following a public hearing held on 11/12/15: (Date of Public Hearing)

Regular Levy: \$3,000,000.00 (State the total dollar amount to be levied)

Excess Levy: (State the total dollar amount to be levied)

Refund Levy: \$6,306.71 (State the total dollar amount to be levied)

Signature: Paul Messner

Date: 11/12/15

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REV 64 0100e (w) (2/21/12)

Tax Increase Resolution



Ordinance / Resolution No. 15-06  
RCW 84.55.120

WHEREAS, the Fire Commissioner's of Central Whidbey Island Fire & Rescue #5 has met and considered its budget for the calendar year 2016; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 2,194,057.84; and,

WHEREAS, the population of this district is less than 10,000; and now, therefore,

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 2016 tax year.

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 21,940.00 which is a percentage increase of 1% from the previous year. This increase is exclusive of

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

Adopted this 12 day of November, 2015.

Paul Messner
Hunt Messner
Cheryl Engle
Stew Hutchinson

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 30th. 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.

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REV 64 0101c(w) (12/9/14)

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 15-07**  
**Adopting the Budget for 2016** )

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

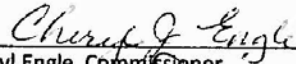
WHEREAS: The Fire Commissioners of Central Whidbey Island Fire & Rescue establishes an official budget each year to provide operating funds and capital funds.

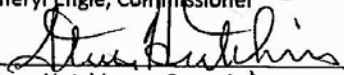
IT IS HEREBY RESOLVED AS FOLLOWS:


1. That the attached 2016 Budget be hereby adopted as the official budget of Central Whidbey Island Fire & Rescue for calendar year 2015.
2. That the honorable Island County Council be and hereby requested to make a Regular levy for 2016 for Central Whidbey Island Fire & Rescue of \$3,000,000.
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. \$3,000,000 Regular Levy into the General Fund of Central Whidbey Island Fire & Rescue
  - b. \$6306.71 Refund Levy into the General Fund of Central Whidbey Island Fire & Rescue.
4. That one copy of this resolution together with the 2016 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 12<sup>th</sup> Day of November, 2015.

  
\_\_\_\_\_  
Paul Messner, Chairman of the Board

  
\_\_\_\_\_  
Cheryl Engle, Commissioner

  
\_\_\_\_\_  
Steve Hutchinson, Commissioner

Attest:   
\_\_\_\_\_  
Kim Harpe, District Secretary

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## Appendix B - 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 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.

**Acting-in-Capacity (AIC):** Working out of classification (e.g., a Firefighter working as a Lieutenant). Represented full-time employees are paid 5% AIC compensation when working at the next highest classification if they are fully qualified for this position, and 3% AIC compensation if they are not fully qualified.

**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 Type 1 Engine, two Type 6 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.

**Bank Qualification:** A designation given to a municipal bond by the issuer if it reasonably expects to issue in the calendar year of such offering no more than \$10 million of bonds of the type required to be included in making such calculation under the Internal Revenue Code. When purchased by a commercial bank for its portfolio, the bank may deduct a portion of the interest cost of carry for the position. A bond that is bank qualified is also known as a qualified tax-exempt obligation.

**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 Rating:** a grade given to bonds that indicates their credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these evaluations of a bond issuer's financial strength, or its the ability to pay a bond's principal and interest in a timely fashion. Bond ratings are expressed as letters ranging from AAA, which is the highest grade, to C (junk), which is the lowest grade. Different rating services use the same letter grades, but use various combinations of upper- and lower-case letters to differentiate themselves.

**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.

**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 Adopted 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 Adopted 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 Adopted expenditures for a given period and the Adopted 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.

**Call Provision:** a clause in a bond's indenture granting the issuer (borrower) the right to call, or buy back, all or part of an issue prior to the maturity date of the bond.

**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 Adopted capital outlays and the means of financing them.

**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 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 expenditures.

**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 or excess of expenditures over revenues during an accounting period.

**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 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.

**Facilities Plan:** A strategic level plan examining current facilities and their condition as well as future facilities requirements. CWIFR's facilities plan examines facilities requirements based on a 50 year service delivery timeframe.

**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 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.

**Lean Process:** In the public sector, the core idea of Lean process is to maximize community value while minimizing waste.

**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.

**Limited Tax General Obligation Bond (LTGO):** See non-voted debt.

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

**Long Term Financial Plan:** A financial plan that forecasts and strategizes how to meet both current and future needs of the District. CWIFR's long term financial plan addresses a time horizon of ten years and includes all funds. This plan includes an analysis of the District's financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance and plan monitoring mechanisms.

**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.

**Non-Voted Debt:** Non-voted debt is issued on the authority of the Board of Fire Commissioners. The debt service on non-voted debt is paid out of general Fire District revenues. Non-voted debt is referred to as a Limited Tax General Obligation Bond (LTGO).

**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:** This budget presents a plan of current expenditures and the Adopted 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.

**Represented Employees:** These are employees for whom terms and conditions of employment are bargained by a union are designated as represented. CWIFR'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 Apparatus:** Apparatus maintained by the District for use when other apparatus is being maintained or repaired.

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

**Reserve:** 1) A segregation of assets to provide for future use toward a specified purpose. 2) Apparatus maintained by the District for use when other apparatus is being maintained or repaired.

**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 or 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.

**Type 1 Engine:** A fire engine designed for structural firefighting and other types of response activity.

**Type 6 Engine:** A small fire engine designed for vegetation (brush) fires (See Engine).

**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).

**Unlimited Tax General Obligation Bond (UTGO):** See voted debt.

**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).

**Voted Debt:** Voted debt is authorized by the District's voters through an election. The debt service on voted debt is paid from excess property tax levies under RCW 84.52.056. Voter approved debt is referred to as an Unlimited Tax General Obligation Bond (UTGO).

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

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

## Appendix C - CWIFR Long Term Financial Plan

Long term financial planning involves financial forecasting and strategizing how to meet both current and future needs of the community. This process requires developing a financial forecast projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. This year, the Central Whidbey Island Fire & Rescue (CWIFR) completed a Long Term Financial Plan (CWIFR, 2015e) to address the districts long term operating and capital improvement needs.

“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 providing the community’s desired service delivery level on a sustainable basis. The planning process stimulates discussion and provides a framework for decision-makers to develop a long range perspective and for communications with internal and external stakeholders.

In 2010, Central Whidbey Island Fire & Rescue staff and Board of Fire Commissioners began the process of planning to consider multiple fiscal scenarios and develop a long-term financial plan. In 2015, the District expanded on this initial financial planning process, using Fiscal Environment Analysis (FEA) (Kavahagh, 2007) as a method for measuring and evaluating fiscal condition and to provide more comprehensive long term fiscal planning consistent with the best practices advocated by the GFOA.

### Initial Financial Planning

Faced with significant fiscal challenges, Central Whidbey Island Fire & Rescue first engaged in scenario based financial planning in 2010 to address a number of significant challenges:

- For a number of years (prior to 2010), the District did not have sufficient revenue to fund amortized capital expense (putting money away to replace equipment and facilities when needed) and for day-to-day operations.
- Constitutionally limited increases in revenue were not keeping pace with the expense of maintaining a consistent service delivery level.
- Workload presented a significant challenge based on existing staffing levels
- The District had significant apparatus and facilities maintenance issues.
- The District also had a number of significant capital needs (apparatus replacement and facilities improvement).

Multiple scenarios were developed to examine the impact of increased tax revenue as the result of a levy lid lift, constitutionally limited increases resulting from failure of a voter approved lid lift, and changes in revenue resulting from the District’s Interlocal agreement with Whidbey General Hospital. Based on analysis of these scenarios, the Board of Fire Commissioners provided the following policy direction:

- The Board desired CWIFR to improve its level of service to the community by strengthening the volunteer leg of the three legged stool (full-time, part-time, and volunteer staff) as well as improving response time and day shift staffing.
- The Board desired CWIFR to operate in such a manner to sustain service delivery beyond the end year of the District's 2012 Strategic Plan (2017) within the limits of the resources authorized by the District's voters.
- A lid lift to increase the property tax levy rate by \$0.38/\$1000 Assessed Valuation should be presented to the voters in the February 2012 election. This direction was affirmed by resolution at the Board's regular meeting held on August 11, 2011.
- The district will maintain a long term commitment to fully funding the General Capital Projects Fund to ensure the infrastructure necessary to meet the community's needs.

Based on this policy guidance, the District presented a levy lid lift to the voters in 2012, which was passed, increasing the District's levy rate to \$1.34. Increased funding provided by this lid lift has allowed the District to address several of its fiscal challenges:

- The District established a dedicated General Capital Projects Fund and accelerated accumulation of funds to progress towards full funding for capital apparatus and equipment. However, the District did (and does) not have sufficient revenue to also meet capital facility needs.
- Increased revenue allowed maintenance of current service delivery levels and is projected to allow these levels of service to continue through 2018.
- Staffing was increased by 2.0 FTE (Training and Recruitment Captain and Firefighter/Mechanic) allowing the District to achieve considerable gains in volunteer recruitment, apparatus maintenance, and fleet reliability.

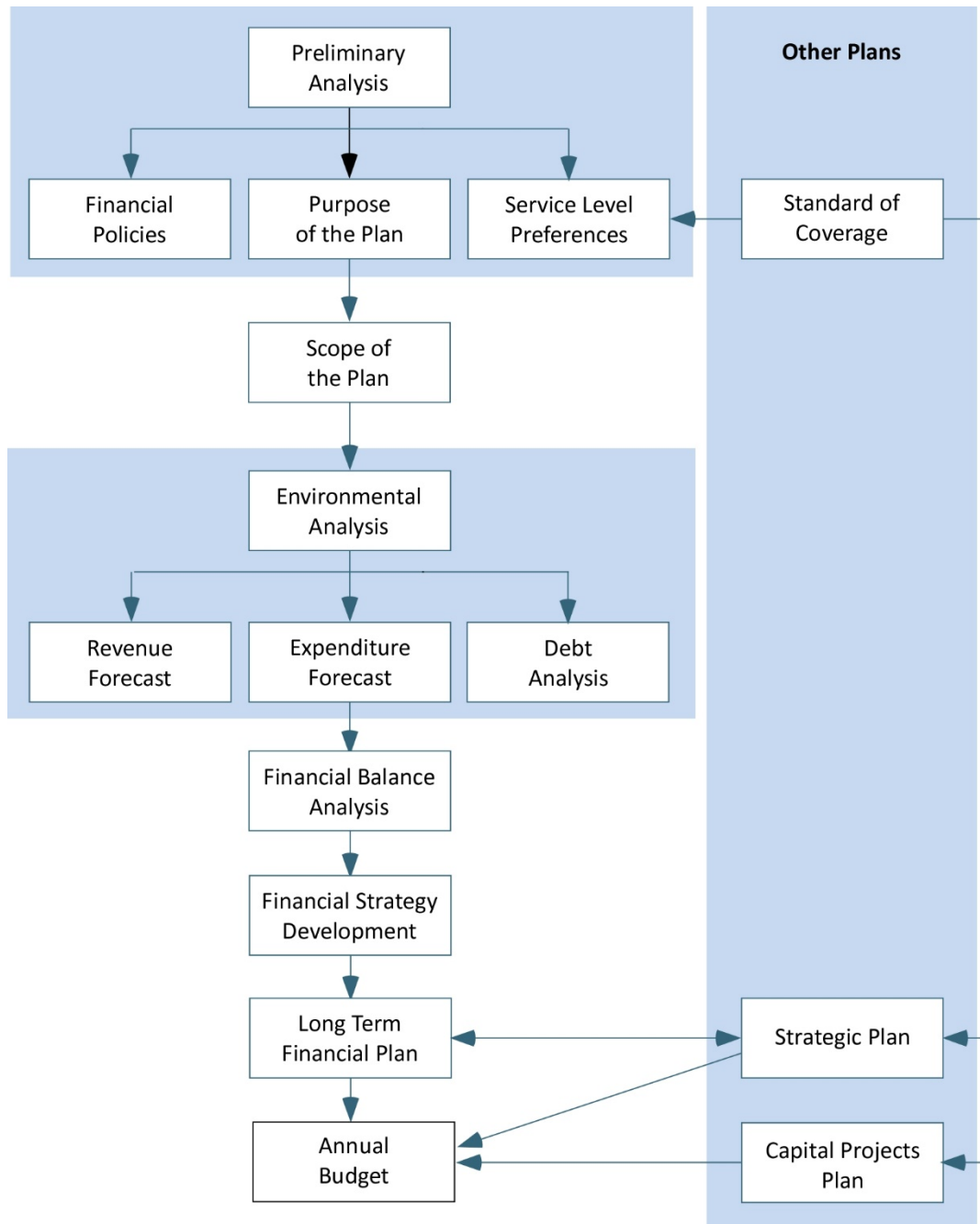
However, as with all municipal corporations in Washington State, the District continues to struggle with the gap between increasing expense and constitutionally limited increases in tax revenue. In addition, the District has not yet addressed funding of current and future capital facilities needs.

### **Ongoing Financial Planning**

To address these ongoing fiscal challenges, the District has adapted the long term financial planning process presented in Financing the Future (Kavanaugh, 2007) as illustrated in Figure 20. Integration of long term financial planning with the District's strategic plan, standard of coverage (which details fire and non-fire risk assessment and service delivery targets), capital projects plan, and annual operating budget is a key element in this process.



Figure 20. Financial Planning Process



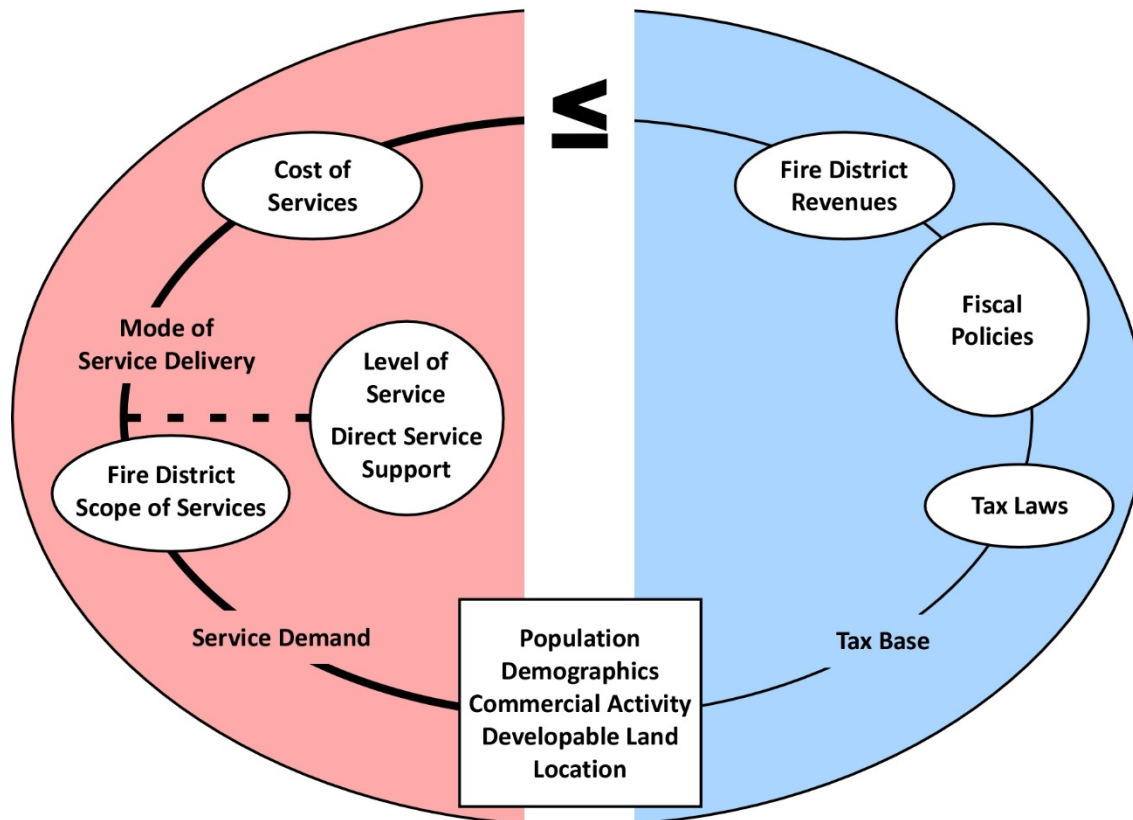
Note: Adapted from Kavanaugh, S. (2007) Financing the Future. Chicago: Government Finance Officers Association

**Purpose of the Plan**

The purpose of Central Whidbey Island Fire & Rescue’s Long Term Financial Plan is to provide guidance to meeting the communities desired level of service on a fiscally sustainable basis. As illustrated in

Figure 21, sustainable service must balance the desired level of service, the cost of that service, and available revenue within the context of tax laws and the District's tax base.

Figure 21. Sustainable Service Model



Note: Adapted from Hodgins, M. & Lincoln, A. (2015) Bending the Cost Curve a Roadmap to Fiscal Sustainability [webinar]. Retrieved October 1, 2015 from <http://mrsc.org/Home/Training/Archived-Webinars/Bending-the-Cost-Curve-A-Roadmap-to-Fiscal-Sustain.aspx>

### Financial Policies

The District has adopted 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 and are included on pages 49-54 of the 2016 Adopted Budget.

### Service Level Preferences

For a fire district, service level preferences are about the type, amount, timeliness, and quality of services desired by the community. Particularly with emergency services, there is often tension between the desired level of service and the tax burden that the citizens are willing to bear.

**Services Provided**

Since the establishment of the Coupeville Volunteer Fire Department in 1928, 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 26 illustrates CWIFR’s proactive and response services.

Table 26. 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> <li>• Community Preparedness</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> <li>• Non-Emergency Services</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.

Prior to 2015, Central Whidbey Island Fire & Rescue (CWIFR) had not defined service level objectives. Historically the District has functioned on the basis of dispatching the resources specified in the response plan for a given call nature without regard to which resources responded (and which did not) and without specifically defined staffing levels. As a combination staffed fire and rescue agency staffing, turnout time, and the specific resources responding (or not) have depended on unit staffing (on-duty or on-call) and availability of on-call members. It is anticipated that the District’s Standard of Coverage (which will clearly define community risks and clearly define service level objectives) will be complete and adopted by the Board of Fire Commissioners in late 2015 or the 1<sup>st</sup> Quarter of 2016.

At such time that the Board has adopted the District’s Standard of Coverage, this section of the Long Term Financial Plan will be updated.

### ***Standard of Coverage***

Defining an appropriate level of service is an ongoing challenge faced by fire and rescue agencies throughout the world. Differences in hazards and risk faced by communities preclude a “one-size-fits-all” solution. Variation in risks and level of hazards within each community mandate that each department conduct a self-assessment, and design a response system that will meet the community needs in a safe, efficient, and effective manner.

Concurrent with development of this Long Term Financial Plan, the District is in the process of completing a Standard of Coverage (SOC). A SOC is a rational and systematic method of examining the basic service provided by the District. The purpose of the SOC document is to provide a system which will assist with:

- Assessing community fire and non-fire risks
- Defining baseline and benchmark emergency response performance standards
- Determining apparatus and staffing patterns
- Measuring service delivery performance
- Supporting strategic planning and policy development relative to resource procurement and deployment

The key elements in the SOC include:

- A community risk assessment identifying the fire and non-fire risk common and/or unique to the agency completing the process
- An analysis of the agency’s current response capability in terms of time and on-scene performance for personnel and equipment
- A development of standards describing how the agency resources will be allocated and deployed to maximize emergency response effectiveness throughout the area served.
- A determination of levels of service to be provided within the area served

The District anticipates completion of its Standard of Coverage by no later than the 1<sup>st</sup> quarter of 2016.

### **Scope of the Plan**

Central Whidbey Island Fire & Rescue’s Long Term Financial Plan addresses the following funds across a time frame of 10 years:

- General Fund
- General Capital Projects Fund
- Compensated Absences Trust Fund
- Debt Service Fund

The Grants Management Fund is not included within the Long Term Financial Plan as grants are generally one-time funds and the District maintains a policy of avoiding the use of one-time funds for ongoing expenses.

**Environmental Analysis**

**Funding of Fire & Rescue Services**

Property taxes serve as the primary funding mechanism for services provided by Fire Protection Districts established under the provisions of RCW 52. However, Central Whidbey Island Fire & Rescue (CWIFR) is also partially funded through Interlocal agreements with other agencies. For example, CWIFR staffs a Basic Life Support (BLS) ambulance for Whidbey General Hospital (public hospital district) and provides fire and life safety inspection services for the Town of Coupeville & Island County.

**Property Taxes:** 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. The state constitution limits 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). In addition, the Revised Code of Washington (RCW) limits fire districts to a maximum regular property tax rate of \$1.50/\$1000 of assessed value (AV) (RCW 52.16.130, 140, 160).

The Revised Code of Washington (RCW) 84.52.069, also allows emergency service agencies to impose an EMS levy to an amount not to exceed fifty cents per thousand dollars of the assessed property value. Whidbey General Hospital Emergency Medical Services (WGH EMS) is currently the sole recipient of the EMS levy across the entire island, as such this funding stream is not directly available to CWIFR.

In addition to the regular tax levy for maintenance and operations, Fire Districts may also establish additional tax levies for specific purposes with the approval of the voters within the District as illustrated in Table 27.

Table 27. Voter Approved Levies for Fire Districts (Excluding EMS Levies)

Type of Levy	Approval Requirement	Validation Requirement	Duration
Excess (M&O)	60%	40% of voters voting in the last preceding general election	2 to 4 Years
Excess (Construction)	60%	40% of voters voting in the last preceding general election	2 to 6 Years
Excess (Bond)	60%	40% of voters voting in the last preceding general election	Length of Bond

Adapted from Ballot Measure Requirements, Washington State Department of Revenue  
<http://dor.wa.gov/content/getaformorpublication/publicationbysubject/propertytax/ballotmeasures/#>

**Benefit Charges:** CWIFR does not use the Fire Benefit Charge (FBC) method of funding which is an alternative to use of assessed value and property taxes as the sole method distributing the cost of fire

and rescue service among taxpayers. The Fire Benefit Charge (FBC) funding method is a voter approved, two part funding system that balances general purpose taxes and a user fee charged to buildings based on risk and need for service (Revised Code of Washington (RCW) 52.26.180). It is called a benefit charge because it refers to the benefit of having fire protection available.

- A tax of up to \$1.00 may be levied on assessed values of property and used for all day to day operations and capital needs of the fire department.
- A Fire Benefit Charge (FBC) of up to 60% of the operating budget may be assessed and used only for day to day operational expenses such as salaries, equipment, fuel and utilities.

The Fire Benefit Charge formula calculates the amount of firefighting water that would be required to extinguish a fire(s) that could occur on a property and the number of fire department resources that would be required to deliver that amount of water.

Fire Benefit Charge (FBC) exemptions:

- Senior citizens and disabled persons who have been qualified through King County for senior and disabled discounts will receive the same discount offered on property taxes
- Improvements used specifically for religious worship or education are exempt from the Fire Benefit Charge.
- Public schools who pay a per student stipend are exempt from the Fire Benefit Charge.
- Entities with a contract for service with the fire department are exempt from the Fire Benefit Charge.

State law requires annual public hearings prior to adoption of FBC rates on an annual basis and voters may reauthorize use of a Fire Benefit Charge every six years.

**Other Revenue Options:** Chapter 39.34 Revised Code of Washington (RCW) Interlocal Cooperation Act provides enabling legislation that permits local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage. Interlocal cooperation can take many forms including contracts for service. The District currently has revenue generating Interlocal Agreements to provide emergency medical services and fire and life safety inspections. Other potential revenue generating opportunities include provision of fleet maintenance services for emergency vehicles. However, current space and staffing are constraints on this potential revenue source.

### **Financial Planning Assumptions**

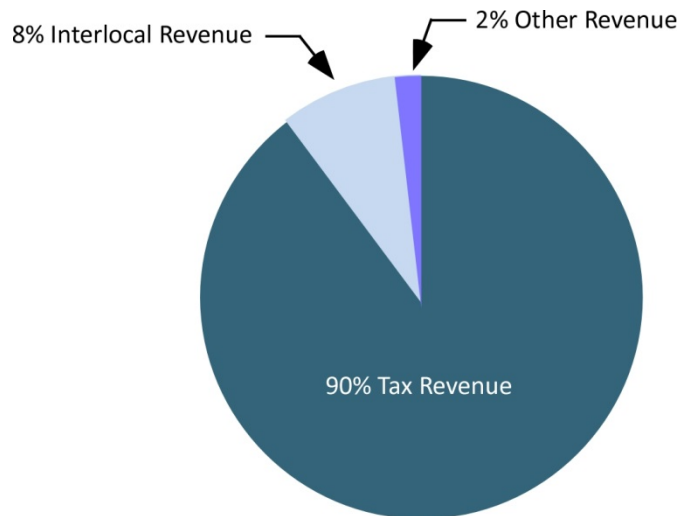
The District's Annual Maintenance and Operations Budget (short term perspective), Capital Projects Plan (long term perspective), and Financial Plan (long term perspective) must out of necessity be based on assumptions about the future. Transparency in fiscal decision-making and policy require that these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

Assumptions regarding revenue and expense along with their underlying justification are presented in the 2016 Adopted Budget on pages 35-40. As the District is debt free, assumptions regarding debt were

not included in the budget, but are included in the District's Long Term Financial Plan (2015) and in this summary.

**Revenue:** As illustrated in Figure 22, tax revenue is CWIFR's largest revenue stream, comprising approximately 90% 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 8% of total district revenue. Approximately 2% 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).

Figure 22. CWIFR Revenue Distribution



**Tax Revenue:** 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 (AV). In subsequent years, the District's levy rate increased due to declining assessed property value. However, in 2014 this trend has reversed with the levy rate dropping to \$1.36/\$1000 AV as property values have rebounded. Based on historical performance, it is anticipated that AV within the District will continue to increase over time.

Given the defined maximum increase, changes in property tax value and new construction added to the tax rolls impact on the levy rate in several ways. If the District's levy rate is lower than the maximum \$1.50/\$1000 AV decreases in assessed value will increase the levy rate to maintain relatively consistent funding with constitutionally limited increases. However, if the levy rate reaches \$1.50/\$1000 AV, revenue will decrease. If AV increases, the property tax levy will decrease, to maintain relatively consistent funding with constitutionally limited increases.

The rationale behind the tax structure in the state constitution and related laws is that the costs of delivering essential services such as fire protection, rescue, and emergency medical care is not based on the value of your property. Cost is based on level of service desired by the community, with the cost shared based on property value.

Some property tax exempt (e.g., State Parks and Coupeville School District) pay a small fire protection fee in lieu of taxes. However, these nominal fees are substantially less than the tax that would be paid based on assessed valuation if not tax exempt.

**Interlocal Agreements:** CWIFR's second significant revenue stream results from Interlocal Agreements with other municipal entities. CWIFR has an Interlocal Agreement with Whidbey General Hospital District Emergency Medical Services (WGH EMS) to staff a Basic Life Support (BLS) Ambulance. For the first several years of this agreement, revenue increased automatically each year. However, the current agreement provides level funding of \$201,495 annually through 2015.

In addition to its agreement with WGH EMS, the District maintains Interlocal Agreement with both the Town of Coupeville and Island County for provision of fire inspection services for commercial occupancies. Revenue is determined by the number of occupancies inspected annually. Revenue from these agreements is projected to be approximately \$16,000 annually.

**Revenue Assumptions:** CWIFR's Long Term Financial Plan is based on six assumptions regarding revenue. The first five of these assumptions were used in development of the District's 2016 budget. The sixth relates to a longer term outlook on new construction within the District's boundaries.

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 three particularly important limitations for fire districts. These limitations are accepted as given within the context of the financial planning process:

**Constitutional Limitation:** 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).

**Statutory Limitation-Fire Districts:** 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).

**Statutory Limitation Emergency Medical Services (EMS):** The RCW allows an EMS levy to a maximum regular property tax rate of \$0.50/\$1000 of assessed value (RCW 458.19.060). The Whidbey General Public Hospital District levies this tax and other taxing districts with the hospital district's boundaries are precluded from levying a tax for EMS services.

The following five revenue assumptions were used in developing the Adopted District Budget.

**Assumption R1:** The District's Assessed Value (AV) will stabilize and will likely increase slightly over the next year (2015).



**Assumption R2:** The District's AV will increase slowly over the next several years, reducing the District's levy rate while maintaining a maximum 1% increase in the District's maximum tax levy.

**Assumption R5:** The Interlocal Agreement between the District and Whidbey General Hospital to staff a Basic Life Support Ambulance will continue with the same general terms beyond the end of 2015.

**Assumption R6:** In 2014, the District saw a 100% increase in AV added to the tax rolls due to new construction. It is not anticipated that this level of increase will be sustained, but that new construction will slowly rebound and maintain a consistent level in the near to mid-term.

**Expenditure:** CWIFR's Long Term Financial Plan is based on three 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 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.

**Assumption E3:** Regional increases in minimum wage to \$15.00/hour and potential for an increase in the state minimum wage will have a direct or indirect impact on personal services expense for the District's part-time staff (and potentially full-time staff due to compression between the lower and higher pay grades).

**Debt:** Debt has been broadly interpreted to mean all borrowed money payable from taxes. This includes all general obligation debt, but not obligations payable from nontax revenue sources, such as revenue bonds. Also, obligations that can be discharged from funds currently available, such as warrants and accounts payable, are not considered debt for purposes of these statutes. The amount of debt that governmental entities in Washington is limited by Article VIII Section 6 of the State Constitution and by individual statutes pertaining to the specific type of governmental entity.

There are several debt limitations based on the provisions of the Washington State Constitution and Revised Code of Washington (RCW). These limitations are accepted as given within the context of the financial planning process:

**Statutory Debt Limitations:** 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.

Debt capacity is determined based on the following factors:

- Total assessed taxable property value
- Total amount of general obligation debt (inclusive of voted and non-voted debt)
- Amount of assets available to pay the debt

Assets available to pay debt include all applicable cash and cash equivalents available for the payment of general obligations. This includes cash in debt service funds reserved for the payment of general obligation debt. Generally, cash outside of debt service funds is used to meet current obligations. The following types of funds are not available to pay debt service:

- Cash or investments that are restricted for other than debt payment purposes
- Cash or investments that will be used to make interest payments during the initial months of the subsequent fiscal year prior to property tax collections.
- Uncollected taxes from prior years except taxes specifically levied for debt redemption.

Non-voted debt is issued on the authority of the Board of Fire Commissioners. The debt service on non-voted debt is paid out of general Fire District revenues. Voted debt is authorized by the District’s voters through an election. The debt service on voted debt is paid from excess property tax levies under RCW 84.52.056. Table 28 provides an overview of the differences between a non-voted Limited Tax General Obligation Bond (LTGO) and a voted Unlimited Tax General Obligation Bond (UTGO).

Table 28. Bond Feature Comparison

Item	Limited Tax General Obligation Bond (LTGO) Non-Voted Debt	Unlimited Tax General Obligation Bond (UTGO) Voted Debt
<b>Repayment Pledge</b>	Limited pledge of the District to pay debt service on the bond	Unlimited pledge of the voters to pay debt service on the bond
<b>Rating</b>	Frequently Two-Steps Away from the County Bond Rating	Frequently One-Step Away from the County Bond Rating
<b>Call Provision</b>	10-Year Par Call	10-Year Par Call
<b>Tax Exemption</b>	Interest Exempt from Federal Taxes	Interest Exempt from Federal Taxes
<b>Bank Qualification</b>	Improved Rates for Issuers of Under \$10 Million per year	Improved Rates for Issuers of Under \$10 Million per Year
<b>Buyer Profile</b>	Moderate Risk Looking for Higher Yields	Risk Adverse Accepting Lower Yields
<b>Appropriation Risk</b>	Yes	None

The bond rating is a grade given to bonds that indicates their credit quality. Private independent rating services such as Standard & Poor's, Moody's and Fitch provide these evaluations of a bond issuer's financial strength, or its the ability to pay a bond's principal and interest in a timely fashion. Bond ratings are expressed as letters ranging from AAA, which is the highest grade, to C (junk), which is the lowest

grade. Different rating services use the same letter grades, but use various combinations of upper- and lower-case letters to differentiate themselves. The District's bond rating is related to that of Island County to the extent that economic factors are similar. However, the District's rating is also specifically tied to its fiscal health and financial management practices.

A call provision is a clause in a bond's indenture granting the issuer (in this case CWIFR) the right to call, or buy back, all or part of an issue prior to the maturity date of the bond.

Bank qualification is a designation given to a municipal bond by the issuer if it reasonably expects to issue in the calendar year of such offering no more than \$10 million of bonds of the type required to be included in making such calculation under the Internal Revenue Code. When purchased by a commercial bank for its portfolio, the bank may deduct a portion of the interest cost of carry for the position. A bond that is bank qualified is also known as a qualified tax-exempt obligation.

Appropriation risk refers to the risk to the District. With a LTGO, the District is obligated to pay the debt service from current revenue (e.g., regular levy). In this case debt service must be paid prior to any other debt. On the other hand, with a UTGO, the voters have pledged to pay the debt service with the levy rate falling as Assessed Value increases or increasing. As a voter approved bond has its own levy, the risk to maintaining current levels of service in the event of a financial downturn is minimal.

### **Financial Balance Analysis**

Measuring and evaluating the 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

### ***Expenses versus Revenue***

As previously outlined, constitutional and statutory limitations on tax revenue and historical inflation make it difficult for revenue to keep pace with the expense of maintaining a consistent level of service. As such the District has presented the voters with the option of increasing the tax levy to maintain services in 1992, 2004 and 2011. In all cases, the voters approved lifting the lid and maintained service delivery levels.

Revenue is sufficient to maintain current service levels for several years, at which point it will be necessary to either increase revenue to maintain service delivery levels or reduce service levels to provide a level of expenditure that matches the available revenue.

### **Reserves**

Prior to 2012, CWIFR used a single (General) Fund and did not maintain dedicated reserve funds. Capital purchases were simply made from the General Fund on an as needed basis. Analysis of the unappropriated General Fund Balance and capital apparatus and equipment determined that there were insufficient funds for apparatus and equipment replacement. In addition, no funds had been set aside for future capital facilities projects. In addition, the District had not set aside funds to meet its liabilities for compensated absences.

The General Capital Projects Fund was established in 2012 to accumulate assets for future capital purchases and for current capital expenditures. The District also established the Compensated Absences Trust Fund to address its compensated absences liabilities. While these funds were established in 2012, Island County as the District's treasurer continued to maintain the District's funds in a single account. In 2015, the CWIFR directed Island County to segregate the District's funds into separate accounts by fund.

Capital expenditures are for items having a cost greater than \$5,000 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 \$5,000, but purchased in large enough quantity to reach the \$5,000 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. Since 2012, the District has transferred funds from the General Fund to the General Capital Projects Fund at an accelerated rate to address current requirements for apparatus and equipment as well as achieving full funding for apparatus and equipment by 2027. However, revenue has been insufficient to address capital facilities requirements on a pay as you go basis.

### **Discussion**

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 General Fund ending balance of 43% of budgeted expenditures in the subsequent year to provide:

- Sufficient funds to meet current expense in advance of receipt of tax revenue in April (estimated as 33% of the maintenance and operations budget)
- 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.

While the current position of the District is fiscally sound, constructional and statutory limits on revenue increase in combination with the increasing expense of maintaining current service delivery levels presents the District with a challenge; increase revenue or decrease the level of service to the

community. To this point, the District's Board of Fire Commissioners and voters have indicated a preference to maintain or improve the level of service provided to our community.

### **Financial Strategy**

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.

Examination of potential financial strategies in the District's Long Term Financial Plan is based on examination of three basic scenarios. The first, a baseline scenario examines fiscal conditions without any action to increase revenue to address capital projects and/or maintain current service delivery levels. The second and third scenarios examine alternative strategies to maintain current service delivery levels and address capital projects requirements.

It is essential to remember that these scenarios are not predictions! Key variables such as changes in assessed valuation (AV), inflation rate, and service level demand are defined based on consideration of historical data along with likely variation (but actual changes may be somewhat different than defined in the scenarios).

### **Analysis of Fiscal Position**

Analysis of CWIFR's fiscal position presented in each scenario 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.
- Multi-year trends in Beginning Fund Balance (increasing or decreasing) for each fund.
- Adequacy of the General Fund Beginning Balance of at least 43% of budgeted maintenance and operations expenses (Inclusive of a Contingency Reserve of 10%).
- Ability to maintain a sufficient Funding and Cash Flow in the General Capital Projects Fund to meet capital apparatus and equipment needs and to meet Capital Facility needs.

### **Overview of Scenarios**

Several scenarios were examined as part of the Districts development of a long term financial strategy. Table 29 provides an overview of three scenarios; Baseline, Lid Lift, and Voter Approved Bond. Graphs are provided in this table to provide a conceptual picture of the scenarios and outcomes. It is important to note that these graphs are not drawn to exact scale, but are configured to provide a clear illustration of the concepts involved in limited space. Detailed financial analysis is provided in tabular format later in this section.

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Table 29. Fiscal Scenario Overview

Baseline Scenario	Lid Lift Scenario	Bond Scenario
<p><b>Description:</b> Examination of the District’s current fiscal trajectory and at what point current service delivery levels will be unsustainable based on existing revenue limitations provides a baseline for comparison with other scenarios. At (or before) the point at which the General Fund Expenses &amp; Interfund Transfers intersects the Basic Levy &amp; Interlocal Revenue, it would be necessary to increase revenue or decrease expenses (and as a result, service delivery levels).</p> <p><b>Assumptions &amp; Conditions:</b> The baseline scenario presents an unfiltered view of current and projected fiscal conditions based on the following:</p> <ul style="list-style-type: none"> <li>• Statutory 1% increase in tax revenue (excluding new construction)</li> <li>• Increase in Assessed Valuation (AV) of between 1% and 5% (distributed randomly)</li> <li>• Increase in revenue due to new construction of between \$5,000 and \$25,000 (distributed randomly)</li> <li>• Increase in expense not to exceed 3.00% annually</li> <li>• Transfer of sufficient funds from the General Fund to the General Capital Projects Fund at a rate to achieve full funding for apparatus and equipment by 2030 and adequate cash flow to meet capital apparatus and equipment needs until full funding is achieved through 2019.</li> <li>• No funds set aside for capital facilities projects</li> </ul> <p><b>Additional Detail:</b> Additional information and analysis of this scenario is provided on pages 50-57.</p>	<p><b>Description:</b> A voter approved levy lid lift is one method for increasing revenue within the context of constitutional and statutory tax limitations. This scenario examines the impact of a lid lift on the Districts fiscal position.</p> <p><b>Assumptions &amp; Conditions:</b> The Lid Lift scenario presents an alternate view of current and projected fiscal conditions based on the following:</p> <ul style="list-style-type: none"> <li>• Statutory 1% increase in tax revenue (excluding new construction)</li> <li>• Increase in Assessed Valuation (AV) of between 1% and 5% (distributed randomly)</li> <li>• Increase revenue due to new construction of between \$5,000 and \$25,000 (distributed randomly)</li> <li>• Increase in expense not to exceed 3.00% annually</li> <li>• Transfer of sufficient funds from the General Fund to the General Capital Projects Fund at a rate to achieve full funding for apparatus and equipment by 2030 and adequate cash flow to meet capital apparatus and equipment needs until full funding is achieved through 2022.</li> <li>• No funds set aside for capital facilities projects</li> <li>• Lid lift increasing the District’s tax levy to \$1.40/\$1000 AV passed by the voters in 2018.</li> </ul> <p><b>Additional Detail:</b> Additional information and analysis of this scenario is provided on pages 57-64.</p>	<p><b>Description:</b> A voter approved bond may be used to fund capital improvements. Debt service on this type of bond is paid by a levy outside the District’s basic levy used to fund maintenance and operations.</p> <p><b>Assumptions &amp; Conditions:</b> The Voter Approved Bond scenario presents an alternate view of current and projected fiscal conditions based on the following:</p> <ul style="list-style-type: none"> <li>• Statutory 1% increase in tax revenue (excluding new construction)</li> <li>• Increase in Assessed Valuation (AV) of between 1% and 5% (distributed randomly)</li> <li>• Increase revenue due to new construction of between \$5,000 and \$25,000 (distributed randomly)</li> <li>• Increase in expense not to exceed 3.00% annually</li> <li>• Transfer of sufficient funds from the General Fund to the General Capital Projects Fund to achieve full funding for apparatus and equipment by 2019 and adequate cash flow to meet capital apparatus and equipment needs.</li> <li>• Voter approved bond passed in 2016 that includes capital facilities improvements at Stations 51 and 53 and fleet improvements by purchase of three Type 1 Fire Engines (upgrading the existing Engines 51, 54, and 512 consistent with the capital apparatus replacement schedule).</li> <li>• No funds set aside for future capital facilities projects (e.g., Station 54)</li> </ul> <p><b>Additional Detail:</b> Additional information and analysis of this scenario is provided on pages 64-69.</p>

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***Voter Approved Bond Scenario***

The Voter Approved Bond scenario presents an alternate view of current and projected fiscal conditions based on the following:

- Statutory 1% increase in tax revenue (excluding new construction)
- Increase in Assessed Valuation (AV) of between 1% and 5% (distributed randomly)
- Increase revenue due to new construction of between \$5,000 and \$25,000 (distributed randomly)
- Increase in expense not to exceed 3.00% annually
- Transfer of sufficient funds from the General Fund to the General Capital Projects Fund to achieve full funding for apparatus and equipment by 2019 and adequate cash flow to meet capital apparatus and equipment needs.
- *Voter approved bond passed in 2016 that includes capital facilities improvements at Stations 51 and 53 and fleet improvements by purchase of three Type 1 Fire Engines (upgrading the existing Engines 51, 54, and 512 consistent with the capital apparatus replacement schedule).*
- *No funds set aside for future capital facilities projects (e.g., Station 54)*

As illustrated in Table 30, the District will be able to sustain current service delivery levels until 2024 based on the policy to maintain a beginning General Fund Balance of 43% of budgeted expenditures (10% Contingency Fund and 33% for expenditures prior to receipt of current year tax revenue).

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Table 30. CWIFR Voter Approved Bond Long Term Cash Flow Projection (Revision 7.1)

General Fund	Actual	Adjusted	Proposed	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Beginning General Fund Balance</b>	\$1,570,348	\$1,329,154	\$1,062,680	\$1,232,659	\$1,367,316	\$1,458,935	\$1,508,184	\$1,510,841	\$1,465,057	\$1,368,924	\$1,220,473	\$917,668	\$538,410	\$80,531	<b>-\$478,204</b>
Contingency (Administrative) Fund (10% of M&O)	\$173,909	\$207,640	\$210,785	\$217,109	\$223,622	\$230,331	\$237,241	\$244,358	\$251,689	\$259,239	\$267,016	\$275,027	\$283,278	\$291,776	\$300,529
Beginning GF Balance (Less Contingency)	\$1,396,439	\$1,121,514	\$851,895	\$1,015,550	\$1,143,694	\$1,228,604	\$1,270,943	\$1,266,483	\$1,213,368	\$1,109,685	\$953,456	\$642,641	\$255,132	<b>-\$211,245</b>	<b>-\$778,733</b>
<b>Revenue</b>															
Investment Interest	\$2,277	\$2,500	\$2,500	\$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 Rev (Includes New Construction)	\$2,111,153	\$2,165,519	\$2,187,496	\$2,209,371	\$2,231,465	\$2,253,779	\$2,276,317	\$2,299,080	\$2,322,071	\$2,345,292	\$2,368,745	\$2,392,432	\$2,416,356	\$2,440,520	\$2,464,925
Other Taxes/State Assessed Property	\$1,926	\$2,280	\$2,280	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
WGH Contract	\$302,243	\$201,495	\$201,495	\$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	\$41,256	\$43,920	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000
Voided Warrants & Vendor Credits	\$6,418	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Revenues	\$2,465,273	\$2,415,714	\$2,437,771	\$2,459,666	\$2,481,760	\$2,504,074	\$2,526,612	\$2,549,375	\$2,572,366	\$2,595,587	\$2,619,040	\$2,642,727	\$2,666,651	\$2,690,815	\$2,715,220
<b>Expenditures</b>															
Regular Budgeted Expenditures (M&O General Fund)	\$1,739,094	\$2,076,395	\$2,107,852	\$2,171,088	\$2,236,220	\$2,303,307	\$2,372,406	\$2,443,578	\$2,516,886	\$2,592,392	\$2,670,164	\$2,750,269	\$2,832,777	\$2,917,760	\$3,005,293
Contingency Expenditures	\$11,817	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Fee	\$121	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Tax Adjustment	\$2,081	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Correction & Vendor Credits	\$6,418	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$1,759,531	\$2,076,895	\$2,108,352	\$2,171,588	\$2,236,720	\$2,303,807	\$2,372,906	\$2,444,078	\$2,517,386	\$2,592,892	\$2,670,664	\$2,750,769	\$2,833,277	\$2,918,260	\$3,005,793
<b>Interfund Transfers</b>															
To General Capital Projects Fund	\$933,671	\$605,293	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$250,000	\$270,000	\$290,000	\$330,000	\$330,000
To Compensated Absences Fund	\$13,265	\$0	\$9,440	\$3,421	\$3,421	\$1,019	\$1,049	\$1,081	\$1,113	\$1,146	\$1,181	\$1,216	\$1,253	\$1,290	\$1,329
To Grants Management Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
To Debt Service Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Transfers From General Fund	\$946,936	\$605,293	\$159,440	\$153,421	\$153,421	\$151,019	\$151,049	\$151,081	\$151,113	\$151,146	\$251,181	\$271,216	\$291,253	\$331,290	\$331,329
<b>Ending General Fund Balance</b>															
Contingency (Administrative Fund Ending Balance	\$162,092	\$207,640	\$210,785	\$217,109	\$223,622	\$230,331	\$237,241	\$244,358	\$251,689	\$259,239	\$267,016	\$275,027	\$283,278	\$291,776	\$300,529
Ending GF Balance (Less Congingency)	\$1,167,062	\$855,041	\$1,021,874	\$1,150,208	\$1,235,313	\$1,277,853	\$1,273,600	\$1,220,699	\$1,117,236	\$961,233	\$650,651	\$263,383	<b>-\$202,746</b>	<b>-\$769,980</b>	<b>-\$1,400,635</b>
<b>Total Ending General Fund Balance</b>	\$1,329,154	\$1,062,680	\$1,232,659	\$1,367,316	\$1,458,935	\$1,508,184	\$1,510,841	\$1,465,057	\$1,368,924	\$1,220,473	\$917,668	\$538,410	\$80,531	<b>-\$478,204</b>	<b>-\$1,100,106</b>
<b>General Capital Projects Fund</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Proposed</b>	<b>Projected</b>											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Beginning Capital Projects Fund Balance</b>	\$486,341	\$933,671	\$1,034,996	\$8,636,796	\$6,497,596	\$6,628,371	\$3,306,430	\$2,470,780	\$1,897,130	\$1,374,980	\$1,459,255	\$1,654,285	\$1,905,060	\$2,175,835	\$2,450,742
<b>Revenue</b>															
Bond Revenue	\$0	\$0	\$7,500,000	\$0	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Interfund Transfers</b>															
From General Fund	\$933,671	\$605,293	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$250,000	\$270,000	\$290,000	\$330,000	\$330,000
<b>Expenditures</b>															
Vouchers (Capital Projects Fund)	\$486,341	\$503,967	\$48,200	\$2,289,200	\$19,225	\$5,471,941	\$985,650	\$723,650	\$672,150	\$65,725	\$54,970	\$19,225	\$19,225	\$55,094	\$19,225
<b>Ending Capital Projects Fund Balance</b>	\$933,671	\$1,034,996	\$8,636,796	\$6,497,596	\$6,628,371	\$3,306,430	\$2,470,780	\$1,897,130	\$1,374,980	\$1,459,255	\$1,654,285	\$1,905,060	\$2,175,835	\$2,450,742	\$2,761,517

Table 30. CWIFR Voter Approved Bond Long Term Cash Flow Projection (Revision 7.1) Continued

Compensated Absences Trust Fund	Actual	Budgeted	Proposed	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Beginning Compensated Absences Balance</b>	\$13,923	\$17,672	\$17,672	\$27,112	\$30,533	\$33,954	\$34,973	\$36,022	\$37,102	\$38,216	\$39,362	\$40,543	\$41,759	\$43,012	\$44,302
<b>Interfund Transfers</b>															
From General Fund	\$13,265	\$0	\$9,440	\$3,421	\$3,421	\$1,019	\$1,049	\$1,081	\$1,113	\$1,146	\$1,181	\$1,216	\$1,253	\$1,290	\$1,329
<b>Expenditures</b>															
Vouchers (Compensated Absences)	\$9,516	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Compensated Absences Balance</b>	\$17,672	\$17,672	\$27,112	\$30,533	\$33,954	\$34,973	\$36,022	\$37,102	\$38,216	\$39,362	\$40,543	\$41,759	\$43,012	\$44,302	\$45,631
Grants Management Fund	Actual	Budgeted	Proposed	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Beginning Grants Management Balance</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Revenue</b>															
Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Interfund Transfers</b>															
From General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>															
Vouchers (Grants Management)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Ending Grants Management Balance</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Fund	Actual	Budgeted	Proposed	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Beginning Debt Service Balance</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Revenue</b>															
Property Taxes (Voter Approved Debt)	\$0	\$0	\$0	\$529,000	\$531,000	\$531,000	\$733,000	\$729,000	\$735,000	\$729,000	\$731,000	\$728,000	\$728,000	\$727,000	\$730,000
<b>Interfund Transfers</b>															
From General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>															
Vouchers (Debt Service)	\$0	\$0	\$0	\$529,000	\$531,000	\$531,000	\$733,000	\$729,000	\$735,000	\$729,000	\$731,000	\$728,000	\$728,000	\$727,000	\$730,000
<b>Ending Debt Service Absences Balance</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Funds	Actual	Budgeted	Proposed	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Total Ending Balance (All Funds)</b>	\$2,280,497	\$2,115,348	\$9,896,567	\$7,895,446	\$8,121,260	\$4,849,587	\$4,017,643	\$3,399,290	\$2,782,120	\$2,719,090	\$2,612,496	\$2,485,229	\$2,299,379	\$2,016,840	\$1,707,042

Table 30. CWIFR Voter Approved Bond Long Term Cash Flow Projection (Revision 7.1) Continued

Fiscal Performance Measures	Actual	Budgeted	Proposed	Projected											
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>General Fund Cash Flow</b>															
Revenue - Expenses	\$705,742	\$338,819	\$329,419	\$288,078	\$245,039	\$200,267	\$153,706	\$105,297	\$54,981	\$2,695	-\$51,624	-\$108,042	-\$166,625	-\$227,445	-\$290,573
<b>GF Beginning Balance</b>															
Percentage of GF Expense	89.25%	64.00%	50.40%	56.76%	61.13%	63.33%	63.56%	61.82%	58.20%	52.80%	45.70%	33.36%	19.00%	2.76%	-15.91%
<b>Capital Projects Fund</b>															
Percentage Funded	45.15%	44.47%	82.99%	75.77%	77.30%	104.70%	102.42%	97.48%	92.48%	103.98%	104.21%	100.31%	100.51%	100.19%	100.01%
<b>Compensated Absences Trust Fund</b>															
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%	100.00%	100.00%
<b>Levy Rate</b>															
General Levy	\$1.38	\$1.36	\$1.36	\$1.33	\$1.28	\$1.23	\$1.20	\$1.20	\$1.17	\$1.15	\$1.11	\$1.07	\$1.05	\$1.04	\$1.04
Voter Approved Bond Levy	\$0.00	\$0.00	\$0.00	\$0.32	\$0.30	\$0.29	\$0.39	\$0.38	\$0.37	\$0.36	\$0.34	\$0.33	\$0.32	\$0.31	\$0.31
Total Levy Rate	\$1.38	\$1.36	\$1.36	\$1.65	\$1.59	\$1.52	\$1.58	\$1.58	\$1.55	\$1.51	\$1.45	\$1.40	\$1.37	\$1.35	\$1.35

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**General Fund Cash Flow:** As illustrated in Table 8, the District maintains a balanced budget (Revenue minus General Fund Expense) through 2024. 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 increases from 2017 through 2021 when it begins a continual decline. 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), but will eventually result in a negative cash flow.

The General Capital Projects Fund Beginning Balance fluctuates significantly as a result of bond revenue and the timing of capital projects. As illustrated in Table 8, the District would have sufficient funds to meet capital expenditure requirements through 2024 at which point there will be insufficient revenue for both operational and capital needs.

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 43% of Maintenance and Operations Expenses (inclusive of a 10% Contingency Reserve). As illustrated in Table 5, the District will maintain a General Fund Beginning Balance in excess of this minimum through 2024 while maintaining adequate Contingency and transfer to reserves for Capital and Compensated Absences.

**General Capital Projects Fund:** The General Capital Projects Fund is currently underfunded (51.07% of the total required based on straight line amortization of capital apparatus and equipment) and does not include any funds for capital facilities. The District has been transferring funds to the General Capital Projects Fund at an accelerated rate to achieve full funding for capital apparatus and equipment by 2030 and maintain adequate cash flow to support apparatus and equipment replacement until full funding is achieved.

Use of a voter approved bond for expansion and renovation of Stations 51 and 53 as well as upgrade of three Type 1 Engines will allow the District to achieve full funding of the General Capital Projects Fund for apparatus and equipment by 2019 and maintain adequate cash flow for future apparatus and equipment purchases. Inclusion of upgrade of the Type 1 Engines in the bond allows the District to reduce the amount of money transferred from the General Fund to the General Capital Projects Fund for several years. The plan presented in Table 5 includes transfer of sufficient funds to the General Capital Projects Fund in future years to provide a sufficient balance to fund future purchases of major capital apparatus (e.g., Type 1 Engines). Table 31 illustrates changes to the District's Capital Projects Plan based on passage of the Voter Approved Bond discussed in this scenario.

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Table 31. Capital Projects Plan

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Starting Cash &amp; Investments</b>	\$486,341	\$933,671	\$1,034,996	\$8,636,796	\$6,497,596	\$6,628,371	\$3,306,430	\$2,470,780	\$1,897,130	\$1,374,980	\$1,459,255	\$1,654,285	\$1,905,060	\$2,175,835	\$2,450,742
<b>Revenue (Inter-Fund Transfer)</b>	\$933,671	\$605,293	\$7,650,000	\$150,000	\$150,000	\$2,150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$250,000	\$270,000	\$290,000	\$330,000	\$330,000
<b>Total</b>	\$1,420,012	\$1,538,963	\$8,684,996	\$8,786,796	\$6,647,596	\$8,778,371	\$3,456,430	\$2,620,780	\$2,047,130	\$1,524,980	\$1,709,255	\$1,924,285	\$2,195,060	\$2,505,835	\$2,780,742
<b>Expenditures</b>															
594 22 64 11 Server Replacement						\$10,716									
594 22 64 05 Replace/Upgrade AEDs								\$28,000							
594 22 64 06 Mobile Data Computer Replacement							\$14,000								
594 22 64 04 Replace Apparatus 8601 (E542)	\$63,339	\$1,713													
594 22 64 09 Refurbish Apparatus 0701 (T54) & 0702 (T53)	\$156,741	\$206,000													
594 22 64 12 NEW Apparatus 1301 (C502)	\$35,617	\$10,968								\$46,500					
594 22 64 14 Hose & Appliances	\$24,888	\$23,200	\$23,200	\$23,200	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225
594 22 64 08 Fire 5 Upgrade (Repeater & Simulcast)	\$119,301														
594 22 63 03 Facilities Study (Architectural & Engineering)	\$47,175	\$20,086													
594 22 64 23 ImageTrend Records Management System	\$13,500										\$17,234				
594 22 64 24 IT Infrastructure Improvements	\$8,847										\$12,650				
594 22 64 25 Fit Test Upgrade (Software/Hardware)	\$5,614										\$5,861				
594 22 63 06 Replace Floor at Station 54 (Hall and Classroom)	\$11,319														
594 22 63 08 Replace Cabinets at Station 53	→	<i>Deferred</i>													
594 22 63 09 Electrical Efficiency Upgrade (Stations 51, 53, 54)	→	<i>Deferred</i>													
594 22 64 17 Replace Apparatus 0501 (A53)		\$75,000													
594 22 64 18 Replace Apparatus 0301 (M5)		\$117,000													
594 22 64 19 Thermal Imager (TI) Replacement		\$30,000		\$15,000										\$35,869	
594 22 64 32 Rescue Equipment Replacement		\$20,000													
594 22 64 33 Fire 1 Upgrade (Transmitter Replacements)		→	\$18,000												
594 22 63 06 Station 53 Water System Upgrade			\$7,000												
594 22 64 26 Landscaping Trailer			<i>Not Funded</i>												
594 22 63 04 Station 51 Phase 2				\$1,991,000											
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 (C502)				\$40,000											
594 22 63 05 Station 53/Administrative Facility						\$5,417,000									
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 Building/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>	\$486,341	\$503,967	\$48,200	\$2,289,200	\$19,225	\$5,471,941	\$985,650	\$723,650	\$672,150	\$65,725	\$54,970	\$19,225	\$19,225	\$55,094	\$19,225
<b>Ending Balance</b>	\$933,671	\$1,034,996	\$8,636,796	\$6,497,596	\$6,628,371	\$3,306,430	\$2,470,780	\$1,897,130	\$1,374,980	\$1,459,255	\$1,654,285	\$1,905,060	\$2,175,835	\$2,450,742	\$2,761,517

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**Considerations:** Use of voter approved debt to fund major capital projects, inclusive of expansion and remodel of Stations 51 and 53 as well as upgrade of Engines 51, 54, and 512 as they reach their 25-year service life allows the District to address both capital and operational needs in the near to mid-term and lays a solid foundation for meeting the District's longer term fiscal needs.

Reduction in the amount of funds transferred from the General Fund to the General Capital Projects Fund will allow the District to maintain current service levels through 2024. If major apparatus (e.g., Type 1 Engines) are not included in the bond, it would be necessary to present a lid lift to the voters (as presented in the lid lift scenario) by no later than 2018 to maintain current service levels beyond 2019.

Returning to a pay-as-you-go strategy for major apparatus (e.g., Type 1 Engines) provides the flexibility in the future as the Board can choose to pay cash, incur debt, or a combination of both strategies for these capital improvements.

**The Bottom Line:** Use of a voter approved bond provides a sound means to address both capital and operational needs in the near to mid-term. In addition, this option maintains the District's regular levy well below \$1.50, providing a buffer should the District experience another period in which assessed value (AV) is reduced below current levels.

### Long Term Financial Plan

The District should place a bond measure before the voters in spring of 2016 to fund the following capital improvement projects:

- Purchase of Whidbey General Hospital's interest in Fire Station 51
- Renovation and expansion of Fire Station 51
- Renovation and expansion of Fire Station 53
- Purchase of three Type 1 Engines to upgrade Engines 51, 54, and 512 as they approach their 25-year service life.

This action is dependent on the District reaching agreement with Whidbey General Hospital regarding purchase of the hospital's interest in Station 51 or a firm plan for shared use of this facility, inclusive of renovation and expansion of this facility.

Successful passage of this bond measure would allow the District to achieve full funding of the General Capital Projects Fund and reduce transfer of funds from the General Fund to the General Capital Projects Fund to extend current service delivery levels in the near to mid-term.

Should the voters not pass the bond measure in 2016, the District should present the voters with a lid lift in or before 2018 to maintain current service delivery levels.

The Board of Fire Commissioners has directed that the expense of placing a bond measure on the ballot in 2016 be included in the Proposed District Budget, pending a decision to do so.

### ***Financial Plan Integration***

The District's Strategic Plan, Long Term Financial Plan and Capital Project Plan all inform development of the annual maintenance and operations budget. The Long Term Financial Plan will be assessed using key fiscal indicators and updated on an annual basis and a summary report presented to the Board of Fire Commissioners prior to the start of the District's budget process.

### ***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. Several measures may be used to assess the District's fiscal health, including:

- Percentage to which the District's levy rate is below \$1.50/\$1000 AV.
- Percentage increase in the annual budget in comparison to the annual revenue change.
- 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 43% of budgeted maintenance and operations expenses, inclusive of a 10% contingency reserve).
- Percentage to which the General Capital Project is fully funded for apparatus and equipment.

### **Additional Detail**

For additional detail on Central Whidbey Island Fire & Rescue's fiscal environment and the scenarios considered by District Staff and the Board of Fire Commissioners see the District's Long Term Financial Plan (CWIFR 2015)