

Central Whidbey Island Fire-Rescue



2017 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, 2016

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a third consecutive Distinguished Budget Presentation Award to Central Whidbey Island Fire & Rescue for its annual budget for the Fiscal year beginning January 1, 2016. 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 2017 Adopted Budget for review by the GFOA for the Distinguished Budget Presentation Award.

2017 Annual Budget

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

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

This 2017 Adopted District Budget was prepared by District staff:

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

Editorial Review

Linda Sue Hartin

Citizen Review

- Dave Fish
- William Wiegand, MBA
- Chris Geiger, EMPA, EFO

The 2017 Central Whidbey Island Fire & Rescue Budget was adopted by the Board of Fire Commissioners on November 10, 2016.

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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. The 2017 Adopted Budget is available in Portable Document Format (PDF) and may be downloaded or read on-line from the District's web site (www.cwfire.org).

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:

Table of Contents

A table of contents is provided to simplify navigation. In the PDF version of the budget, the table of contents is hyperlinked to the related sections of the budget.

Readers' Guide to the Budget

The readers' guide provides an overview of the Budget Document and navigation.

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 2017.

Contingency Fund

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

Capital Projects Fund

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

Compensated Absences Fund

This section of the budget defines the District's liabilities for compensated absences and provides an overview of the Compensated Absences 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 2017 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 2017 Budget.

References

The reference section documents the source material cited in the Budget Document.

Budget Adoption

Copies of the District's levy certification, tax increase resolution, and budget adoption resolutions are included in Appendix A.

Glossary of Terms

A glossary of terms is provided in Appendix B.

Long Term Financial Plan

A summary of the District's long term financial plan is provided in Appendix C. The complete Long Term Financial Plan can be downloaded from the District's web site.

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 2017 Budget Process page on the District website.

Budget Message

During 2016 revision of the District's Strategic Plan, community input reinforced the importance of excellent service delivered in a cost effective manner. Toward that end, CWIFR established the following strategic goals:

- To be fiscally responsible and operate with transparency, and
- Ensure adequate and sustainable funding (CWIFR, 2016a)

Fiscal Responsibility

The District is currently debt-free and operates under a balanced budget. The Board of Fire Commissioners has adopted a comprehensive set of financial policies and guidelines intended to provide a solid basis for fiscal responsibility and in 2015, the District successfully completed its first financial audit by the Washington State Auditor. This audit examined the District's financial reports and records for 2010 through 2014 to provide a five-year examination of the District's finances and financial practices. This audit was completed successfully.

Transparency

The District endeavors to be transparent, providing a budget summary to District residents in its fall newsletter and providing access to the complete Budget Document for download on its website (www.cwfire.org). In addition, the Monthly Budget Position Report, Annual Financial Reports, and Audit Reports are also available for download from the District's web site.

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, 2016. This was the third 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 2017 Budget Document based on feedback from the GFOA.

Adequate Funding

The Assessed Value (AV) of taxable property within the District decreased 16.35% between 2010 and 2014. Since, 2014, AV increased 7.22% as a result of rebounding property values and new construction. The Island County Assessor's office indicates that the north end of Whidbey Island saw a more dramatic increase in AV due to economic pressure by expanded staffing at Naval Air Station Whidbey Island (NASWI). The Assessor's Office indicated that it is likely that the rate of increase in AV in the Central Whidbey area will continue to improve in 2018. Based on historical data, we anticipate that AV will continue to increase at a modest rate which will continue to reduce the District's regular levy rate.

The 2017 Adopted District budget is 3.47% higher than in 2016. The majority of this increase is due to onetime expenses related to presenting a bond measure to the District's voters in 2017. Absent these onetime expenses, the increase in the District's 2017 Adopted Budget would be 0.87%. This increase is within the District's long term financial plan (CWIFR 2015a) and budgeted funds provide 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 current operational needs and maintain an adequate ending balance in the General Fund.

Since the establishment of the District's Capital Projects Fund in 2012, considerable progress has been made towards funding of long term apparatus and equipment needs. However, funding is not sufficient to meet capital facility needs identified in the District's Long Term Facilities Plan. Due to constitutional and statutory limits on taxation, the District also faces a challenge in maintaining current service delivery levels beyond 2020 without voter approval for additional revenue.

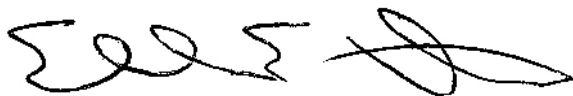
Fiscal Sustainability

Over the last several years, District staff has worked to develop a Capital Facilities Plan to address the current and future needs of our community and a Long Term Financial Plan (CWIFR 2015a) examining how we can address these needs in a fiscally responsible manner. The Long Term Financial Plan examines several options to maintain current service levels while addressing major capital needs including fire station renovation and expansion; and replacement of three fire engines that will reach their end of service life within the next five years.

The most effective way to address these capital and operational funding requirements is through a voter approved bond for major capital projects. This approach would allow the District to borrow funds for major capital expenditures with a separate tax levy to fund the debt service (payment on borrowed funds). This would reduce the demand on current revenue for capital expenditures and preserve the general levy to meet the expense of ongoing operational requirements. The District anticipates placing a bond measure before the voters in the fall of 2017. Additional detail is provided in the Long Term Financial Plan section of the budget.

We welcome feedback on the design of the Budget Document and its content. Feel free to contact me via e-mail (ehartin@cwfire.org), telephone (360) 678-3602, or stop by our headquarters station at 1164 Race Road.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Hartin', with a stylized flourish at the end.

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 since 1985, Commissioner Cheryl Engle has served since 1990 and Commissioner Steve Hutchinson has served since 2014. 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, and 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 and were reaffirmed during recent revision of the District's Strategic Plan (CWIFR, 2016a). CWIFR's values are the 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. As illustrated in Figure 1, *Integrity* and *Compassion* are at the core of CWIFR's values and surrounded by *Professionalism* and *Excellence*.

Figure 1. CWIFR Organizational Values



Our values are fully integrated 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 and 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 2015 population of approximately 8,164 (WA OFM, 2016a, 2016b, 2016c) 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 (see Figure 2). 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 hazards¹

- Front Street (several blocks of old, wood frame commercial buildings and Coupeville wharf)
- Commercial Buildings
- Island County Complex (e.g., court, jail, county offices)
- WhidbeyHealth
- 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

¹ 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 and Geography

The District is predominantly rural with a 2015 average population density of 163.28 people per square mile (mi²) with pockets of higher density throughout the District. However, the majority of CWIFR's response area is extremely rural.

As illustrated in Table 1 and Figure 3, 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.

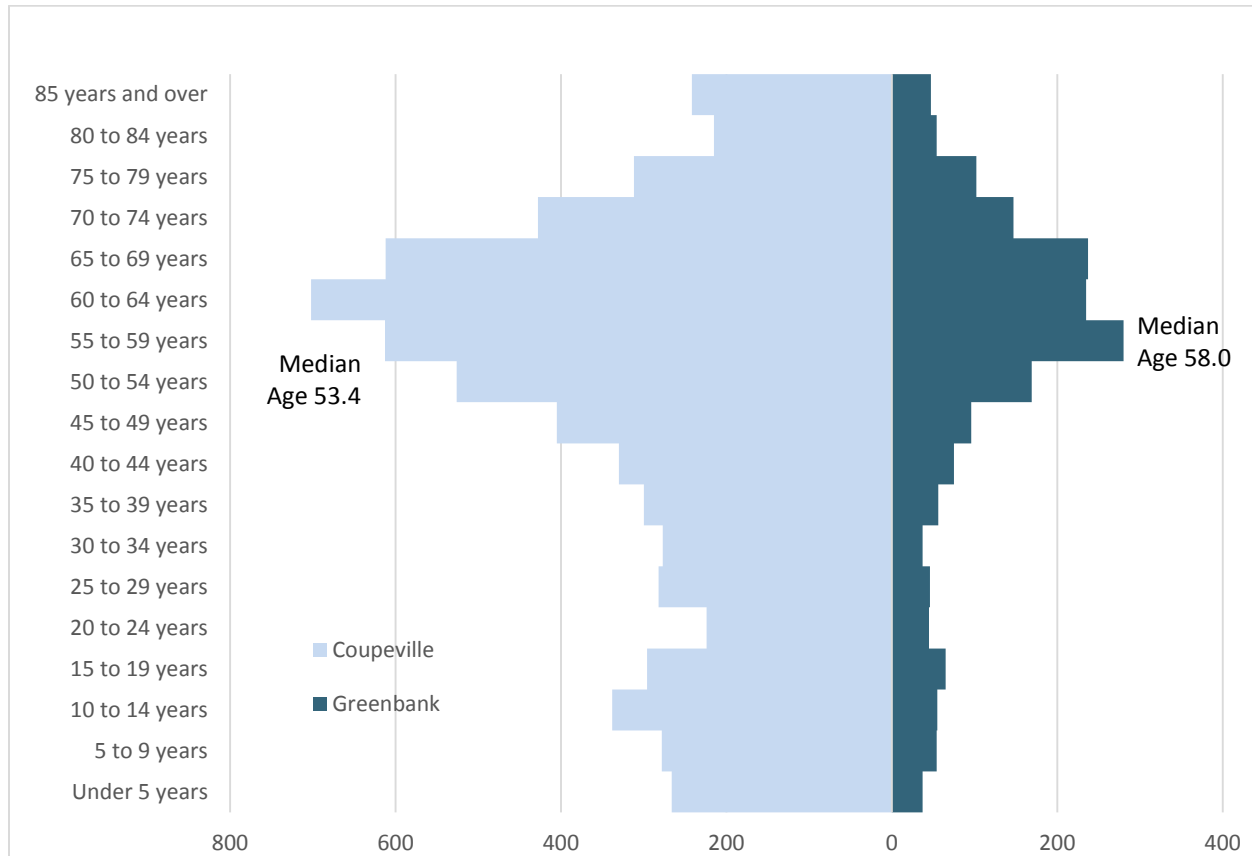
The population and age related demographics of the District have an impact on workload and ability to recruit volunteer members. The large number of District residents over the age of 50 results in a substantial demand for emergency medical services and a higher potential risk of injury and death from 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.

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

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

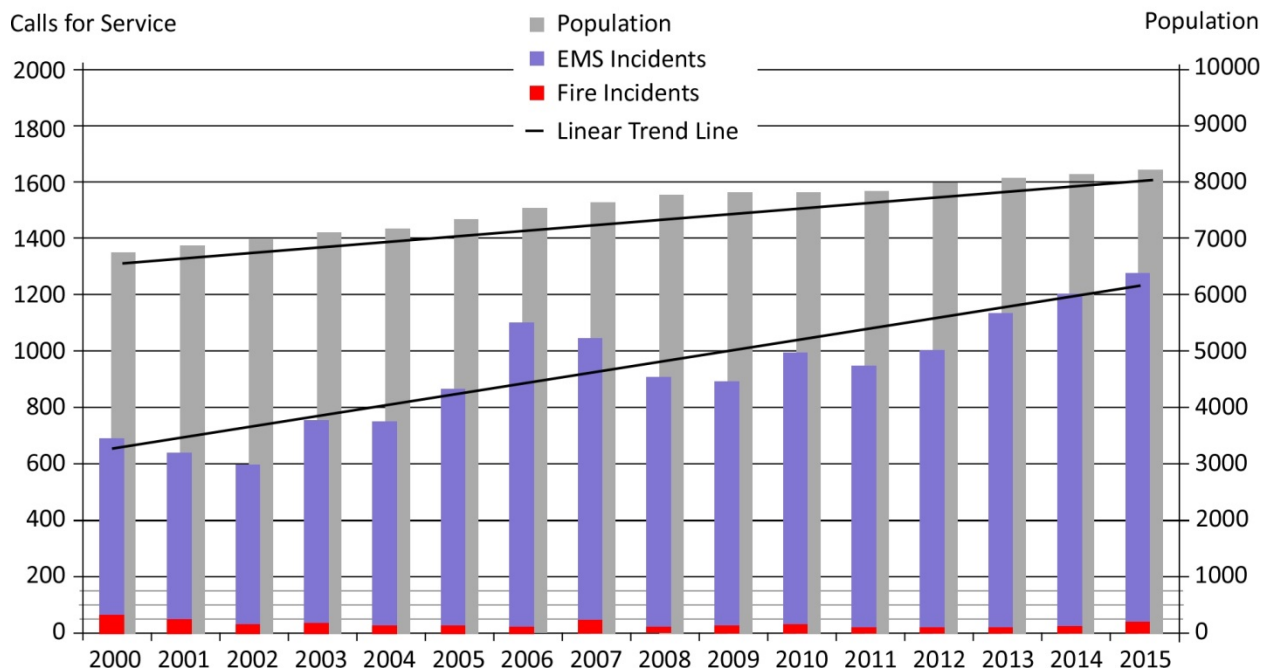
CWIFR maintains Interlocal Agreements with the Town of Coupeville and Island County to provide commercial fire and life safety inspections throughout the District. In addition, the District is a lead partner in Wlprevent, an island-wide CRR coalition focused on reducing falls among older adults.

Many of the response services 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), WhidbeyHealth Emergency Medical Services (WH 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.

Population and Demand for Emergency Services

Central Whidbey Island Fire & Rescue (CWIFR) has seen a slow, but steady increase in population over the last 15 years. During that same timeframe the total number of calls for service has also increased as illustrated in Figure 4.

Figure 4. Calls for Service and Population



During this same time period, the number of fire incidents has trended down slightly while the number of calls for emergency medical services has increased substantially. Examining the linear trend lines for both population and total calls for service, it is clear that call volume is increasing substantially faster than the District's population.

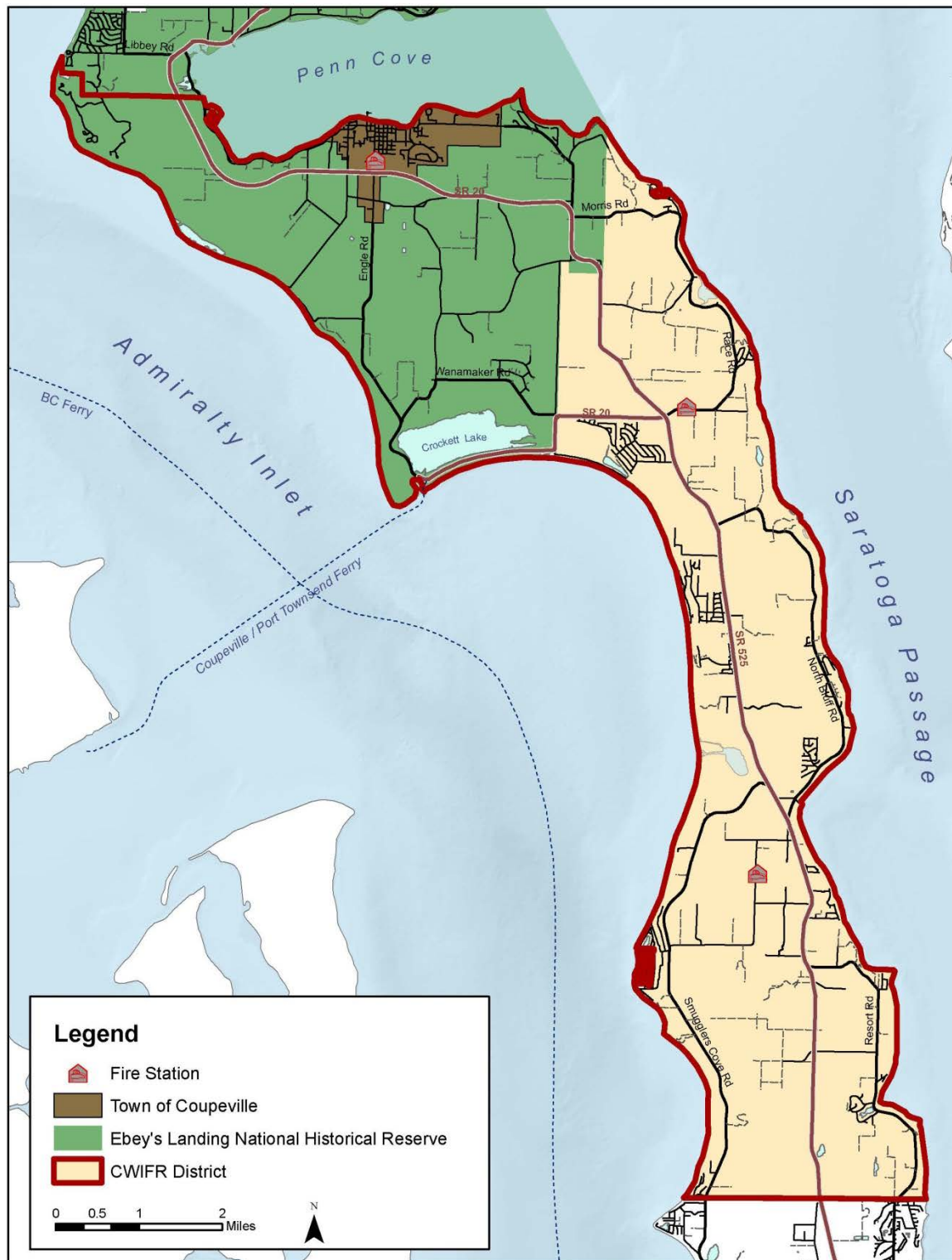
Non-Emergency Services

District staff is engaged in a wide range of proactive risk reduction work, completing 231 fire and life safety inspections of commercial occupancies and inspection and/or flow testing 356 fire hydrants on an annual basis. In 2017, the District will be expanding these efforts beginning to develop pre-incident plans of approximately 200 target hazards and conducting a survey of long driveways that present a significant response and water supply challenge within the District.

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 Admiralty Inlet (see Figure 5).

Figure 5. District Map



The District's three fire stations in Coupeville and Greenbank (see Figures 5-8) are geographically placed to limit travel time (see Figure 5). 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.

Figure 6. Station 51-Main Street, Coupeville



Figure 7. Station 53-Race Road, Coupeville



Figure 8. Station 54-Day Road, Greenbank



In 2011, Station 52 on Morris Road (see Figure 9) was decommissioned as a fire station and use shifted to serve as a logistics facility, providing space for storage of equipment and supplies. This decision was based on analysis of response data, limited volunteer staffing for this station. Since decommissioning this station, the District improved the fire insurance rating throughout the District.

Figure 9. Station 52 (Logistics Facility)



In 2015, the District completed a facilities study that concluded that the District's fire stations (51, 53, and 54) were in effective locations, but each are in need of renovation and expansion to meet current and projected operational requirements and to provide a safe and effective work environment. Facilities requirements are addressed in detail in the section of the budget dealing with the Capital Projects Fund.

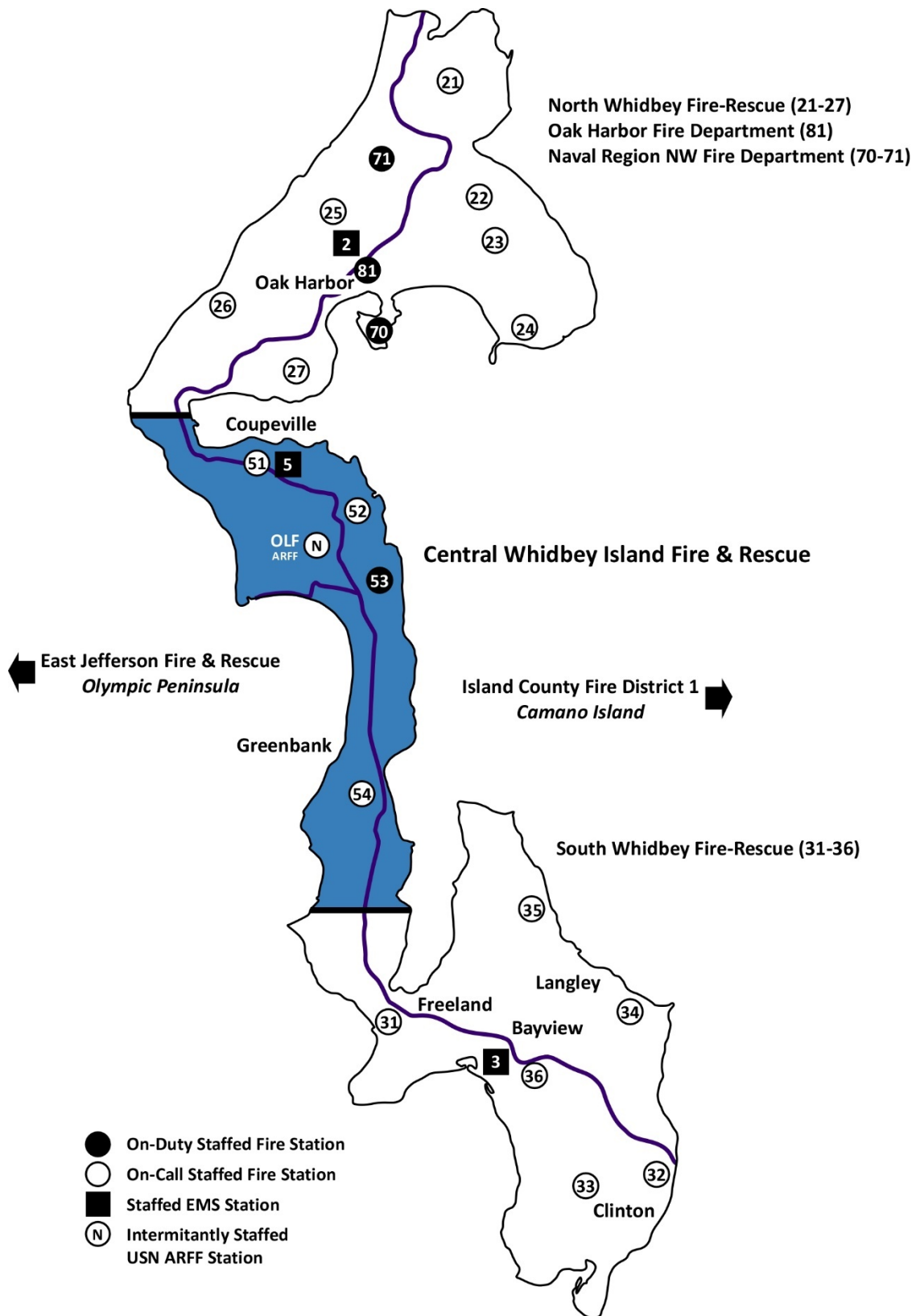
The extreme southern and northern ends of the District, which boarder South Whidbey Fire/EMS and North Whidbey Fire Rescue are served jointly through automatic aid agreements with both of these Districts. Based on these agreements, the closest station or stations with the shortest travel time are dispatched 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 WhidbeyHealth 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

The location of automatic aid and mutual aid stations is illustrated in Figure 10.

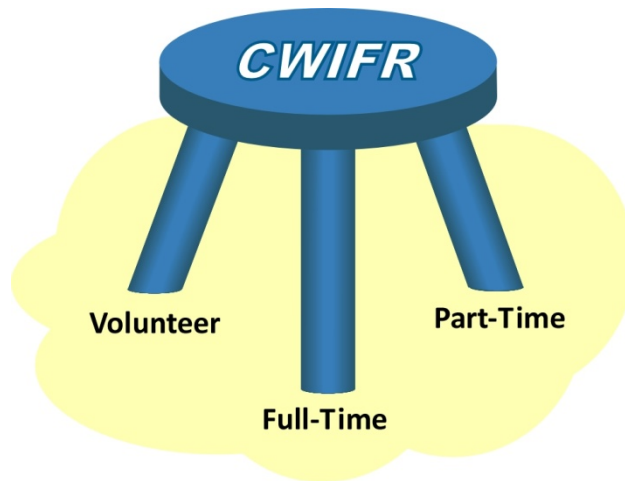
Figure 10. Whidbey Island Fire Station Locations



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 11). 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 11. 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. Figure 12 illustrates the District's organization and lines of accountability and Table 3 provides a summary of personnel by classification and Division.

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 13 illustrates the District's functional organization.

Figure 12. CWIFR Organization/Lines of Accountability

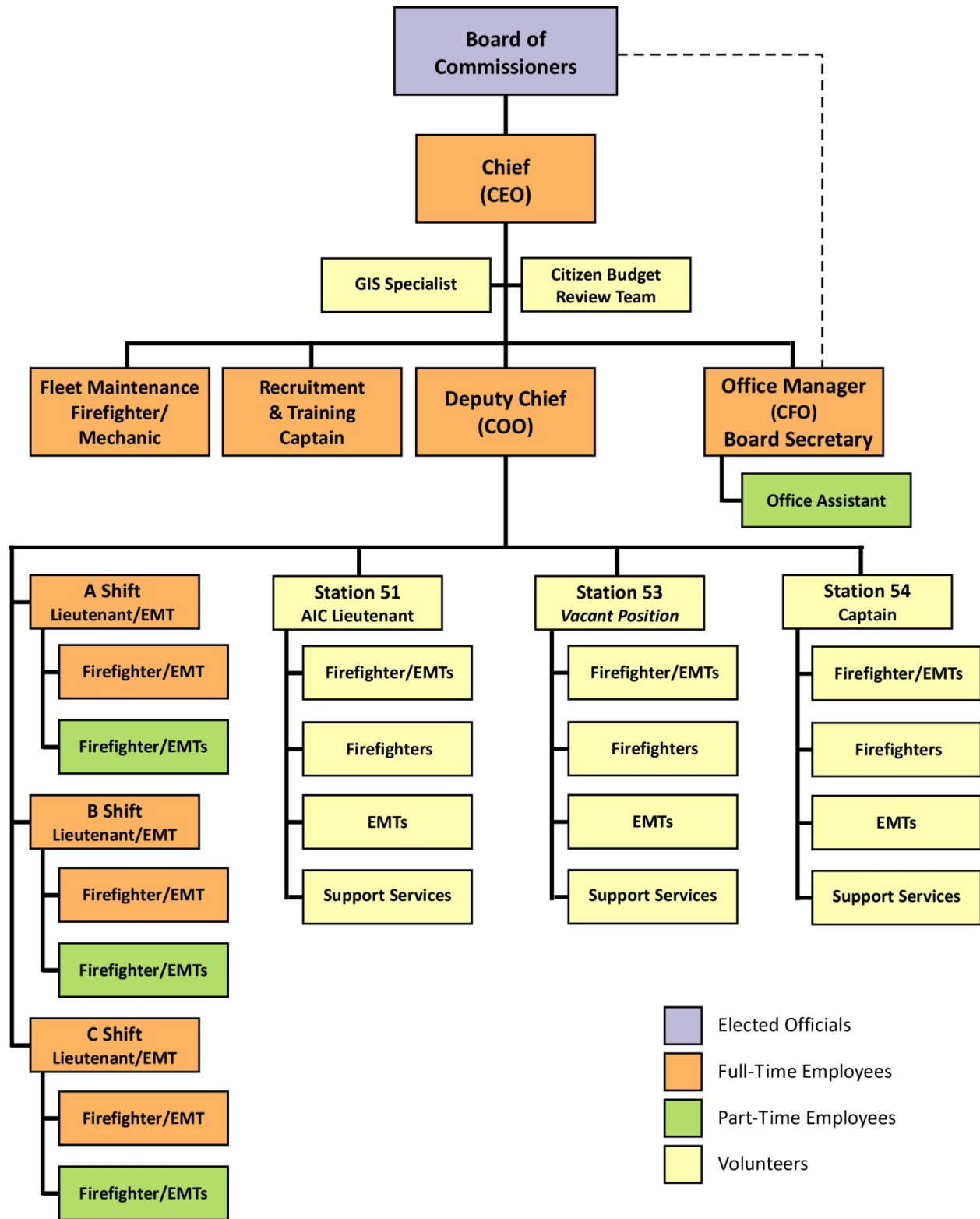


Table 3. Summary of Personnel

2015 Personnel	Administration	Operations	Life Safety/CRR	Training	Facilities	Vehicle Maintenance	Total District Staff
Full-Time	3.0	6.0	0.0	1.0	0.0	1.0	11.0
Part-Time	0.5	10.0	0.0	0.0	0.0	0.0	10.5
Volunteer		22.0	0.0	0.0	0.0	0.0	22.0
Subtotal	3.5	38.0	0.0	1.0	0.0	1.0	43.5

2016 Personnel	Administration	Operations	Life Safety/CRR	Training	Facilities	Vehicle Maintenance	Total District Staff
Full-Time	3.0	0.0	6.0	1.0	0.0	1.0	11.0
Part-Time	0.5	10.0	0.0	0.0	0.0	0.0	10.5
Volunteer	1.0	17.0	0.0	0.0	0.0	0.0	18.0
Subtotal	4.5	27.0	6.0	1.0	0.0	1.0	39.5

2017 Personnel	Administration	Operations	Life Safety/CRR	Training	Facilities	Vehicle Maintenance	Total District Staff
Full-Time	3.0	0.0	6.0	1.0	0.0	1.0	11.0
Part-Time	0.5	10.0	0.0	0.0	0.0	0.0	10.5
Volunteer	1.0	31.0	0.0	0.0	0.0	0.0	32.0
Subtotal	4.5	41.0	6.0	1.0	0.0	1.0	53.0

Note: Six full-time members (Firefighters and Lieutenants) were transferred from the Operations Division to the Community Risk Reduction (CRR) Division in 2016 to more accurately reflect and account for their assigned work activity.

Figure 13. Functional Organization



Overview of the District's Strategic Plan

The District updated and revised its Strategic Plan in 2016. This process reaffirmed CWIFR's values, mission, and vision and resulted in refinement and revision of the following plan elements:

- **Strategic Goals:** The number of goals was reduced from 21 to six, providing a clear enterprise-wide strategy.
- **Strategic Initiatives:** Two to three strategic initiatives were developed for each of the six strategic goals. These initiatives provide an organizing framework for the District'
- **Performance Measures:** Performance measures were refined and revised to provide specific and measurable evidence of progress towards meeting the District's strategic goals.

As with initial development of the District's Strategic Plan, the process of revision was as important as the end product. CWIFR continued use of the Balanced Scorecard (Kaplan & Norton, 2004) concept and the Applied Strategic Planning Model (Nolan, Goodstein, & Goodstein, 2008) to refine and revise its 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 continues to be 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 and 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

Strategic Theme: Community Risk Reduction
Outcomes: 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.
Strategic Theme: Community Partnerships
Outcomes: CWIFR works effectively with our partners to maintain a close relationship with the community and provide effective and efficient service delivery.
Strategic Theme: Organizational Excellence
Outcomes: 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

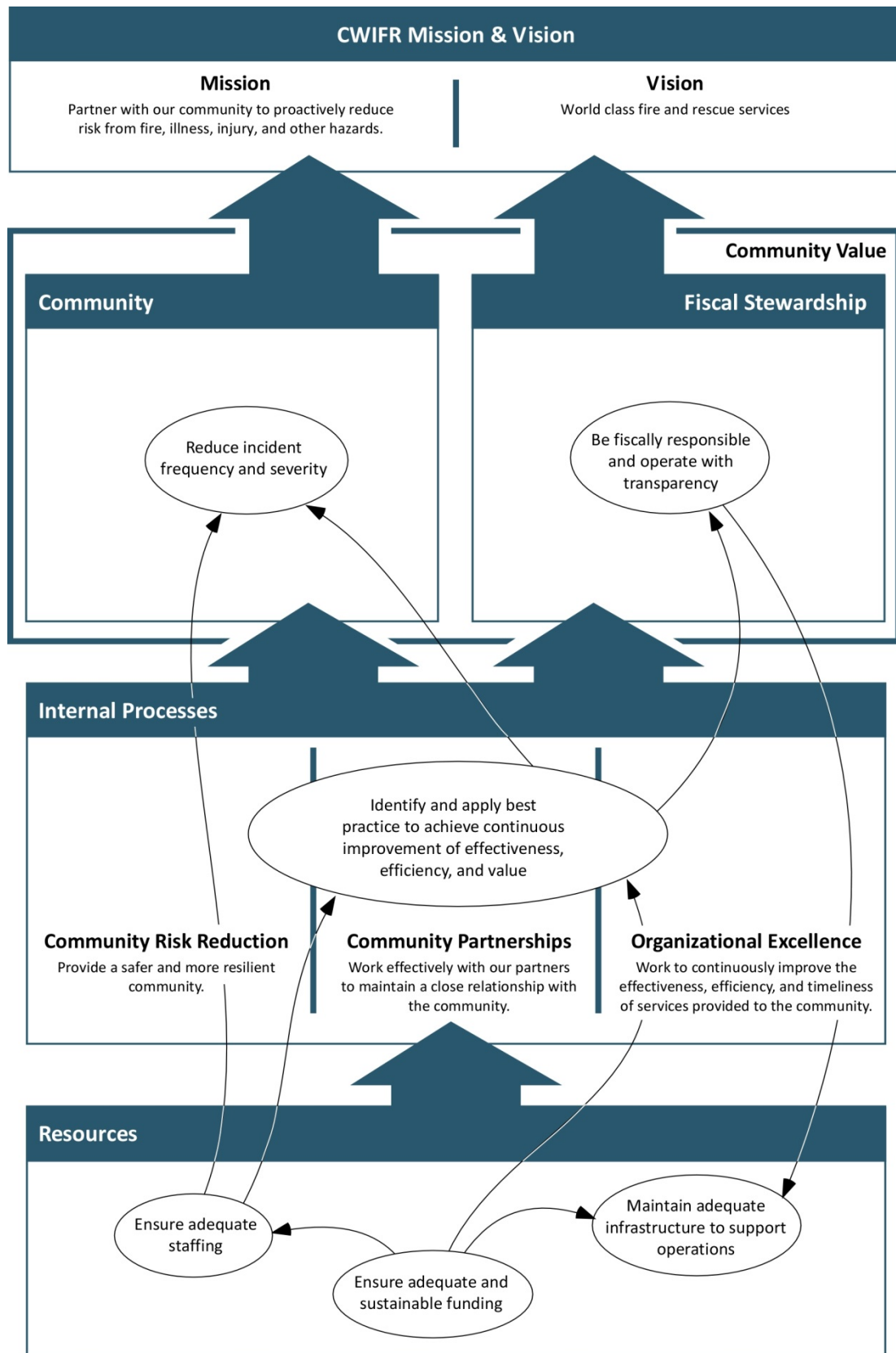
Perspective	Questions Answered	
Community	How will we achieve or exceed the community's risk reduction outcome objectives?	How will we provide the greatest value to the community? (Outcomes/Cost Effectiveness)
Fiscal Stewardship	How will we provide the most cost effective service to the community?	
Internal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

Enterprise Wide Strategy

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

As CWIFR's Enterprise Wide Strategy is based on integration of its strategic goals, it serves as the District's strategic *bull's eye*. Figure 14 provides a graphic illustration of how these goals relate to our Strategic Themes, Mission, and Vision.

Figure 14. Enterprise Wide Strategy Map



CWIFR made tremendous strides in achieving the goals identified in its 2011-2016 Strategic Plan. As the District begins implementation of its 2017-2022 Strategic Plan ongoing effort will be required to maintain development of the infrastructure and culture necessary to continue evolution to a data driven organization.

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, WhidbeyHealth Emergency Medical Services (WH EMS), and the definitive care provided by WhidbeyHealth 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.

Since implementation of the 2011-2016 Strategic Plan, the District has made slow, but steady progress toward performance measurement and improvement. In 2015, CWIFR Executive Staff assisted by the

Community 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. This effort continued as the District revised its Strategic Plan for 2017-2022 to more closely align key performance measures with the District's strategic goals.

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.

Table 6 illustrates the District's strategic goals, performance measures related to those goals, and performance data. Performance measures that have not yet been implemented are shaded in light yellow.

Table 6. Balanced Scorecard

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
Reduce incident frequency and severity	Change in total calls for service/1000 population [Lag] <ul style="list-style-type: none">Fire incidents/1000 populationEmergency medical responses/1000 populationTotal incidents/1000 population	Year	2013	2014	2015
		Fire Incident Rate	0.33	0.35	0.59
		EMS Incident Rate	10.79	9.10	9.22
		Total Incident Rate	143.11	150.67	158.75
	Discussion: It is difficult to discern significant trends examining a three year period due to the small sample size. Examining incident rate data over a fifteen year period shows that the total incident rate is increasing more than twice as fast as population, largely due to the increase in emergency medical service incident rate. Fire incident rate has decreased over the same fifteen year period, but saw a dramatic increase in 2015, which bears further examination.				
	Percentage of structure fires beyond the room of origin on arrival confined to the building of origin [Lag]	Year	2013	2014	2015
		Confined to the building of origin	100%	100%	100%
	Percentage of structure fires confined to the room or area of origin [Lag]	Year	2013	2014	2015
		Confined to the room or area of origin	25%	64%	83%
	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) [Lag]	Year	2013	2014	2015
Structure Fire Rate		0.50	0.74	0.73	
Cardiac Arrest		No Data	No Data	0.73	
Ground Level Falls		No Data	No Data	16.05	
	Discussion: Baseline data, for the medical component of this performance measure was determined in 2015.				

Table 6. Balanced Scorecard (Continued)

Community Perspective					
Strategic Goal	Performance Driver	District Performance			
Reduce incident frequency and severity (Continued)	Example of programs focusing on highest risks within the community. [Qualitative/Lead]	The District continues its emphasis on community CPR training to aid in mitigation of the impact of cardiac arrest by improving the rate of citizen CPR. CWIFR developed and pilot tested a home safety survey program to address fire and fall risks within the home. Full implementation of this program will be accomplished in 2017.			
	Discussion: 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, as well as national incident and demographic data. Work continues on development and implementation of referral and intervention programs to address these risks.				
	Percentage of District population receiving CPR Training (Hands-Only or Certification) annually [Lead]	Year	2013	2014	2015
		% Receiving Training	No Data	8.58%	14.6%
	Discussion: In 2015, the District exceeded its goal of training more than 10% of the District’s population in CPR.				
	Cardiac Arrest Save Rate (Utstine Criteria) [Lag]	Year	2013	2014	2015
		Save Rate	No Data	No Data	No Data
	Discussion: 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.				
	Percentage of homes (dwelling units) receiving a safety survey annually [Lead]	Year	2013	2014	2015
	% of Homes	No Data	No Data	No Data	
Discussion: A pilot project for implementation of home safety surveys was completed in the 4 th quarter of 2016 with full implementation scheduled for 2017 (inclusive of establishing baseline data). This performance measure will be reported on in the 2018.					

Table 6. Balanced Scorecard (Continued)

Community Perspective					
Strategic Goal	Performance Driver	District Performance			
Reduce incident frequency and severity (Continued)	Extent to which CWIFR meets its adopted Standard of Coverage (SOC) [Lead]	Year	2013	2014	2015
	<ul style="list-style-type: none">90% Percentile Response Time First Unit (All Emergency Incidents)	First Due Unit	No Data	No Data	No Data
	<ul style="list-style-type: none">90% Percentile Response Time for Minimum Response Force for Building Fire & Cardiac Arrest (MRF)	MRF	No Data	No Data	No Data
	<ul style="list-style-type: none">90% Percentile Response Time for Effective Response Force Fire & Cardiac Arrest	ERF Cardiac Arrest	No Data	No Data	No Data
	<ul style="list-style-type: none">Percentage Turnout of On-Call Staff on Structure Fires (Day/Night)	ERF Building Fire	No Data	No Data	No Data
		% On-Call Turnout	No Data	No Data	No Data
	Discussion: The District’s SOC has not yet been adopted by the Board of Fire Commissioners (anticipated for late 2016 or 1 st Quarter of 2017. Data is currently being collected that will allow reporting on this measure after adoption of the SOC.				
	Number of contacts and referrals related to community risks [Lead]	This is a new performance measure established for 2017 This performance measure will be reported on in the 2018.			
	<ul style="list-style-type: none">FallsCardiac ArrestHome Fires				
	Percentage of community members correctly identifying major fire, accident, and health risks [Lead]				
Discussion: The District continues work to identify an effective means for conducting a broad based community survey with implementation in 2017.					

Table 6. Balanced Scorecard (Continued)

Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
Be fiscally responsible and operate with transparency	Percentage change in fund balance for:	Year	2014	2015	2016
	• General Fund	General Fund	-25.69	2.24%	-1.48%
	• Capital Projects Fund	Capital Projects Fund	91.98%	22.53%	18.64%
	• Compensated Absences Fund	Compensated Absences Fund	26.92%	53.47%	6.92%
	Expenditure, Operating Position, Debt, and Unfunded Liabilities Indicators from Brown's 10 Point Test (Maher, C. & Nollenberger, K., 2009).	Year	2014	2015	2016
	• Total expenditure per capita (Expenditure Indicator-Brown's 10 Point Test)	Expenditure/Capita	217.30\$	\$271.78	\$251.61
	• Operating Surplus or Deficit/Operating Revenues Percentage (Operating Position Indicator-Brown's 10 Point Test)	Cash Flow/Revenue	28.62%	25.45%	10.63%
	• General Fund Balance/General Fund Revenues Percentage (Operating Position Indicator-Brown's 10-Point Test)	GF Balance/Revenue	53.91%	90.43	92.87
	• Long Term Debt/Assessed Value (AV) Percentage (Debt Indicator-Brown's 10 Point Test)	LT Debt/AV	n/a	n/a	n/a
	• Debt Service/Operating Revenues Percentage (Debt Indicator-Brown's 10 Point Test)	Debt Service/Operating Revenue	n/a	n/a	n/a
	• % Fully Funded Contingency (Administrative) Fund	% Funded Contingency	100%	100%	100%
	• % Fully Funded Capital Projects Fund	% Funded Capital	%	45.15%	44.47%
	• % Fully Funded Compensated Absences Fund (Unfunded Liability Indicator-Brown's 10 Point Test)	% Funded Compensated Absences Fund	98.93%	126.43%	99.91%

Table 6. Balanced Scorecard (Continued)

Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
<i>Be fiscally responsible and operate with transparency (Continued)</i>	Website self-assessment transparency score (Sunshine Review Transparency Checklist)	Year	2014	2015	2016
	<ul style="list-style-type: none"> Budget Meetings Elected Officials Administrative Officials Audits Contracts Lobbying Public Records Taxes 	Web Transparency	No Data	No Data	55%
	Discussion: The District continues to work towards improvement of transparency. At present, the CWIFR web site contains information on Budget, Meetings, Elected and Administrative Officials, and Audits. The additional items on the website transparency checklist are scheduled for addition in 2017.				
	Achievement of the Government Finance Officers Distinguished Budget Presentation Award	Year	2014	2015	2016
		Receiving Award	Yes	Yes	Yes
	Successful financial audit by the State Auditor's Office.	Year	2012	2013	2014
		Successful Audit	Yes	Yes	Yes
	Discussion: The District successfully completed its first financial audit addressing 2010 through 2014 and is scheduled for audit of 2015 and 2016 during calendar year 2017.				
	Mean transparency and fiscal responsibility scores (1-5 Scale) on the District's biennial community survey.	Year	2014	2015	2016
		Transparency	No Data	No Data	No Data
		Fiscal Responsibility	No Data	No Data	4.66
	Discussion: The District implemented a customer survey (based on emergency response services) which included a question asking if "the district was a good steward of public funds. Based on a three months of data, the District has received a score of 4.66 for being a good steward of public funds (1-5 scale with 1 being Strongly Disagree and 5 being Strongly Agree). CWIFR continues work to identify an effective means for conducting a broad based community survey with implementation in 2017.				
	General obligation bond rating.	Year	2014	2015	2016
		Bond Rating	No Data	No Data	No Data
	Discussion: As it is likely that the District will be placing a bond measure before the voters in 2017, the District's bond rating will be determined as part of that process.				

Table 6. Balanced Scorecard (Continued)

Internal Process Perspective					
Strategic Goal	Outcome Measure	District Performance			
Identify and apply best practice to achieve continuous improvement of maximize effectiveness, efficiency, and value	Achievement of Accreditation from the Commission on Fire Accreditation International (CFAI)	Year	2014	2015	2016
		Accredited Agency	No	No	No
	Discussion: The District currently has Registered Agency Status and is in the process of preparing for application for accreditation, pending approval by the Board of Fire Commissioners in 2018.				
	Case examples of best practice implementation [QUALITATIVE]	CWIFR implemented the Blue Card Incident Commander Training and Certification System, including construction of a Command Training Center. The District became a registered agency with the Commission on Fire Accreditation International and began the process of preparing for accreditation. CWIFR implemented a home safety survey program as evidence based community risk reduction strategy. The District was selected as one of ten fire districts/departments on a nationwide basis to participate in a pilot program for volunteer recruitment using a wide range of strategies including targeted recruitment using data from ESRI’s Tapestry geographic information system database.			
	Progress towards accreditation as indicated by: <ul style="list-style-type: none">Percentage completion of the Commission on Fire Accreditation International (CFAI) Fire and Emergency Services Self-Assessment (FESSAM)Percentage compliance with CFAI Accreditation Criteria (Critical, Non-Critical, and Total).	Year	2014	2015	2016
	FESSAM				0.39%
	Critical Criteria		The Accreditation Criteria were revised in the 9 th Edition of the FESSAM (2016).		39.53%
	Non-Critical Criteria				49.39%
	Total Criteria				46.03%

Table 6. Balanced Scorecard (*Continued*)

Resource Perspective					
Strategic Goal	Outcome Measure	District Performance			
Ensure adequate and sustainable funding	General Fund beginning balance as a percentage of budgeted General Fund expenses.	Year	2014	2015	2016
		GF Beginning Balance/Expense	89.27%	118.65%	105.48%
	Revenue Indicators from Brown's 10 Point Test (Maher, C. & Nollenberger, K., 2009) and Levy Rate Indicator.	Year	2014	2015	2016
	<ul style="list-style-type: none"> Total revenue per capita (Revenue Indicator-Brown's 10 Point Test) Intergovernmental revenues/total revenues percentage (Revenue Indicator-Brown's 10 Point Test) Property tax/total revenues percentage (Revenue Indicator-Brown's 10 Point Test) Actual levy rate/ maximum levy rate (\$1.50 (Operating Position Indicator added to the 10 Point Test²) 	Revenue/Capita	\$304.47	\$315.81	\$300.09
		Intergovernmental Revenues/Total Revenues	12.26%	7.95%	8.64%
		Property Tax/Total Revenues	85.63%	85.95%	89.88%
		Actual Levy Rate/Maximum Levy Rate	92.00%	92.00%	92.00%

² The enterprise fund operating position indicator in Brown's 10 Point Test is not used (as the District does not have enterprise funds). The percentage of maximum levy rate has been substituted as a relevant operating position indicator.

Table 6. Balanced Scorecard (Continued)

Resource Perspective					
Strategic Goal	Performance Driver	District Performance			
Ensure adequate staffing	Percentage of members qualified to test for promotion to the next highest organizational level <ul style="list-style-type: none"> Full-Time Lieutenant→Full-Time Captain Full-Time Firefighter→Full-Time Lieutenant Part-Time Firefighter→Full-Time Firefighter Volunteer Firefighter→Full-Time Firefighter Volunteer Firefighter→Part-Time Firefighter Volunteer Firefighter→Volunteer Lieutenant 	Year	2013	2014	2015
		Full-Time CAPT	33%	33%	0%
		Full-Time LT	66%	66%	33%
		PT to Full-Time FF	100%	100%	100%
		Vol to Full-Time FF	18%	18%	17.64%
		Vol PT Firefighter	27%	27%	17.64%
		Volunteer LT	9%	9%	17.64%
	Retention rate: <ul style="list-style-type: none"> % of volunteer members with greater than 24 months service % of part-time members with greater than 24 months service 	Year	2013	2014	2015
		Volunteer >24 months	45%	45%	76.47%
		PT > 24 months	40%	40%	60%
	Percentage of officers holding professional designation from the Commission on Professional Credentialing (CPC) or Institution of Fire Engineers (IFE). <ul style="list-style-type: none"> Chief Fire Officer (CFO)/Member IFE (MIFireE) Chief EMS Officer (CEMSO) Fire Officer (FO)/Graduate IFE (GIFireE) 	Year	2013	2014	2015
		CFO/MIFireE	14.3%	14.3%	14.3%
		CEMSO	0%	0%	14.3%
		FO/GIFireE	0%	0%	14.3%
		Total % Designees	14.3%	14.3%	42.8%
		Chief Hartin holds CFO designation and Fellow Grade (FIFireE) within the IFE (higher level designation than MIFireE).			

Table 6. Balanced Scorecard (*Continued*)

Resource Perspective					
Strategic Goal	Performance Driver	District Performance			
Ensure adequate staffing	On-Duty Staff/1000 Population (Day/Night)	Year	2013	2014	2015
	On-Call Staff/1000 Population (Day/Night)	On-Duty/1000 Day	No Data	4.85	5.76
		On-Duty/1000 Night	No Data	3.14	3.70
		On-Call /1000 Day	No Data	No Data	No Data
		On-Call/1000 Night	No Data	No Data	No Data
	Discussion: Some part-time firefighters do not live in or near the District 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 that are on-call when they are off duty and those who are not. Efforts are ongoing to improve this element of data collection.				
	Percentage of incidents in which the following Standard of Coverage response standards are met: <ul style="list-style-type: none">Minimum company staffingMinimum Response ForceEffective Response Force	This is a new performance measure established for 2017. These performance measures will be reported on in the 2018 District Budget.			
	Discussion: The District’s Standard of Coverage is under development with anticipated completion and adoption by the Board of Fire Commissioners in late 2016 or early 2017.				
	Percentage of members meeting individual performance standards.	This is a new performance measure established for 2017. These performance measures will be reported on in the 2018 District Budget.			
Discussion: Individual performance standards are under development and will be implemented in 2017.					
Percentage of companies meeting performance standards.	This is a new performance measure established for 2017. These performance measures will be reported on in the 2018 District Budget.				
Discussion: Company performance standards are under development and will be implemented in 2017.					

Table 6. Balanced Scorecard (Continued)

Resource Perspective					
Strategic Goal	Performance Driver	District Performance			
Maintain adequate infrastructure to support operations	Percentage of apparatus in-service time by kind and type.	Year	2013	2014	2015
		Type 1 Engines	No Data	No Data	96%
		Type 1 Tenders	No Data	No Data	99%
		Type 6 Engines	No Data	No Data	98%
	Deferred facilities maintenance deficiencies cost/current replacement value (Facilities Condition Index)	These are new performance measure established for 2017. These performance measures will be reported on in the 2018 District Budget.			
	Capital facilities improvement needs/current replacement value (Facilities Needs Index)				
	Planned facilities maintenance cost/unplanned repair cost				
	Facilities codes and standards compliance [QUALITATIVE]				
	Total apparatus maintenance cost/replacement cost (Fleet Condition Index)				
	Planned fleet maintenance cost/unplanned repair cost.				
	Fleet codes and standards compliance. [QUALITATIVE]				

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 Commissioners' 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 expenses 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 criteria as specified in the Commission on Fire Accreditation International (CFAI) Fire & Emergency Service Self-Assessment Manual (2015).

Under authority of Revised Code of Washington (RCW) 43.09.200, the Washington State Auditor's Office allows local governments the option to report on either a Generally Accepted Accounting Principles (GAAP) or cash basis. This option was provided by the legislature in recognition of the amount of effort and resources required for small local governments to fully comply with the requirements of GAAP. Many large local governments report financial information in accordance with (GAAP). All other local governments report on a cash basis as prescribed in the Budgeting, Accounting, and Reporting System (BARS) manuals which provide an acceptable alternative to GAAP (SAO, n.d.). Based on the level of effort and resources required to fully comply with the requirements of GAAP, CWIFR determined that use of cash basis accounting as permitted by the Washington state Auditor's Office was the most appropriate method for accounting and reporting on the District's finances.

As with all municipal entities in Washington State, Central Whidbey Island Fire & Rescue (CWIFR) is regularly audited by the Washington State Auditor. Based on Washington State Auditor's policy, municipal entities that exceed \$2,000,000 in revenue must receive a regularly scheduled financial audit. In 2015, the district completed its first comprehensive financial and accountability audit. The District

requested the audit of five years of financial records (rather than the three that are normally audited) to provide a solid baseline for future financial reporting and auditing.

The auditor rendered an adverse opinion on fair presentation with regard to Generally Acceptable Accounting Principles (GAAP). This opinion resulted from the District's preparation of financial statements using the Cash Basis of Accounting prescribed by Washington State statutes, and the *State Auditor's Budgeting, Accounting and Reporting System (BARS) Manual* (2015). Cash basis accounting is considered to be an Other Comprehensive Basis of Accounting (OCBA). The effects on the financial statements of the variances between GAAP and cash basis accounting, although not reasonably determinable, were presumed to be material.

Interestingly, while cash basis accounting is permitted by state law, all financial audits conducted by the Washington State Auditor are performed in accordance with Generally Accepted Government Auditing Standards (GAGAS), published by the United States Government Accountability Office (GAO). These standards fully incorporate Generally Accepted Auditing Standards (GAAS) published by the American Institute of Certified Public Accountants (AICPA) (SAO, n.d.). As a result, any local government using cash basis accounting, as permitted by State Law and the State Auditor's Office, will receive an adverse opinion on their financial statements (as they do not comply with GAAP). This means that the financial statements do not fairly present financial position, results of operations and (when applicable) cash flows in conformity with generally accepted accounting principles (GAAP) while they may be fully compliant and accurate with the requirements set forth in the BARS manual for cash basis accounting.

The audit report also included the following recommendations:

Recommendation 1: Establish controls to provide documented evidence that all time sheets are signed and reviewed by supervisors or a member of the Board of Fire Commissioners to ensure time charged is accurate and allowable. The District addressed this recommendation with revisions to Standard Operating Guideline (SOG) 1.2.4 *Time and Activity Reporting* (CWIFR, 2016b).

Recommendation 2: Establish adequate financial statement preparation controls to ensure accurate financial reporting is in compliance with the *Cash Basis BARS Manual* (SAO, 2015). The District uses fund accounting to provide a higher level of transparency and accountability (the structure and purpose of the District's funds is described in Overview of Budget Structure later in this section of the Budget Document). One function of the Washington State Auditor's Budgeting and Reporting System is to allow comparison of financial data across similar municipal entities (who may or may not have the same fund structure). As such financial reporting is required to be submitted in a simplified format not fully inclusive of fund structure. Funds established to aid in management functions are combined within the General Fund as illustrated in Table 7.

Table 7. Fund Reporting

CWIFR's Fund Structure	As Reported to the Washington State Auditor
General Fund	General Fund
Contingency (Administrative) Fund	
Compensated Absences Fund	
Grant Management Fund	
Capital Projects Fund	Capital Projects Fund
Debt Service Fund	Debt Service Fund

Each of the financial reports for 2010 through 2014 were corrected to reflect the appropriate fund structure for reporting and resubmitted to the State Auditor's Office.

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 2017 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 (AV) (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 AV (RCW 458.19.060). The WhidbeyHealth Public Hospital District levies this tax and other taxing districts within the hospital district's boundaries are precluded from levying a tax for EMS services.

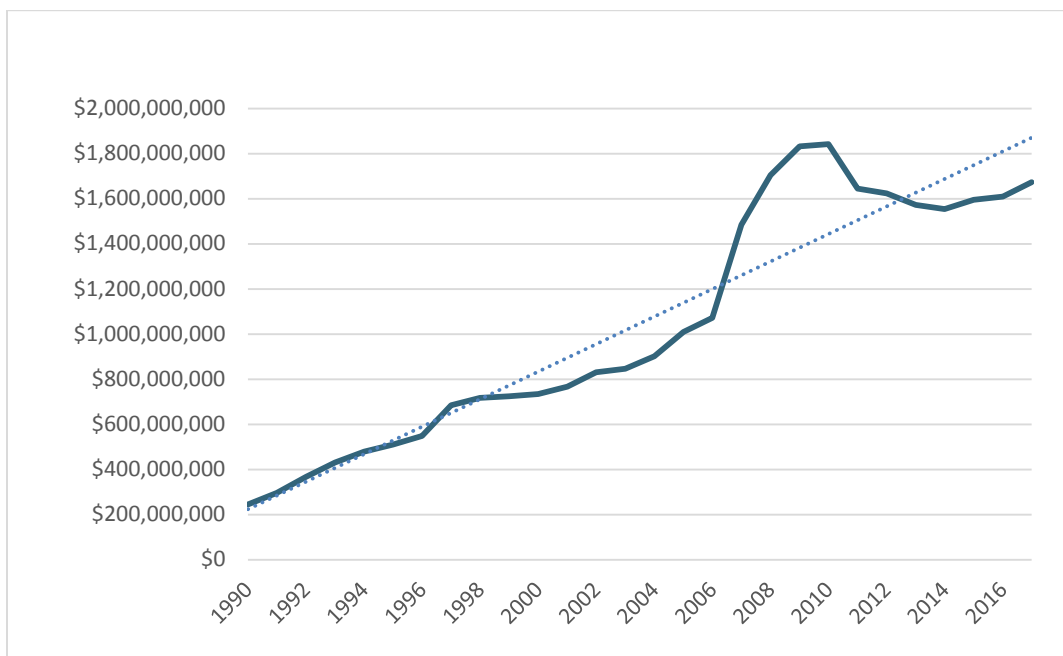
The following five revenue assumptions were used in developing the District Budget.

Assumption R1: In 2014 the District's taxable Assessed Value (AV) increased 0.97% for the 2015 tax year and in 2016 the taxable AV is estimated to increase by approximately 3.92%.

Assumption R2: The District's AV will continue to 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.

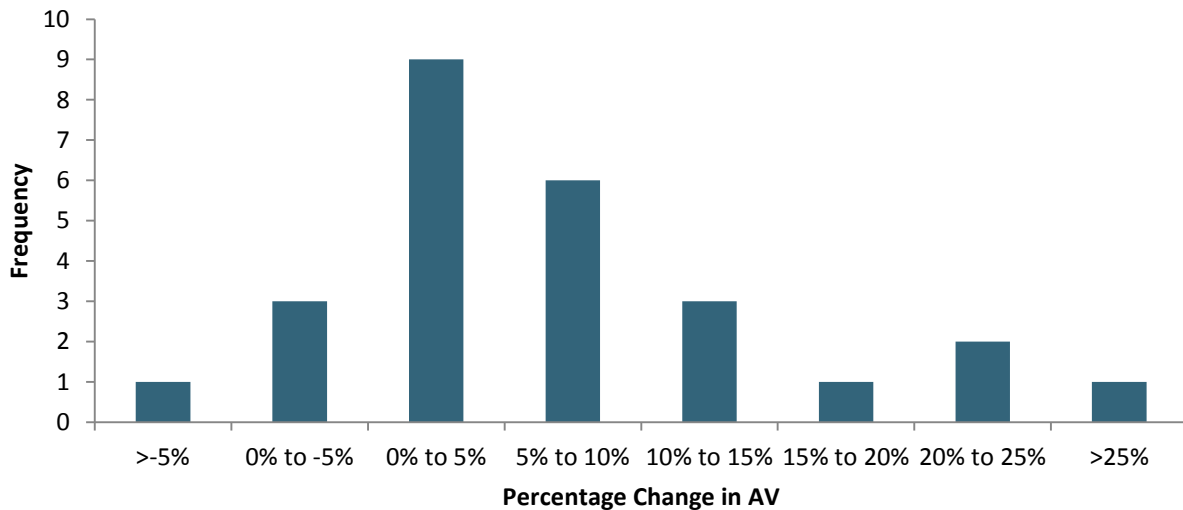
The following data support Assumptions R1 and R2. In 21 of the last 25 years, AV within the District has increased as illustrated in Figure 15. The magnitude of the change in assessed valuation has varied widely over this time period (-10.72% to 38.57%). Over this 28-year period, the average change in AV has been an increase of 7.81%. The 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 and was relatively flat in 2015 with an increase of 0.97%. In 2016, AV is estimated to increase by approximately 3.92%. While showing considerable gains, AV within the District remains 8.84% behind 2009 AV. The Island County Auditor's office indicates that the north ends of Whidbey Island saw a more dramatic increase in AV due to increased housing demand due to increased staffing at Naval Air Station Whidbey Island. The Assessor's Office indicated that it is likely that the rate of increase in AV in the Central Whidbey area will continue to improve in 2017. 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 15. Change in AV within the District's Boundaries



The average change in Assessed Value (AV) of 7.81% between 1990 and 2017 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 16, 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 16. Histogram of Percentage Change in AV



Over the last year, the median sale price for all homes (detached, townhouses, condominiums) within Island County has increased 12.9% (Redfin. 2016).

Assumption R5: In 2016, the District saw a 22.6% increase in AV added to the tax rolls due to new construction. While it is anticipated that some level of new construction will continue, further increase are not anticipated.

Assumption R5 is supported by the anticipated development within the District as predicted by the island County Planning and Community Development Department (2013).

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 WhidbeyHealth to staff a Basic Life Support Ambulance will continue through 2018.

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. 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).

Assumption R4 is supported by renewal of the Interlocal Agreement between the District and WGH through December 31, 2018.

Expense

The following four expense assumptions were used in developing the District Budget. The first two assumptions are based on national consumer price index (CPI) data. The Consumer Price Index (CPI) is a measure of the change in prices paid over time for a fixed market basket of goods and services. The second two assumptions are based on regional and statewide changes or potential changes in the minimum wage.

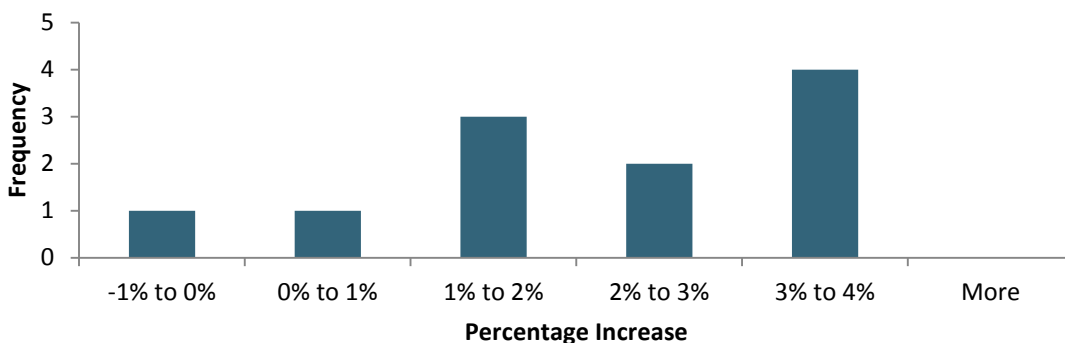
Assumption E1: The Consumer Price Index (CPI) is likely to increase between 2% and 3% per year over the next several years.

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 E1 is supported by national historical CPI data. National data is used as it is published more frequently and is less volatile than city specific data. It is important to consider that the CPI is based on urban (not rural) consumers. Assumption E2 is not directly supported by the CPI (as equipment and services are not included in this index), but the CPI provides a general indication of inflation.

Over the last 56 years, the Consumer Price Index for all Urban Consumers (CPI-U) has increased in each year with the exception of 2010 in which it dropped by 0.40% (Department of Labor, 2016). The mean change in CPI over the last ten years has been 2.08% (Department of Labor, 2016), but it may be more useful to look at the distribution of changes by magnitude as illustrated in Figure 17.

Figure 17. Historical Annual Changes in the National CPI 1996-2016



Note: Based on United States Department of Labor Bureau of Labor Statistics (2016) CPI Detailed Report (tables 1-29 only) July 2016. Retrieved August 20, 2016 from <http://www.bls.gov/cpi/cpid1607.pdf>

Projections by Conway Pedersen Economics, Inc. forecast an increase in the United States (U.S.) Consumer Price Index for all Urban Consumers (CPI-U) of 1.2% in 2016 and 2.3% each year for the next several years (Conway Pedersen, 2016).

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).

Assumption E4: Initiative 1433 is likely to pass, raising the statewide minimum wage to \$15.00 over several years and requiring provision of paid sick leave beginning in 2018.

The current Washington minimum wage is \$9.47/hour (WA L&I, 2016). 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 1.79%. In addition, several municipalities in Washington State such as Seattle and Seatac have adopted minimum wage ordinances increasing the minimum wage to \$15.00 over a period of years. In addition, Initiative 1433 has qualified for the November 2016 ballot. If enacted, it would increase the state's hourly minimum wage to \$11 for 2017, \$11.50 for 2018, \$12.00 for 2019, and \$13.50 for 2020. It would also require employers to provide paid sick leave starting in 2018 with an accrual of 1 hour for each 40 hours worked (MRSC, 2016).

The District's part-time staff is currently paid above the Washington state minimum wage and compensation has historically been 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 number of applicants for the District's Part-Time Firefighter and Office Assistant positions has been considerably lower than in prior years, potentially due to the current compensation level for these positions. While modest increases in part-time compensation are in this budget, it is likely that increases in the minimum wage within Washington will continue to pressure the District's compensation levels for part-time positions.

Fund Balance

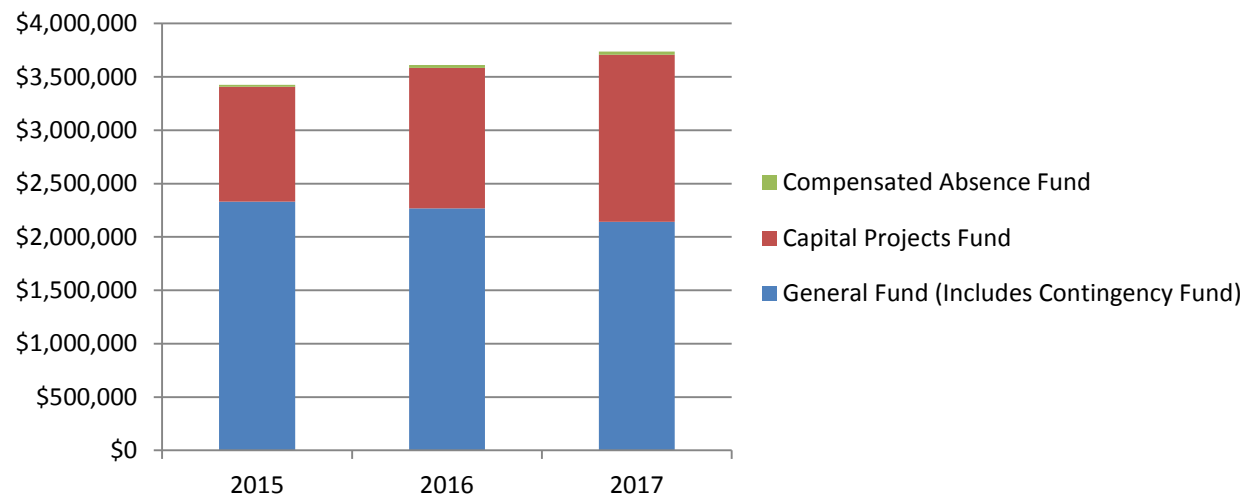
Absent an increase in revenue, the District's General Fund beginning balance will decrease from 2017 to 2021 at which point the beginning fund balance will be less than 43% (33% of anticipated general fund expense and 10% contingency required by District policy). This decrease was anticipated due to increasing expense and in part as a result of transfer of money to the Capital Projects Fund (catching up on investment for future capital purchases).

The Capital Projects Fund Beginning Balance fluctuates as a result of the timing of capital projects. The District will have sufficient cash flow to meet capital expenditure requirements over the next ten 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. However, without a decrease in expenses or an increase in revenue, it will not be possible to sustain this level of capital investment beyond 2021. The 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 2021 without a voter approved bond for major capital projects.

The Compensated Absences Fund will be fully funded in 2017 and is projected to remain so.

Ending fund balances for each fund and total ending balance for all funds is illustrated in Figure 18. Additional detail is provided in the Financial Overview (Table 11) and in the Long Term Financial Plan (Appendix C).

Figure 18. Fund Balances 2015-2017



Budgetary Impacts and 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) or reduction in transfer of funds from the General Fund to the Capital Projects Fund while continuing to address the District's capital facility needs (which would require a voter approved bond).

The prior collective bargaining agreement expired April 30, 2015, but was extended by Memorandum of Understanding through November 30, 2015. The District and Local 4299 International Association of Firefighters completed negotiation of a new collective bargaining agreement in early September 2016. This three-year agreement provides for 2.7% annual salary increases in 2016 through 2018 along with establishment of compensation in compensation for longevity. This agreement will bring the District's union employees to the median of our mutually agreed comparable agencies by 2018.

In addition, increases in the Consumer Price Index (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. In addition, the District has an ongoing capital plan addressing replacement of apparatus and equipment by the end of its life cycle. A voter approved bond for capital facilities and major apparatus will provide an effective way address important capital projects as well as freeing up funds from the general levy to maintain current service levels. The Adopted Budget includes funding to place a bond measure on the ballot in 2017. Additional detail is provided on these impacts and implications 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, Accounting, 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 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:

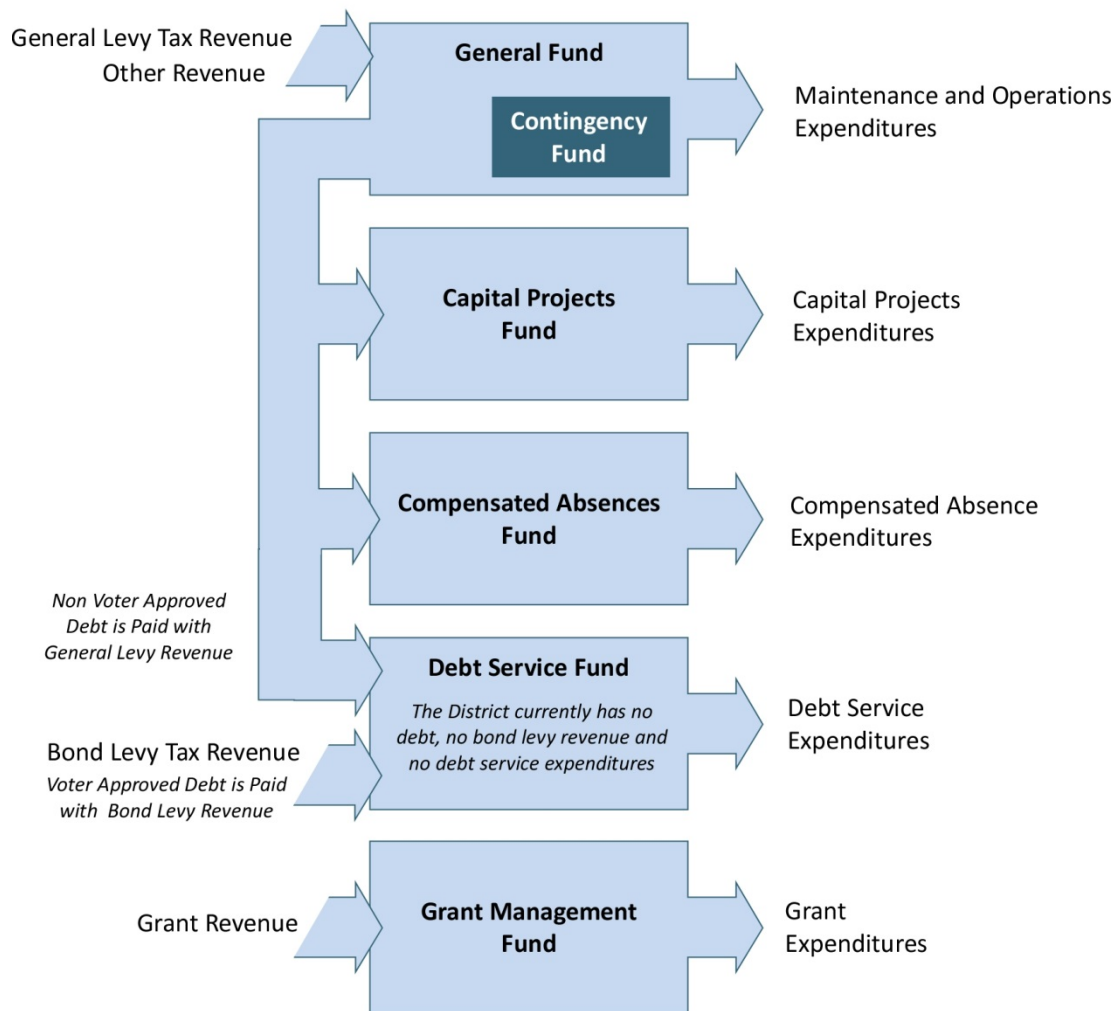
- **General Fund:** The principal operating fund, which is supported by taxes, fees, and other revenues that may be used for any lawful purpose. The fund of the District that accounts for all current expenditures (e.g., personal services, materials and services) not specifically accounted for in other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

- **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. For the purpose of budgetary reporting within the context of BARS, this managerial fund is rolled up into the General Fund.
- **Compensated Absences 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, Deputy Chief, Finance Officer). 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.
- **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).

Figure 19 illustrates the relationship between revenue, funds, and expenditures.

Figure 19. Overview of Funds



Divisions

The District's Operating Budget is organized in accordance with the Washington State Budgeting, Accounting, and Reporting System (BARS) as prescribed by the Washington State Auditor, and as such, includes the following divisions³:

- **Administration:** Functions or activities related to the leadership and management necessary to ensure effective and efficient delivery of services to the community. Within the budget, this division also includes activities of a general nature associated multiple service functions (e.g., postage, information technology services).
- **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).
- **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 8 illustrates the allocation of funds and expenditures by Division with each Fund for the 2017 budget year.

Table 8. 2017 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	◆				

³ 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).

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 9, this bottom up process has both advantages and disadvantages.

Table 9. Advantages and Disadvantages of Bottom Up Budgeting

Advantages/Reinforcing Strategy	Disadvantages/Mitigating Strategies
<p>Participative Process: 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>Reinforcing Strategy: 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>Time Required: 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>Mitigation Strategy: 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>Lack of Expertise: This approach requires individuals who may have limited experience and expertise to develop detailed budget projections.</p> <p>Mitigation Strategy: Professional development includes training and ongoing coaching in budget development and use of the budget as an ongoing financial management tool.</p>
<p>Accuracy: A bottom up budget has potential to be more accurate as those involved are closest to the work that will be performed.</p> <p>Reinforcing Strategy: Integration of the budget into program and project management along with accurate accounting by expense category provides ongoing improvement in budget accuracy.</p>	<p>Overestimation: Competition for scarce resources may lead to overestimation of budget needs.</p> <p>Mitigation Strategy: 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>Improved Communication and Coordination: Budget development from the bottom up improves communication and coordination between project and program managers and District Executive Staff.</p> <p>Reinforcing Strategy: 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>Lack of Context: 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>Mitigation Strategy: 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 and Workflow

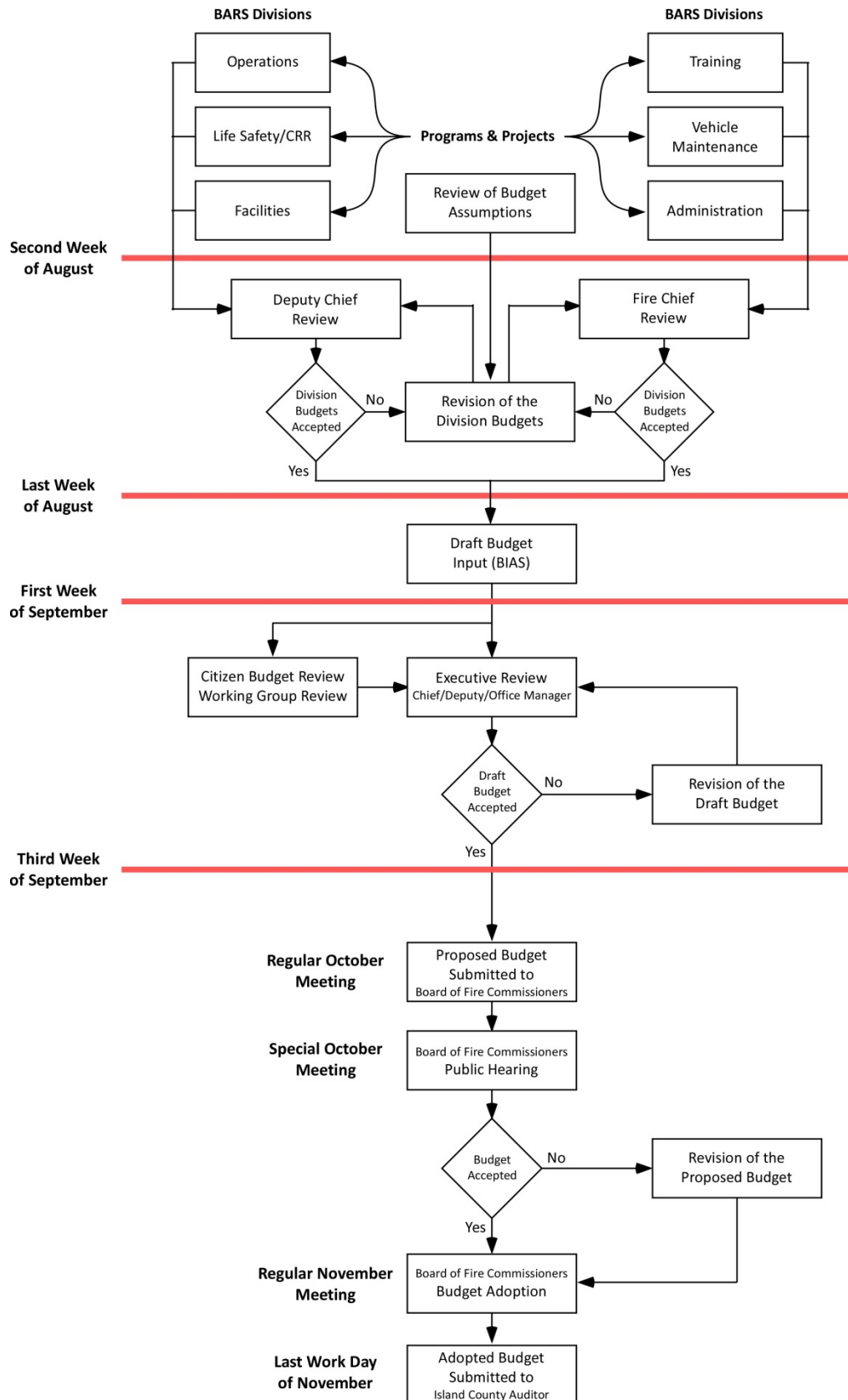
The District's budget process begins in April with review of the District's Strategic Goals, Capital Projects Plan, and other major policies, followed by development of Project, Program, and Division Budgets and concludes in November with adoption of the budget by the Board of Fire Commissioners and submittal to the Island County Auditor. Table 10 details the timeline for specific budget development activity taking place over the course of the year.

Table 10. CWIFR Budget Calendar

Month	Activity
April	Board of Commissioners major policy review <ul style="list-style-type: none"> • Strategic Goals • Capital Projects Plan • Other Major Policies Executive Staff Multi-Year Fiscal Projections
June	Community Budget Review Working Group review of budget assumptions Development of Division Budgets
July	
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 20 illustrates the workflow and key milestones for budget development and approval.

Figure 20. 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
- Accomplishments achieved in the prior year
- Projects that will be implemented or in progress during the budget year

Each Division's project is tied to specific Strategic Goals, Initiatives, and Commission on Fire Accreditation International (CFAI) Accreditation Criteria. Developing these Business Plans ensures alignment between the District's Strategic Plan and Budget.

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 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

- 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 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 and 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, Accounting, and Reporting System (BARS) Manuals (SAO, 2016) 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) (RCW 43.09.020; SAO, 2016). The District has determined that use of cash basis of accounting, rather than accrual accounting as required by GAAP, provides acceptable transparency and most effective use of the District's fiscal and administrative resources. 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, 2015b) 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 (CWIFR, 2015b, 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, Accounting, 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, 2015c).

- 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 and 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, 2015d).

- 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, Accounting, 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, & Finance Officer 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 and 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, 2015e).

- 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, 2015f).

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 and 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 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 will endeavor to transfer sufficient revenue from the General Fund to the 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 11 provides a summary of actual District revenues and expenditures in 2015 as well as the budgeted revenues and expenditures in the 2016 Adjusted Budget, and 2017 Adopted Budget for all funds (General Fund, Capital Projects Fund, and Compensated Absences Fund). Additional detail is provided in the fund specific sections of this Budget Document.

Table 11. 2017 Financial Summary

General Fund	Actual 2015	Adjusted 2016	Proposed 2017
Beginning General Fund Balance	\$2,280,497	\$2,331,497	\$2,297,044
Contingency (Administrative) Fund (10% of M&O)	\$189,562	\$219,816	\$227,434
Beginning GF Balance (Less Contingency)	\$2,090,935	\$2,111,680	\$2,069,610
Revenue			
Investment Interest	\$4,656	\$2,500	\$2,500
Property Taxes Rev (Includes New Construction)	\$2,216,014	\$2,223,076	\$2,245,307
Other Taxes/State Assessed Property	\$4,240	\$2,280	\$2,280
WGH Contract	\$201,495	\$201,495	\$201,495
Other Deposits	\$75,443	\$44,000	\$52,000
Voided Warrants & Vendor Credits	\$76,433	\$0	\$0
Total Operating Revenues	\$2,578,280	\$2,473,351	\$2,503,582
Expenditures			
Regular Budgeted Expenditures (M&O General Fund)	\$1,895,620	\$2,198,164	\$2,274,340
Contingency Expenditures	\$24,675.00	\$11,700.00	\$0
Investment Fee	\$158	\$300	\$300
Tax Adjustment	\$1,534	\$200	\$200
Correction & Vendor Credits	\$0	\$0	\$0
Total Expenditures	\$1,921,988	\$2,210,364	\$2,274,840
Interfund Transfers			
To General Capital Projects Fund	\$605,293	\$288,000	\$349,000
To Compensated Absences Fund	\$0	\$9,440	\$1,814
To Grants Management Fund	\$0	\$0	\$0
To Debt Service Fund	\$0	\$0	\$0
Total Transfers From General Fund	\$605,293	\$297,440	\$350,814
Ending General Fund Balance			
Contingency (Administrative) Fund Ending Balance	\$164,887	\$208,116	\$227,434
Ending GF Balance (Less Contingency)	\$2,166,610	\$2,088,927	\$1,947,538
Total Ending General Fund Balance	\$2,331,497	\$2,297,044	\$2,174,972
General Capital Projects Fund	Actual 2015	Budgeted 2016	Proposed 2017
Beginning Capital Projects Fund Balance	\$933,671	\$1,074,998	\$1,317,148
Revenue			
Bond Revenue	\$0	\$0	\$0
Investment Interest	\$1,048	\$2,500	\$2,822
Interfund Transfers			
From General Fund	\$605,293	\$288,000	\$349,000
Expenditures			
Investment Fee	\$13	\$150	\$150
Vouchers (Capital Projects Fund)	\$465,001	\$48,200	\$106,200
Ending Capital Projects Fund Balance	\$1,074,998	\$1,317,148	\$1,562,621

Table 11. 2017 Financial Summary (Continued)

Compensated Absences Trust Fund	Actual 2015	Budgeted 2016	Proposed 2017
Beginning Compensated Absences Balance	\$17,672	\$17,684	\$27,139
Revenue			
Investment Interest	\$12	\$15	\$64
Interfund Transfers			
From General Fund	\$0	\$9,440	\$1,814
Expenditures			
Investment Fee	\$0	\$25	\$25
Vouchers (Compensated Absences)	\$0	\$0	\$0
Ending Compensated Absences Balance	\$17,684	\$27,139	\$29,017
Grants Management Fund	Actual 2015	Budgeted 2016	Proposed 2017
Beginning Grants Management Balance	\$0	\$0	\$0
Revenue			
Grants	\$0	\$0	\$0
Interfund Transfers			
From General Fund	\$0	\$0	\$0
Expenditures			
Vouchers (Grants Management)	\$0	\$0	\$0
Ending Grants Management Balance	\$0	\$0	\$0
Debt Service Fund	Actual 2015	Budgeted 2016	Proposed 2017
Beginning Debt Service Balance	\$7	\$7	\$7
Revenue			
Property Taxes (Voter Approved Debt)	\$0	\$0	\$0
Interfund Transfers			
From General Fund	\$0	\$0	\$0
Expenditures			
Vouchers (Debt Service)	\$0	\$0	\$0
Ending Debt Service Absences Balance	\$7	\$7	\$7
All Funds	Actual 2015	Budgeted 2016	Proposed 2017
Total Ending Balance (All Funds)	\$3,424,179	\$3,641,331	\$3,766,609

Table 11. 2017 Financial Summary (Continued)

Fiscal Performance Measures	Actual 2015	Budgeted 2016	Proposed 2017
General Fund Cash Flow			
Revenue - Expenses	\$656,293	\$262,987	\$228,742
GF Beginning Balance			
Percentage of GF Expense	118.65%	105.48%	100.98%
Capital Projects Fund			
Percentage Funded	45.15%	44.47%	48.88%
Compensated Absences Fund			
Percentage Funded	98.93%	126.43%	99.91%
Levy Rate			
General Levy	\$1.38	\$1.38	\$1.27
Voter Approved Bond Levy	\$0.00	\$0.00	\$0.00
Total Levy Rate (General Levy+Bond Levy)	\$1.38	\$1.38	\$1.27

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 Capital Projects Fund is projected to increase by 18.61% due to transfer from the General Fund. Overall, the total of all funds is projected to increase 3.44%.

Balanced Budget

The District maintains a balanced budget, as appropriations are limited to the total of estimated revenues and the unencumbered fund balances estimated to be available at the close of the current fiscal year. The Total Ending Balance is anticipated to decrease as a result of increasing General Fund expenses and constitutional limitations on increases in tax revenue. Several options exist to maintain current service levels beyond 2021 while maintaining a balanced budget:

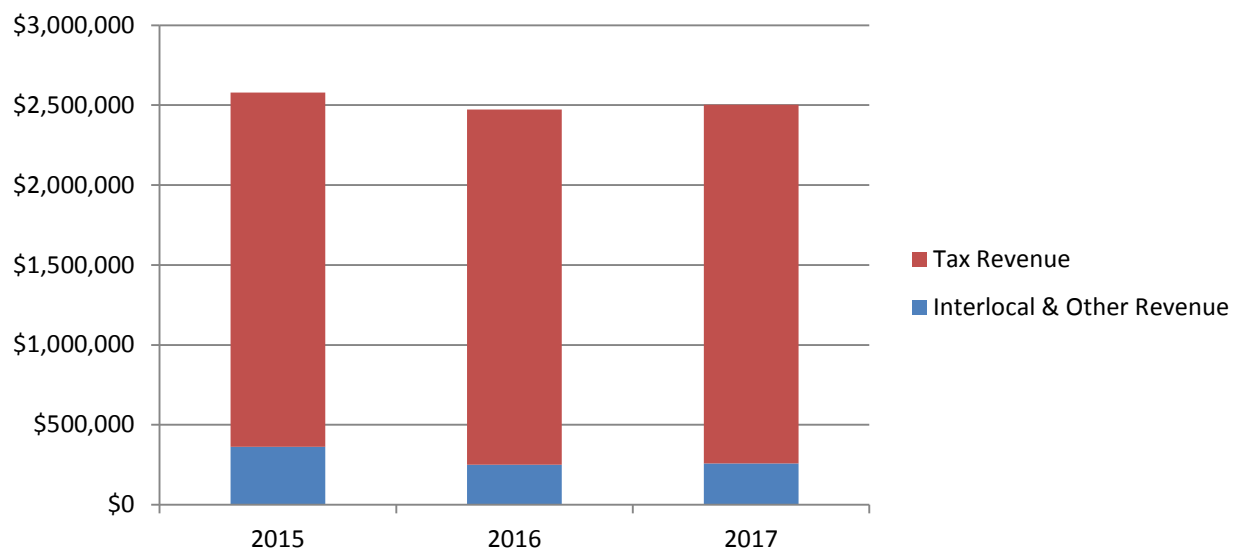
- Limit increases in expense. The District's budget process provides a solid system for ensuring that changes in expense are tied to specific strategic goals, initiatives, and related outcomes.
- Identify and develop additional revenue streams. The District continues to explore opportunities to develop additional revenue through Interlocal agreements and shared services.
- 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. The Adopted Budget includes funds necessary to place a bond measure on the ballot in 2017. 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).
- Determine at what point it will be necessary to present a lid lift to the District's voters. As intended by the Washington State Constitution and related laws regarding property tax limitations, the District's voters have the authority to increase the levy rate to maintain or improve service levels.

Revenue

Overview of Revenue Streams

Tax revenue is CWIFR's largest revenue stream, comprising approximately 90% of total district revenue. CWIFR also has several Interlocal Agreements to provide service to WhidbeyHealth, 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 21 illustrates CWIFR's revenue distribution and trends.

Figure 21. Revenue Distribution and Trends.



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 (AV) (RCW 52.16.130, 140, 160).

CWIFR's annual property tax levy is distributed across all taxable property within the district. In 2012, the District's voters approved a lid lift, establishing a tax levy rate of \$1.34/\$1000 AV. 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 2015 Assessed Value (AV) for 2016 tax collection was \$1,609,475,594 which at a Levy Rate of \$1.3812/\$1000 AV provided a total levy of \$2,223,075. The total property tax levy (excluding addition of taxes on new construction) can increase a maximum of 1% resulting in a maximum 2017 levy of \$2,245,305. 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 2016 (which will result in increased new construction revenue).

In 2016 AV is projected to increase 3.92% (for the 2017 tax year), this increase in AV does not increase revenue, but is projected to lower the levy rate from \$1.38/\$1000 AV to \$1.35/\$1000 AV.

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 WhidbeyHealth Emergency Medical Services (WH EMS) and agreements with both the Town of Coupeville and Island County to provide fire and life safety inspection services in commercial occupancies. Table 12 illustrates the District's revenue received and projected for receipt from Interlocal Agreements.

Table 12. Revenue from Interlocal Agreements

Interlocal Agreement	2015 Actual Revenue	2016 Adjusted Revenue	2017 Projected Revenue
WH 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, Accounting, 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 2015 Actual District Expenditures and 2016 Adjusted Budget are provided along with the Adopted Budget for 2017 (see Figure 22).

Figure 22. Budget Layout

Budget Category Description					2015	2016	2017
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

General Fund expense can be examined in several ways, by Division (Figure 23) or by distribution between personnel costs (e.g., salaries, benefits, wages, and stipends), and materials and services (Figure 24).

Figure 23. Overview of General Fund Expense by Division

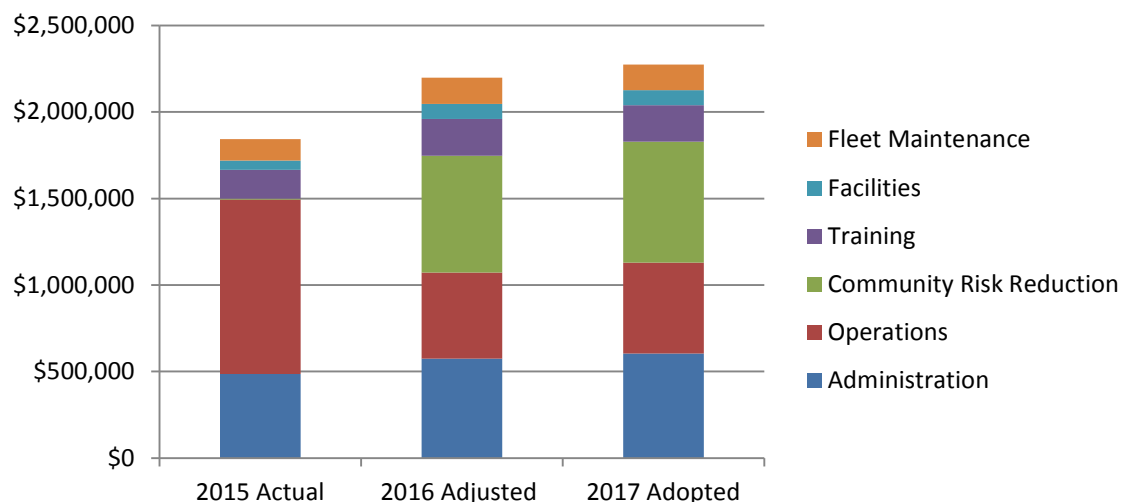
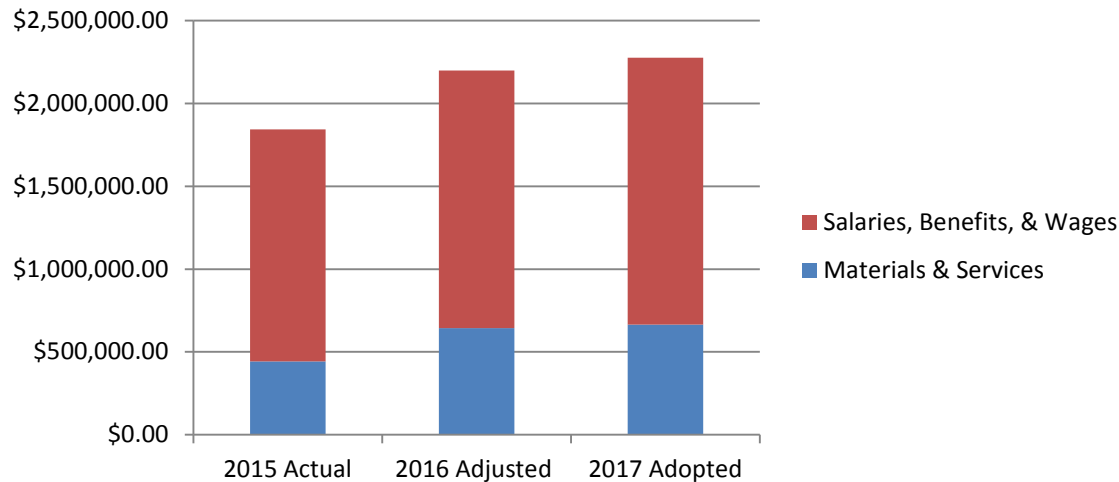


Figure 24. General Fund Expense by Category



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

Strategic Goals

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

- Be fiscally responsible and operate with transparency.
- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.
- Ensure adequate and sustainable funding.
- Ensure adequate staffing.
- Maintain adequate infrastructure to support operations.

In addition, the Administrative Division supports the District's strategic goal to reduce incident frequency and severity.

Personnel Summary

Administrative Division staffing is comprised 3.5 Full Time Equivalents (FTE); the Fire Chief, Deputy Chief, 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 2016 include the following:

- **Strategic Plan Revision:** The District's Strategic Plan was revised for 2017-2022. This accomplishment addressed the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this accomplishment supported continued achievement of Commission on Fire Accreditation International (CFAI) Accreditation Criteria 3A Strategic or Long Term Master Plan (3A.1 Strategic or Master Plan).
- **General Fund Set Aside:** The Board of Fire Commissioners passed a resolution to establish minimum set aside for general fund beginning balance and contingency. This action addressed the District's strategic goal to be fiscally responsible and operate with transparency. In addition, passage of this resolution addressed achievement of CFAI Accreditation Criteria 4C Resource Allocation (4C.7 General Fund Set Aside).
- **Lean Process:** Administrative staff collaborated with other municipal agencies that have effectively implemented Lean⁴ Processes to improve the effectiveness and efficiency of service delivery. This accomplishment addressed the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it supported achievement of CFAI Accreditation Criteria 9C Administration and Support Services and Office Systems (9C.1 Administrative & Support Processes).

The Administrative Division deferred completion of several 2016 initiatives until 2017 due to resource limitations. This included the initiatives on Lean Process and Records Management System Inventory Control. In addition, expansion of the District's continuous quality improvement (CQI) program was deferred to 2017.

Projects

Major projects in 2017 include the following:

- **Lean Process:** Collaboration with other municipal agencies that have effectively implemented Lean Processes to improve the effectiveness and efficiency of service delivery. This project addresses the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project supports achievement of Commission on Fire Accreditation International (CFAI) Accreditation Criteria 9C Administration and Support Services (9C.1 Administrative & Support Processes).

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

- **Inventory Control RMS:** Implementation of the inventory control functions within the District's Records Management System (RMS). This functionality is included in the ImageTrend software as a service (SAS) records management system purchased in the 4th quarter of 2014 and does not require additional expenditure. This project addresses the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project supports achievement of CFAI Accreditation Criteria 9C Administration and Support Services (9C.1 Administrative & Support Processes).
- **CQI Program:** Working with Operations and Community Risk Reduction Division personnel, Administrative staff will 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 project will address the District's strategic goals to to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project supported achievement of CFAI Accreditation Criteria 5F Emergency Medical Services (EMS) (5F.6 Independent Review of Patient Records).
- **Financial Practices Standard Operating Guidelines (SOGs):** Develop SOGs addressing the District's application for, use of, and administration of grants and the District's process and procedures for establishing fees for services. This project addresses the District's strategic goal to be fiscally responsible and operate with transparency. In addition, this project supports achievement of CFAI Accreditation Criteria 4B Financial Practices (4B.9 Grant Program Policies and 4B.10 Fee Policies).
- **Personnel Policies and Procedures Standard Operating Guidelines (SOG):** Develop SOGS addressing member complaints, ethics and conflict of interest. This project addresses the District's strategic goal to Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project supports achievement of CFAI Accreditation Criteria 7C Personnel Policies and Procedures (7C.4 Ethics/Conflict Procedures and 7C.5 Grievance/Complaint Procedure).
- **Member Handbook:** Consolidate the Districts Human Resources Standard Operating Guidelines (SOGs) into a member's handbook. This project addresses the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project supports achievement of CFAI Accreditation Criteria 7C Personnel Policies and Procedures (7C.1 Communication of Personnel Rules).
- **Administrative Support Services Standard Operating Guideline s(SOG).** Develop SOGs addressing the dissemination and release of information to the public and the maintenance, availability, retention and destruction of district records in accordance with local, state and federal legal mandates. This project addresses the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project supports achievement of (Commission on Fire Accreditation International

(CFAI) Accreditation Criteria 9C Administrative Support Services (9C.4 Public Information and C.7 Public Records).

- **Fire & Emergency Service Self-Assessment Manual:** Begin the formal process of self-assessment using the Commission on Fire Accreditation (CFAI) Fire and Emergency Services Self-Assessment Manual (CFAI, 2015). The target for 2017 is completion of the description, appraisal, and plan (single page) for 40% of the performance measures specified in the self-assessment manual. This project addresses the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project supports achievement of all CFAI Accreditation Criteria.
- **Assessment of Occupational Safety, Health and Risk Management:** This project addresses occupational safety, health and risk management by identifying a District Health and Safety Officer, establishing an evaluation process of workplace hazards, documenting risk reduction efforts, and reporting of near-miss incidents. This project addresses the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project addresses CFAI Accreditation Criteria 7F: Occupational Safety, Health and Risk Management (7F.1 Identified Responsibility for Risk Management, 7F.2 Workplace Hazard Evaluation, 7F.3 Documentation of Risk Reduction, and 7F.6 Near Miss Reporting).

2017 Division Budget

In addition to expenses that are exclusively administrative in nature (e.g., Finance Officer's Salary and Benefits), the Administrative Division budget includes a number of expenses that would be difficult to allocate across two or more Divisions (such as the Deputy Chief's Salary and Benefits or Information Technology services). Table 13 outlines the Administrative Division Budget.

Table 13. Administrative Division Budget

Administration Salaries & Wages					2015 Actual	2016 Adjusted	2017 Adopted
522	10	11	01	Fire Chief Wages	\$101,613	\$101,613	\$106,185
522	10	11	02	Deputy Chief Wages	\$75,591	\$85,713	\$89,142
522	10	11	03	Finance Officer Wages	\$53,202	\$53,202	\$55,596
522	10	11	07	Command Duty Officer Stipend	\$11,457	\$10,599	\$10,599
522	10	12	04	Office Assistant Wages	\$7,533	\$12,480	\$10,751
522	10	13	05	Commissioners Wages	\$10,944	\$13,338	\$13,338
522	10	13	06	District Secretary Wages	\$1,664	\$1,824	\$1,824
522	10	19	01	Fire Chief (Def Comp)	\$9,145	\$9,145	\$9,557
522	10	19	02	Deputy Chief (Def Comp)	\$6,803	\$7,714	\$8,023
522	10	19	03	Finance Officer (Def Comp)	\$2,128	\$2,128	\$2,224
Sub Total					\$280,080	\$297,756	\$307,239

Table 13. Administrative Division Budget (Continued)

Administration Benefits					2015 Actual	2016 Adjusted	2017 Adopted
522	10	21	01	Fire Chief (Medicare Only)	\$1,588	\$1,883	\$1,955
522	10	21	02	Deputy Chief (Medicare Only)	\$1,177	\$1,632	\$1,686
522	10	21	03	Finance Officer (FICA/Medicare)	\$3,980	\$4,233	\$4,423
522	10	21	04	Office Assistant (FICA/Medicare)	\$681	\$955	\$822
522	10	21	05	Commissioners (FICA/Medicare)	\$744	\$1,020	\$1,020
522	10	21	06	District Secretary (FICA/Medicare)	\$127	\$140	\$140
522	10	21	07	Command Duty (L&I)	\$125	\$150	\$154
522	10	22	01	Fire Chief (L&I)	\$810	\$762	\$755
522	10	22	02	Deputy Chief (L&I)	\$412	\$762	\$755
522	10	22	03	Finance Officer (L&I)	\$302	\$357	\$354
522	10	22	04	Office Assistant (L&I)	\$156	\$143	\$142
522	10	22	05	Commissioners (L&I)	\$7	\$20	\$20
522	10	22	06	District Secretary (L&I)	\$3	\$8	\$8
522	10	22	07	Command Duty (Med only)	\$20	\$826	\$0
522	10	23	01	Fire Chief (Medical/Dental)	\$13,609	\$13,610	\$13,610
522	10	23	02	Deputy Chief (Medical/Dental)	\$21,873	\$21,845	\$21,845
522	10	23	03	Finance Officer (Medical/Dental)	\$17,991	\$17,996	\$17,996
522	10	24	01	Fire Chief (LEOFF)	\$5,633	\$5,910	\$6,164
522	10	24	02	Deputy Chief (LEOFF)	\$4,191	\$5,029	\$5,219
522	10	24	03	Finance Officer (PERS)	\$5,337	\$5,951	\$6,216
522	10	24	05	Office Assistant (PERS)	\$728	\$1,261	\$1,202
522	10	28	04	Employee Assistance Program	\$1,074	\$1,321	\$1,200
Sub Total					\$80,569	\$85,814	\$85,686
Administration Office & Operating Supplies							
522	10	31	01	Office Supplies	\$5,901	\$5,795	\$5,795
522	10	31	02	Computer Software	\$1,996	\$8,209	\$9,829
522	10	31	03	Commissioner Supplies	\$559	\$0	\$0
522	10	31	04	Uniforms - Admin & Commissioners	\$2,611	\$2,400	\$2,400
522	10	31	05	Copy Fees	\$3,994	\$6,300	\$6,300
522	10	31	06	Books & Publications	\$5	\$200	\$200
522	10	31	07	Member Recognition	\$2,165	\$2,400	\$2,400
Sub Total					\$17,231	\$25,304	\$26,924

Table 13. Administrative Division Budget (Continued)

Administration Small Tools & Minor Equipment (<\$5,000)					2015 Actual	2016 Adjusted	2017 Adopted
522	10	35	01	Computer Hardware	\$1,922	\$3,000	\$3,620
522	10	35	02	Office Equipment	\$0	\$0	\$350
522	10	35	03	Furniture	\$1,234	\$2,150	\$420
Sub Total					\$3,156	\$5,150	\$4,390
Administration Professional Services							
522	10	41	01	Legal	\$6,425	\$3,000	\$3,000
522	10	41	02	Accounting	\$2,169	\$2,700	\$2,700
522	10	41	03	Recruitment & Testing	\$0	\$80	\$80
522	10	41	04	Medical & Psychological	\$0	\$40	\$40
522	10	41	05	Vaccinations	\$0	\$120	\$120
522	10	41	06	Information Technology	\$20,936	\$21,794	\$21,294
522	10	41	07	MRSC	\$120	\$370	\$370
522	10	41	08	Consulting	\$8,167	\$28,000	\$28,000
522	10	41	09	Accreditation	\$0	\$600	\$0
Sub Total					\$37,817	\$56,704	\$55,604
Administration Communications							
522	10	42	01	Postage & Shipping	\$3,224	\$5,440	\$5,449
522	10	42	02	Internet Service Provider (ISP)	\$90	\$60	\$60
522	10	42	03	Telephone	\$6,039	\$7,000	\$5,820
522	10	42	04	Cellular Telephones	\$2,373	\$3,787	\$2,880
522	10	42	05	Cable/Internet	\$3,161	\$3,980	\$3,768
Sub Total					\$14,886	\$20,267	\$17,977
Travel, Lodging, & Meals							
522	10	43	01	Commissioners Travel	\$530	\$1,000	\$1,000
522	10	43	02	Staff Travel	\$1,367	\$1,500	\$1,500
Sub Total					\$1,897	\$2,500	\$2,500
Administration Advertising							
522	10	44	01	Legal Advertising	\$0	\$2,500	\$2,500
522	10	44	03	Admin Recruitment	\$0	\$125	\$125
Sub Total					\$0	\$2,625	\$2,625
Administration Operating Rentals & Leases							
522	10	45	01	Copier	\$5,943	\$5,952	\$5,952
522	10	45	03	Miscellaneous Equipment Rental	\$0	\$0	\$0
Sub Total					\$5,943	\$5,952	\$5,952

Table 13. Administrative Division Budget (Continued)

Administration Insurance					2015 Actual	2016 Adjusted	2017 Adopted
522	10	46	01	Liability/Umbrella	\$34,483	\$40,006	\$42,038
Sub Total					\$34,483	\$40,006	\$42,038
Repair & Maintenance							
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	\$955	\$100
Sub Total					\$0	\$955	\$100
Miscellaneous							
522	10	49	01	Professional Memberships	\$4,906	\$4,700	\$4,842
522	10	49	02	Subscriptions	\$233	\$1,550	\$1,605
522	10	49	03	Commissioners Off-Site Expense	\$0	\$200	\$200
522	10	49	04	Staff Off-Site Expense	\$117	\$200	\$200
522	10	49	05	On-Site Meeting Expense	\$271	\$450	\$450
522	10	49	06	Recognition/Awards Dinner	\$135	\$300	\$300
522	10	49	07	Investment/Misc Bank Fees	\$0	\$300	\$300
522	10	49	08	Finance Charges	\$508	\$500	\$500
Sub Total					\$6,170	\$8,200	\$8,397
Administrative Intergovernmental Services							
522	10	51	01	Financial and Accountability Audit	\$4,163	\$19,037	\$12,000
522	10	51	02	Non-Legislative Election Fees	\$0	\$0	\$29,000
522	10	51	03	Legislative Election Fees	\$0	\$2,000	\$2,000
522	10	51	04	Sales Tax (Not Paid with Purchase)	\$422	\$2,000	\$2,000
Sub Total					\$4,584	\$23,037	\$45,000

Total Administrative Division Budget**\$486,816****\$574,270****\$604,432*****Major Expenditures/Changes***

The Administrative Division budget increased 5.25% primarily due to the expense of placing a voter approved bond measure on the ballot. Absent these onetime expenses, the Administrative Division Budget would have been 4.67% lower than in 2016.

Operations Division

The Operations Division delivers emergency services to the community to reduce the severity of incidents related to fires, illnesses, injuries, and other hazards within the community. The Operations Division is responsible for the following major programs and functions:

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

Strategic Goals

The following Strategic Goals are of particular significance to the Operations Division.

- Reduce incident frequency and severity.
- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.

In addition, the Operations Division directly supports the following Strategic Goals

- Be fiscally responsible and operate with transparency.
- Maintain adequate infrastructure to support operations.

Personnel Summary

The Operations Division is comprised of our part-time and volunteer Firefighters and volunteer Company Officers. The District's full-time Company Officers and Firefighters are assigned to the Community Risk Reduction Division but also have an operational role in responding to emergency incidents. Table 14 delineates the distribution of Operations Division Staffing.

Table 14. Operations Staffing

Classification	Volunteer	Part-Time	Full-Time
Company Officer/EMTs	1	0	0
Company Officers	2	0	0
Firefighter/EMTs	1	10	0
Firefighters	7	0	0
Support Services (Apparatus Operator)	3	0	0
EMTs	3	0	0
Total Staff	17*	10	0

Note: The District plans to recruit and train an additional 14 volunteer members, focusing on the roles of Firefighter and Support Services (Apparatus Operator) in the remainder of 2016 and into the end of 2017, bringing the total volunteer staff in the Operations Division to 31.

Accomplishments

Major operational accomplishments in 2016 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 serves as a guide in consolidation, replacement, and addition of equipment carried on apparatus. In 2016, the District achieved standardization of equipment carried on Type 1 Water Tenders. This accomplishment addresses the District's strategic goal of reducing incident frequency and severity as well as Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6E (6E.1 Small Tools and Equipment).
- Low Angle Rescue Program:** CWIFR purchased equipment to perform low angle rescue operations based on the risks presented within the District. Operational level training in low angle rescue operations for full-time and part-time members was completed by the end of 2015 with make-up training and assessment of knowledge and skills completed by the end of April 2016. This accomplishment addresses the District's strategic goal to reduce incident frequency and severity. In addition, this initiative addressed CFAI criteria 5G Technical Rescue (5G.1 Apparatus and Equipment, 5G.3 Standard Operating Guidelines/Procedures, and 5G.2 Training and Operational Standards).
- Structural Collapse:** Whidbey Island has a high potential for significant earthquake activity, which will ultimately result in substantial building damage. In addition, CWIFR is occasionally called upon to respond to incidents involving isolated damage or partial structural collapse related to vehicles impacting buildings. The first step in addressing this risk involved examination of the knowledge and skills necessary to develop structural collapse response operational capability and developing a plan for implementation. This accomplishment addressed the District's strategic goal of reducing incident frequency and severity. In addition,

this accomplishment addresses Commission on Fire Accreditation International (CFAI) Accreditation Criteria 2D Plan for Maintaining and Improving Response Capabilities, 5G Technical Rescue, 5F EMS, 5D Domestic Preparedness Planning and Response, and 6E Tools, Supplies and Small Equipment.

- **Wellness Program Improvement:** The first round of annual physical assessments was conducted in October of 2016. In addition, labor/management negotiations addressed implementation of periodic physicals, biennial physical assessments, and implementation of a mandatory, non-punitive fitness program for on-duty personnel. This accomplishment addressed the District's strategic goal of identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this accomplishment addresses CFAI accreditation criteria 7G Wellness/Fitness Program.
- **Special Event Risk Assessment and Planning:** The District worked with other public safety agencies (e.g. WhidbeyHealth EMS, Coupeville Marshal, and Island County Sherriff) and festival and event organizers to assess the potential risks and develop standardized contingency plans and deployment strategies for potential emergency incidents occurring at special events within the District. This accomplishment addressed the District's strategic goal reducing incident frequency and severity. In addition, this accomplishment addresses CFAI Accreditation Criteria 2B Fire Risk Assessment and Response Strategies, Accreditation Criteria 2C Current Deployment and Performance, Accreditation Criteria 2D Plan for Maintaining and Improving Response Capabilities, Accreditation Criteria 5D Domestic Preparedness Planning and Response, and Accreditation Criteria 10A External Agency Relationships.
- **Respiratory protection program:** The District developed a respiratory protection program to meet the requirements of Washington Administrative Code (WAC) 296-305 Safety Standards for Firefighters, WAC 296-842 Respirators, National Fire Protection Association (NFPA) 1500 Fire Department Occupational Safety and Health Program (NFPA, 2013a), and NFPA 1404 Standard for Fire Department Respiratory Protection Training (NFPA, 2013b). This accomplishment addressed the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this accomplishment addresses CFAI Accreditation Criteria 6F Safety Equipment.

Several Operations Division Initiatives Adopted for 2016 were extended into 2017, these include:

- Standard Equipment Inventory
- Wellness Program Improvement (Certification of Peer Fitness Trainers)

The Operations Division deferred the 2016 initiative to develop a comprehensive Continuous Quality Improvement (CQI) program until 2017 due to staff and resource limitations.

Projects

Major projects in 2017 Include:

- **Standard Equipment Inventory:** The District will achieve standardization of equipment carried on Type 6 and Type 1 Engines over the next two years. Procurement and deployment of this equipment is based on the District's 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 will improve tactical functionality and simplify training and maintenance requirements. This project addresses the District's strategic goal of reducing incident frequency and severity as well as Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6E (6E.1 Small Tools and Equipment).
- **Wellness Program Improvement:** This project 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 project addresses the District's strategic goal of ensuring adequate staffing. In addition, this accomplishment addresses CFAI Accreditation Criteria 7G Wellness/Fitness Program.
- **Continuous Quality Improvement (CQI) Program.** This program will be expanded to include selected review of Patient Care Reports (PCRs) for EMS calls, as well as including overall participation of volunteer, part-time, and full-time members to continue improvement of incident and patient care documentation. This project addresses the District's strategic goal of identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project addresses CFAI Accreditation Criteria 5F Emergency Medical Services (5F.6 Independent Review of Patient Records).
- **HIPAA Compliance:** HIPAA compliance and continued training of personnel of its importance are an essential component of our EMS delivery. A HIPAA compliance and policy evaluation, along with the development of an annual training program, will be assessed in order to enhance our knowledge and procedures regarding best practices related to EMS delivery and HIPAA compliance. This project addresses the District's strategic goal of identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project addresses CFAI Criteria 5F Emergency Medical Services (5F.5 HIPAA Compliance).

2017 Division Budget

Table 15 outlines the Operations Division Budget.

Table 15. Operations Division Budget

Operations Salaries, Wages, & Stipends					2015 Actual	2016 Adjusted	2017 Adopted
522	20	10	01	Full-Time FF/LT	\$404,894	\$0	\$0
522	20	10	03	Part-Time Firefighter Wages	\$150,779	\$155,278	\$168,243
522	20	11	01	Callback Overtime	\$4,357	\$7,587	\$8,002
522	20	12	01	Shift Coverage Overtime	\$12,547	\$0	\$0
522	20	13	01	Project Overtime	\$3,731	\$794	\$837
522	20	14	01	Training Overtime	\$5,527	\$0	\$0
522	20	15	01	Education Incentive	\$3,544	\$0	\$0
522	20	16	01	FF/LT Holiday Pay	\$18,251	\$0	\$0
522	20	17	01	FF FF/LT AIC Pay	\$4,555	\$0	\$0
522	20	18	01	FT FF/LT (Def Comp)	\$15,871	\$0	\$0
522	20	18	04	VIP Annual Pay	\$3,625	\$3,691	\$6,050
522	20	19	04	Quarterly Stipend	\$18,640	\$49,022	\$53,913
Sub Total					\$646,322	\$216,372	\$237,045
Operations Benefits							
522	20	21	01	FT FF/LT (Medicare)	\$7,044	\$0	\$0
522	20	21	02	FT FF/LT Callback OT (Medicare)	\$0	\$150	\$116
522	20	21	03	PT FF (FICA/Medicare)	\$11,535	\$11,879	\$12,871
522	20	21	04	Volunteer FF (FICA/Medicare)	\$1,703	\$4,857	\$4,587
522	20	22	01	FT FF/LT (L&I)	\$18,094	\$0	\$0
522	20	22	03	PT FF (L&I)	\$17,308	\$19,603	\$18,008
522	20	23	01	FT FF/LT (Medical & Dental	\$92,428	\$0	\$0
522	20	23	02	PT FF (Life Insurance)	\$224	\$251	\$226
522	20	24	01	FT FF/LT (LEOFF)	\$24,606	\$0	\$0
522	20	24	03	PT FF (PERS)	\$15,152	\$16,891	\$18,810

Table 15. Operations Division Budget (Continued)

Operations Benefits (Continued)					2015 Actual	2016 Adjusted	2017 Adopted
522	20	26	01	Volunteer FFs (Pension & Medical)	\$900	\$3,060	\$3,060
522	20	26	03	VFIS Accident & Sickness Coverage	\$3,553	\$3,630	\$3,630
522	20	26	04	Life Insurance (Trusteed Plans)	\$246	\$451	\$451
Sub Total					\$192,793	\$60,772	\$61,759
Operations Office & Operating Supplies							
522	20	31	01	Fire Supplies	\$4,070	\$3,150	\$2,520
522	20	31	02	EMS Supplies	\$744	\$2,998	\$5,749
522	20	31	03	Special Operations Supplies	\$0	\$300	\$100
522	20	31	04	Small Equipment R&M Supplies	\$2,317	\$5,120	\$3,900
522	20	31	10	Uniforms (PT & Vol)	\$18,179	\$23,700	\$23,700
522	20	31	07	Computer Software	\$1,465	\$2,425	\$2,315
522	20	31	09	Office Supplies	\$166	\$1,100	\$0
Sub Total					\$26,941	\$38,793	\$38,284
Operations Fuel							
522	20	32	01	Motor Fuel	\$21,343	\$31,000	\$31,000
Sub Total					\$21,343	\$31,000	\$31,000
Small Tools & Minor Equipment (<\$5,000)							
522	20	35	01	Fire Equipment	\$12,038	\$10,600	\$6,000
522	20	35	02	EMS Equipment	\$0	\$600	\$1,200
522	20	35	03	Special Operations Equipment	\$578	\$7,420	\$3,562
522	20	35	04	Communications Equipment	\$3,866	\$6,898	\$0
522	20	35	05	Personal Protective Equipment	\$31,983	\$38,450	\$41,032
522	20	35	06	Miscellaneous Equipment	\$0	\$500	\$0
522	20	35	07	Computer Hardware	\$0	\$0	\$1,000
Sub Total					\$48,465	\$64,468	\$52,794
Professional Services							
522	20	41	01	Breathing Air Testing	\$950	\$500	\$500
522	20	41	02	SCBA Testing	\$5,335	\$3,986	\$6,460
522	20	41	03	Recruitment & Testing	\$5,512	\$4,490	\$4,490
522	20	41	04	Medical & Psychological	\$14,772	\$14,320	\$29,970
522	20	41	05	Vaccinations	\$0	\$12,315	\$10,425
Sub Total					\$26,569	\$35,611	\$51,845

Table 15. Operations Division Budget (Continued)

Communications					2015 Actual	2016 Adjusted	2017 Adopted
522	20	42	01	ICOM Dispatch Charges	\$39,003	\$33,485	\$35,000
522	20	42	02	ICOM Other Charges	\$0	\$0	\$0
522	20	42	03	Data Cards for MDCs	\$2,715	\$2,411	\$1,890
Sub Total					\$41,718	\$35,896	\$36,890
Operating Rentals & Leases							
522	20	45	01	Equipment Rental	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Repair & Maintenance							
522	20	48	02	Communications Equipment R&M	\$1,074	\$3,500	\$4,500
522	20	48	03	Equipment R&M	\$1,090	\$3,365	\$3,665
522	20	48	04	Boat R&M	\$831	\$4,200	\$4,550
522	20	48	06	Personal Protective Equipment R&M	\$9	\$1,500	\$1,500
Sub Total					\$3,004	\$12,565	\$14,215
Miscellaneous Services							
522	20	49	01	Miscellaneous Services	\$0	\$0	\$0
522	20	49	02	Incident Rehab & Meals	\$308	\$1,500	\$1,500
Sub Total					\$308	\$1,500	\$1,500
Total Operations Division Budget					\$1,007,462	\$496,977	\$525,332

Major Expenditures/Changes

The Adopted Operations Division Budget increased 5.75% in comparison to the 2016 Adjusted Budget. This change is largely the result of increased compensation for Part-Time Firefighters and increased expense for worker's compensation insurance through the Washington Department of Labor and Industries.

Community Risk Reduction Division

The Community Risk Reduction (CRR) Division works with community partners to reduce the risk of harm from fires, illness, injury, and other hazards in the community. CRR programs include

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

Strategic Goals

The following Strategic Goals are of particular significance to the Community Risk Reduction (CRR) Division.

- Reduce incident frequency and severity.
- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.

In addition, the CRR Division directly supports the following Strategic Goals

- Be fiscally responsible and operate with transparency.
- Maintain adequate infrastructure to support operations.

Personnel Summary

In 2016, the District reallocated six full-time positions from the Operations Division to the CRR Division to reflect the major responsibilities of full-time Fire Officers and Firefighters. This reflected the District's commitment of resources to the CRR function and the District's mission.

Staffing of the CRR 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 CRR, 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 CRR accomplishments in 2016 include the following:

- **Home Safety Survey:** A pilot test of the Home Safety Survey program was conducted at Terry Mobile Park to assess logistical requirements, process, and procedures necessary for effective program delivery. Data from this pilot test will be used to expand this program in 2017. This accomplishment addressed the District's strategic goal to reduce incident frequency. In addition, it addressed Commission on Fire Accreditation International (CFAI) Accreditation Criteria 5B Public Education Programs (5B.1 Program Analysis and Targeted Delivery, 5B.4 Large Loss Potential and High Risk Audiences).
- **Long Driveway Program:** A preliminary survey of long (greater than 1000') driveways was completed using geographic information system (GIS) data from the Island County Communications Center and high resolution aerial photography. This survey identified a significant number of long driveways (129), but this is estimated to be 40% of driveways longer than 1000'. Key data elements required for access and water supply preplanning were identified and incorporated in to an ESRI Collector application for data collection. A long driveway informational package was prepared for homeowners to identify the access and water supply implications of long driveways, gates, and traffic calming devices. In addition, a focus group with key stakeholders was conducted to gather input on the long driveway program and its

implementation. This accomplishment addressed the District's strategic goal to reduce incident frequency and severity. In addition, it addressed Commission on Fire Accreditation International (CFAI) Accreditation Criteria 2B All Hazard Risk Assessment and Response Strategies (2B.1 Risk Classification Methodology, 2B.4 Risk Classification).

- **Target Hazard Preplanning:** In 2016 key preplan data elements were identified and an inventory of target hazards was developed. The workflow and methodology for development of GIS based target hazard preplans was identified. This accomplishment addressed the District's strategic goal to reduce incident frequency and severity. In addition, it addressed CFAI Accreditation Criteria 2B All Hazard Risk Assessment and Response Strategies (2B.1 Risk Classification Methodology).
- **Event Public Education Strategy:** In 2016 we developed and documented 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 accomplishment addressed the District's strategic goal to reduce incident frequency and severity. In addition, it addresses CFAI Accreditation Criteria 5B Public Education Programs (5B.1 Program Analysis and Targeted Delivery, 5B.3 Public Education Program Assessment).

Several Community Risk Reduction (CRR) Division Initiatives Adopted for 2016 were extended into 2017, these include:

- Wlprevent
- Target Hazard Preplanning
- Long Driveway Program
- Fire Inspection Records Management System

Projects

Major projects in 2017 include:

- **Wlprevent:** In 2014 the District spearheaded an effort to partner with other agencies and community members establishing the Wlprevent CRR coalition. This coalition lost momentum in 2016 and will be reinvigorated early in 2017 through increased focus on developing a fall prevention referral system tied to CWIFR's home safety survey program and selection of evidence based fall prevention strategies for implementation by coalition members. This project will address the District's strategic goal to reduce incident frequency and severity. In addition, this accomplishment addressed the CFAI Accreditation Criteria 5A (5A.5 Community Risk Assessment) and 5B (5B.1 Program Analysis and Targeted Delivery, 5B.3 Public Education Program Assessment, 5B.4 Large Loss Potential and high Risk Audiences).
- **Home Safety Survey Program:** Initially established in 2016, the Home Safety Survey Program will be expanded with a focused effort toward fire safety education as well as fall prevention in 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). Expansion of this program will address the District's strategic goal to reduce incident frequency and severity. In addition, address Commission on Fire Accreditation International (CFAI) Accreditation Criteria 5B Public Education Programs (5B.1 Program Analysis and Targeted Delivery, 5B.4 Large Loss Potential and High Risk Audiences).

- **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 reduce incident frequency and severity, and to identify. In addition, it addresses CFAI Accreditation Criteria 2B All Hazard Risk Assessment and Response Strategies (2B.1 Risk Classification Methodology).
- **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. It is anticipated that this project will extend beyond 2017 and will eventually transition to ongoing maintenance of long driveway data. This project addresses the District's strategic goal to reduce incident frequency and severity. In addition, it addresses CFAI Accreditation Criteria 2B All Hazard Risk Assessment and Response Strategies (2B.1 Risk Classification Methodology, 2B.4 Risk Classification).
- **Fire Inspection Records Management System:** Implementation of the Fire Inspection Records Management system in 2016 was delayed by late rollout of a software upgrade. Implementation will involve transition from a paper based to electronic inspection documentation. This project will address the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI Accreditation Criteria 5A Community Risk Reduction Program.
- **Juvenile Fire Setter Program:** Develop a Standard Operating Guideline documenting the intervention and referral process used with at juvenile fire setters. This project focuses on the District's strategic goal of reducing incident frequency and severity. In addition, it addresses Commission on Fire Accreditation International (CFAI) Accreditation Criteria 5B Public Education Program (5B.5 Juvenile Fire Setter Program)

- **Fire Investigation Program Plan:** This project will determine how we will more effectively address the need for fire investigation within the District and develop an implementation plan for service level improvement. This process will involve identifying options for fire investigation such as establishing shared service through Interlocal agreement, contracting with another agency, or qualification of staff to provide fire investigation services. This project addresses the District's strategic goal of reducing incident frequency and severity and identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI Accreditation Criteria 5C Fire Investigation Program (5C.3 Staffing, 5C.4 Interagency Agreement and Support, 5C.5 Fire Investigation Program Assessment).
- **Plans Review:** CWIFR will develop, document, and implement a formal process for fire code plans review in conjunction with Island County and the Town of Coupeville. This project addresses the District's Strategic Goal of reducing incident frequency and severity and identifying and applying best practice to achieve continuous improvement of effectiveness, efficiency, and value. This project addresses CFAI Accreditation Criteria 5A Community Risk Reduction (CRR) (5A.4 Plan Review) and 9A Water Supply (9A.1 Determination of Minimum Flow Requirements).

2017 Division Budget

Table 16 outlines the CRR Division Budget.

Table 16. Community Risk Reduction Division Budget

CRR Salaries & Wages					2015 Actual	2016 Adjusted	2017 Adopted
522	30	10	01	Full-Time FF/LT	\$0	\$432,058	\$441,972
522	30	15	02	Fully Qualified Incentive	\$0	\$669	\$788
522	30	12	01	Shift Coverage Overtime	\$0	\$21,111	\$22,266
522	30	13	01	Project Overtime	\$0	\$6,190	\$6,529
522	30	15	01	Education Incentive	\$0	\$5,587	\$5,893
522	30	16	01	FF/LT Holiday Pay	\$0	\$19,562	\$20,090
522	30	17	01	FT FF/LT AIC Pay	\$0	\$3,243	\$3,104
522	30	18	01	FT FF/LT Def Comp	\$0	\$17,137	\$17,679
522	30	19	01	Longevity	\$0	\$4,477	\$10,895
Sub Total					\$0	\$510,034	\$529,216
CRR Benefits							
522	30	21	01	FT FF/LT (Medicare)	\$0	\$6,992	\$7,467
522	30	22	01	FT FF/LT (L&I)	\$0	\$23,515	\$23,200
522	30	23	01	FT FF/LT (Medical & Dental)	\$0	\$92,886	\$92,880
522	30	24	01	FT FF/LT (LEOFF)	\$0	\$25,518	\$26,933
Sub Total					\$0	\$148,911	\$150,480

Table 16. Community Risk Reduction Division Budget (Continued)

CRR Office & Operating Supplies					2015 Actual	2016 Adjusted	2017 Adopted
522	30	31	01	Office Supplies	\$41	\$225	\$0
522	30	31	02	Fire Prevention	\$387	\$2,056	\$4,000
522	30	31	03	Fire Public Education Supplies	\$976	\$3,000	\$1,470
522	30	31	04	EMS Public Education Supplies	\$199	\$3,480	\$3,100
522	30	31	05	Fire Investigative Supplies	\$0	\$0	\$0
522	30	31	06	Pre-Incident Supplies	\$2,328	\$1,534	\$1,689
522	30	31	07	Books & Publications	\$0	\$75	\$200
522	30	31	08	Computer Software	\$435	\$2,500	\$2,500
522	30	31	09	Uniforms		\$2,400	\$2,400
Sub Total					\$4,364	\$15,270	\$15,359
CRR Small Equipment & Tools (<\$5,000)							
522	30	35	01	Computer Hardware	\$0	\$0	\$2,200
522	30	35	02	Office Equipment	\$0	\$0	\$0
522	30	35	03	CRR/Pre-Incident Equipment	\$0	\$0	\$0
Sub Total					\$0	\$0	\$2,200
CRR Professional Services							
522	30	41	01	Legal	\$0	\$0	\$0
522	30	41	02	Plans Review	\$0	\$500	\$0
522	30	41	03	Life Safety Consulting	\$0	\$1,600	\$0
Sub Total					\$0	\$2,100	\$0
CRR Travel, Lodging, & Meals							
522	30	43	01	Life Safety Meetings	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
CRR Operating Rentals & Leases							
522	30	45	01	Equipment Rental	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
CRR Repair & Maintenance							
522	30	48	01	Miscellaneous R & M	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0

Table 16. Community Risk Reduction Division Budget (Continued)

CRR Miscellaneous Services					2015 Actual	2016 Adjusted	2017 Adopted
522	30	49	01	Professional Memberships	\$225	\$140	\$300
522	30	49	02	Life Safety Meeting Expense	\$0	\$0	\$0
522	30	49	03	Subscriptions	\$0	\$0	\$0
522	30	49	04	Community Risk Reduction Grant	\$0	\$0	\$0
Sub Total					\$225	\$140	\$300

Total CRR Division Budget**\$4,590****\$676,455****\$697,555*****Major Expenditures/Changes***

The Adopted Community Risk Reduction (CRR) Division increased 3.12%. This increase is substantially due to contractual increases in compensation of Full-Time Firefighters and Lieutenants as well as increased expense for worker's compensation insurance through the Washington Department of Labor and Industries.

Training/Recruitment Division

The Training/Recruitment Division ensures that the District has adequate volunteer, part-time, and full-time staff and that our members have the competence necessary to serve our community. Competence in this sense is holistic, including the technical and interpersonal competence that reflects the District's values of Professionalism, Integrity, Compassion, and Excellence.

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

- Recruitment, Retention & Promotion
- Fire Training
- Emergency Medical Training
- Special Operations (Hazmat and Technical Rescue) Training
- Apparatus Operator Training
- Officer Development Training and Professional Development
- Human Resources/Occupational Safety Training
- Best Practice Research

Strategic Goals

The following Strategic Goals are of particular significance to the Training/Recruitment Division.

- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.
- Ensure adequate staffing.

In addition, the Training/Recruitment Division directly supports the District's Strategic Goal to be fiscally responsible and operate with transparency.

Personnel Summary

The Training/Recruitment Division is staffed by a Captain. While staffed with a single person, 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 2016 include the following:

- **Initial Entry Training Program:** Common knowledge and skills that cross entry level rank and role boundaries have been identified. An initial entry training curriculum has also been defined to provide 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 accomplishment focused on the District's strategic goal of ensuring adequate staffing. In addition, this accomplishment addressed Commission on Fire Accreditation International (CFAI) Accreditation 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 provides a clear professional development roadmap for members aspiring to higher rank or different roles within the organization. This accomplishment focused on the District's strategic goal of ensuring adequate staffing. In addition, this accomplishment addressed CFAI Accreditation Criteria 8A Training and Education Program Requirements (8A.4 Defined Minimum Training Standards).
- **Individual and Company Performance Standards:** A individual and company performance standards Standard Operating Guideline (SOG) was developed and pilot tested. An effective individual and company standards program ensures that our members are proficient in critical skills and have the necessary physical capacity to perform in their current role. This accomplishment focused on the District's Strategic Goal of ensuring adequate staffing. In addition, this accomplishment addressed 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 were trained consistent with the provisions of *National Fire Protection Association (NFPA) 1006 Standards for Technical Rescuer Professional Qualifications* (NFPA, 2013c) and *NFPA 1670 Standard on Operations and Training for Technical Search and Rescue Incidents* (NFPA, 2014) for operational level rope rescue, with a specific emphasis on low angle rescue operations. Volunteer Firefighters, Fire Officers, and Emergency Medical Technicians were provided the option of participating in this operations level training and those not participating in the operations level training were trained to the awareness level. This accomplishment focused on the District's strategic goals of ensuring adequate staffing and focusing prevention, public education, and improvement of operational capability on community risks. In addition, this accomplishment addressed Commission on Fire Accreditation International (CFAI) Accreditation Criteria 5G Technical Rescue (5G.2 Training and Operational Standards).
- **Training & Recruitment Plan:** The Division developed a multi-year integrated training plan that addresses the District's current and future training needs for volunteer, part-time, and full-time staff. This initiative focused on the District's strategic goal of ensuring adequate staffing. In addition, this accomplishment addressed CFAI Accreditation Criteria 8A Training and Education Program Requirements.
- **Blue Card Program Implementation:** The District completed implementation a Command Training Center for conducting simulation based training program. In addition, the District implemented the Blue Card incident commander training and certification program, certifying full-time company officers, and members who act-in-capacity (AIC) as a company officer. This accomplishment focused on the District's strategic goal of ensuring adequate staffing. In addition, this accomplishment addressed CFAI Accreditation Criteria 5E Fire Suppression (5E.2 Standard Operating Policies and Procedures and 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 marine operations training program trained coxswains and boat crew members in operation of the District's new rescue boat (25' Safe Boat) and marine rescue operations. The size and operational characteristics of the new boat required requalification of apparatus operators (trailer and backing), coxswains and boat crewmembers. This accomplishment focused on the District's strategic goals of ensuring adequate staffing and focusing prevention, public education, and improvement of operational capability on community risks. In addition, this accomplishment addressed CFAI Accreditation Criteria 5G Technical Rescue (5G.1 Technical Rescue Program Performance and 5G.2 Minimum Training and Operational Standards).

Projects

Several Training and Recruitment Division initiative have been extended into 2017, these include:

- **Training Records Management System:** Implement an improved training records management system (RMS). Transition from the prior RMS will streamline workflow and maximize the effectiveness and efficiency. This project addresses the District's strategic goal to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it will address Commission on Fire Accreditation International (CFAI) Accreditation Criteria 8B Training and Education Program Performance (8B.5 Records Management System).
- **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 project focuses on the District's strategic goal of ensuring adequate staffing. In addition, this project 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).
- **Recruitment Plan:** The Training and Recruitment Division will complete a workforce analysis, examine alternative staffing strategies to strengthen volunteer participation and complete a recruitment plan to address ongoing part-time and volunteer recruitment needs. This project focuses on the District's strategic goals of ensuring adequate staffing and being fiscally responsible and operating with transparency. In addition, this project addresses CFAI Accreditation Criteria 7B Recruitment, Retention, Selection and Promotion (7B.6 probationary period).
- **Individual and Crew Performance Standards:** Performance standards will be expanded to include a wider range of fire, emergency medical, and rescue skills and assessment of individual and company performance will be assessed on a biennial basis. This initiative focuses on the District's strategic goal of ensuring adequate staffing. In addition, this project 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).

New Major Initiatives in 2017:

- **Orientation:** Develop a standard orientation process to ensure new members receive adequate orientation and introduction upon entry. This project focuses on the District's strategic goal of ensuring adequate staffing. This project also addresses CFAI Accreditation Criteria 7B Recruitment, Retention, Selection and Promotion. Orientation Program (7B.5 Orientation).

- **Probationary Period:** Establish a standard probationary period for all employees inclusive of all disciplines to ensure all new members receive adequate orientation and introduction upon entry. This project focuses on the District's strategic goal of ensuring adequate staffing. This project also addresses CFAI Accreditation Criteria 7B Recruitment, Retention, Selection and Promotion (7B.6 probationary period).
- **Wildland Firefighting Training & Certification:** Develop and deliver a blended on-line and face-to-face training program certifying members at the Wildland Firefighter 2 level. This initiative focuses on the District's Strategic Goal of ensuring adequate staffing and Commission on Fire Accreditation International (CFAI) Accreditation Criteria 5K Wildland Fire Services (5K.4 Training and Certification).

2017 Division Budget

Table 17 outlines the Training/Recruitment Division Budget.

Table 17. Training/Recruitment Division Budget

Training Salaries & Wages					2015 Actual	2016 Adjusted	2017 Adopted
522	45	11	01	FT CAPT	\$75,721	\$83,660	\$82,913
522	45	12	01	Training Overtime	\$1,774	\$9,206	\$9,710
522	45	13	01	Training Education Incentive	\$0	\$1,215	\$1,658
522	45	14	01	Project Overtime (Captain)	\$0	\$1,077	\$1,136
522	45	15	01	Fully Qualified Incentive	\$0	\$0	\$0
522	45	16	01	Longevity	\$0	\$2,305	\$2,487
522	45	17	01	AIC Differential	\$2,008	\$0	\$0
522	45	19	01	FT CAPT (Def Comp)	\$2,756	\$3,214	\$3,317
Sub Total					\$82,260	\$100,677	\$101,221
Training Benefits							
522	45	21	01	FT CAPT (Medicare Only)	\$716	\$1,525	\$1,433
522	45	22	01	FT CAPT (L&I)	\$2,537	\$3,695	\$3,646
522	45	23	01	FT CAPT (Medical/Dental)	\$17,495	\$20,265	\$20,265
522	45	24	01	FT CAPT (LEOFF)	\$4,814	\$5,422	\$5,167
Sub Total					\$25,562	\$30,907	\$30,511
Training Office & Operating Supplies							
522	45	31	01	Office Supplies	\$155	\$100	\$100
522	45	31	02	Fire Training-Supplies	\$351	\$3,980	\$860
522	45	31	03	EMS Training -Supplies	\$0	\$0	\$805
522	45	31	04	Spec Ops Training-Supplies	\$0	\$0	\$0
522	45	31	05	Officer Develop Training-Supplies	\$0	\$0	\$0
522	45	31	06	Other Training-Supplies	\$0	\$0	\$0

Table 17. Training/Recruitment Division Budget (Continued)

Training Office & Operating Supplies (Continued)					2015 Actual	2016 Adjusted	2017 Adopted
522	45	31	07	Computer Software	\$0	\$600	\$0
522	45	31	08	Books & Publications	\$1,959	\$2,000	\$1,325
522	45	31	09	Uniforms - Training	\$268	\$400	\$400
Sub Total					\$2,734	\$7,080	\$3,490
Training Fuel							
522	45	32	01	Training Propane	\$0	\$400	\$400
Sub Total					\$0	\$400	\$400
Training Small Tools & Equipment (<\$5000)							
522	45	35	01	Fire Training - Sm Tools & Equipment	\$1,195	\$760	\$2,000
522	45	35	02	EMS Training - Small Tools & Equip	\$0	\$3,625	\$3,200
522	45	35	03	Spec Ops Training	\$0	\$0	\$0
522	45	35	04	Officer Development	\$0	\$0	\$0
522	45	35	05	Computer Hardware	\$3,026	\$2,000	\$200
522	45	35	06	Safety Equipment	\$0	\$0	\$0
522	45	35	07	Station Furniture	\$1,724	\$3,460	\$1,610
Sub Total					\$5,945	\$9,845	\$7,010
Training Professional Services							
522	45	41	01	Consulting Services	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Training Travel, Lodging, & Meals							
522	45	43	01	Fire Training (TLM)	\$2,479	\$2,600	\$2,100
522	45	43	02	EMS Training (TLM)	\$524	\$2,800	\$1,200
522	45	43	03	Spec Ops Training (TLM)	\$0	\$480	\$1,200
522	45	43	04	Officer Training (TLM)	\$931	\$2,531	\$4,875
522	45	43	05	Other Training (TLM)	\$2,572	\$4,150	\$4,200
522	45	43	06	Commissioners Training (TLM)	\$6,466	\$6,458	\$7,450
Sub Total					\$12,973	\$19,019	\$21,025
Advertising							
522	45	44	01	Recruitment Advertising	\$0	\$500	\$1,000
Sub Total					\$0	\$500	\$1,000
Operating Rentals & Leases							
522	45	45	01	Learning Management System	\$4,889	\$3,389	\$5,000
522	45	45	02	Equipment Rental	\$0	\$500	\$0
Sub Total					\$4,889	\$3,889	\$5,000

Table 17. Training/Recruitment Division Budget (Continued)

Training Repair & Maintenance					2015 Actual	2016 Adjusted	2017 Adopted
522	45	48	01	Miscellaneous R&M	\$0	\$500	\$0
Sub Total					\$0	\$500	\$0
Training Miscellaneous							
522	45	49	01	Fire Training -Registrations	\$10,469	\$6,500	\$8,200
522	45	49	02	EMS Training -Registrations	\$885	\$2,890	\$5,340
522	45	49	03	Spec Ops Training-Registrations	\$0	\$1,200	\$1,200
522	45	49	04	Officer Develop Training -Registrations	\$4,736	\$9,925	\$7,590
522	45	49	05	Other Training-Registrations	\$6,676	\$4,960	\$6,010
522	45	49	06	Commissioners Training -Registrations	\$2,320	\$4,940	\$5,850
522	45	49	07	Tuition	\$7,229	\$5,000	\$5,000
522	45	49	08	Professional Memberships	\$88	\$225	\$95
522	45	49	09	Subscriptions	\$0	\$0	\$0
522	45	49	10	Vision Training	\$0	\$2,250	\$2,250
Sub Total					\$32,402	\$37,890	\$41,535
Training Intergovernmental Professional Services							
522	45	51	01	Permits	\$0	\$100	\$100
Sub Total					\$0	\$100	\$100
Total Training Division Budget					\$166,764	\$210,807	\$211,292

Major Expenditures/Changes

Overall, the Adopted Training/Recruitment Division Budget increased 0.23% from the 2016 Adjusted Budget. The major factors influencing this increase are the contractual increase in compensation for the Training & Recruitment Captain, increased expense for worker's compensation insurance through the Washington Department of Labor and Industries, and the expense of maintaining Blue Card Incident Command Instructor and Incident Commander Certification (Officer Development). 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

Strategic Goals

The following Strategic Goals are of particular significance to the Facilities Division.

- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.
- Maintain adequate infrastructure to support operations.

In addition, the Facilities Division directly supports the following Strategic Goal to be fiscally responsible and operate with transparency.

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 2016 include the following:

- **Facilities Preventative Maintenance Program.** This accomplishment involved identification of routine and periodic maintenance requirements for buildings, building systems, and other facilities. This accomplishment addressed the District's Strategic Goal to maintain adequate infrastructure to support operations. In addition, it will move the District forward towards Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6B Fixed Facilities (6B.2 Buildings and Grounds).
- **Landscaping Assessment:** Landscaping at District facilities was assessed with an emphasis on reducing workload on District staff, landscape maintenance cost, and benefiting the environment. This accomplishment addressed the District's Strategic Goals to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value and to be fiscally responsible and operate with transparency. In addition, it will move the District forward towards CFAI Accreditation Criteria 6B Fixed Facilities (6B.2 Buildings and Grounds).
- **Station 53 Water System.** A water filter and water softening system was installed in the District's Class B Water System at Station 53. These water system improvements will reduce ongoing maintenance costs resulting from sediment and the mineral content of the water from the District's well. This accomplishment addressed the District's strategic goal to maintain adequate infrastructure and to be fiscally responsible and operate with transparency. In addition, it will move the District forward towards CFAI Accreditation Criteria 6B Fixed Facilities (6B.2 Buildings and Grounds).

Projects

Major projects in 2017 include the following:

- Facilities Maintenance System:** A system to integrate facilities, equipment, and fleet maintenance requests will be implemented to increase the effectiveness and efficiency of reporting and tracking maintenance activities. This initiative will focus on the District's Strategic Goal to maintain adequate infrastructure to support operations. In addition, this project addresses Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6B: Fixed Facilities (6B.2).
- Facilities Storage Solutions:** This project involves identification and implementation of temporary storage solutions at each of the District's fire stations, pending completion of capital facilities projects to address program space requirements on a more comprehensive basis. Completion of this project will provide adequate storage for tools, equipment, and expendable supplies at each of the District's facilities. This project will focus on the District's Strategic Goal to maintain adequate infrastructure to support operations. In addition, it addresses CFAI criteria 6B: Fixed Facilities (6B.1), 6E: Tools, Supplies, and Small Equipment (6E.4), and 6F: Safety Equipment (6F.5).

2017 Division Budget

Table 18 outlines the Facilities Division Budget.

Table 18. Facilities Division Budget

Facilities Office & Operating Supplies					2015 Actual	2016 Adjusted	2017 Adopted
522	50	31	01	Janitorial Supplies	\$1,237	\$2,200	\$2,200
522	50	31	02	Station 51 (Operating Supplies)	\$107	\$668	\$940
522	50	31	03	Station 52 (Operating Supplies)	\$0	\$200	\$200
522	50	31	04	Station 53 (Operating Supplies)	\$1,969	\$2,200	\$2,440
522	50	31	05	Station 54 (Operating Supplies)	\$0	\$600	\$600
522	50	31	06	Training Center	\$0	\$2,500	\$0
Sub Total					\$3,312	\$8,368	\$6,380
Facilities Fuel							
522	50	32	03	Station 51 Propane	\$3,160	\$8,000	\$8,000
522	50	32	07	Station 52 Propane	\$0	\$1,500	\$1,500
522	50	32	10	Station 53 Propane	\$2,655	\$6,000	\$6,000
522	50	32	13	Station 54 Propane	\$3,387	\$7,000	\$7,000
Sub Total					\$9,202	\$22,500	\$22,500

Table 18. Facilities Division Budget (Continued)

Facilities Small Tools & Equipment					2015 Actual	2016 Adjusted	2017 Adopted
522	50	35	01	Facilities Furniture	\$187	\$2,800	\$1,050
522	50	35	02	Facilities Equipment & Tools	\$1,064	\$750	\$750
522	50	35	03	Grounds Equipment	\$158	\$1,320	\$1,650
522	50	35	04	Fitness Equipment	\$1,325	\$800	\$2,115
Sub Total					\$2,733	\$5,670	\$5,565
Facilities Professional Services							
522	50	41	01	Burn Building Inspection	\$0	\$2,600	\$0
522	50	41	02	Generator Testing & Maintenance	\$820	\$1,200	\$1,200
522	50	41	04	Fire & Security Systems	\$2,902	\$3,200	\$3,200
522	50	41	05	Fire Extinguishing Inspection	\$1,149	\$650	\$650
522	50	41	06	Pest Control Services	\$435	\$400	\$400
Sub Total					\$5,307	\$8,050	\$5,450
Facilities Operating Rentals & Leases							
522	50	45	01	Equipment Rental	\$0	\$0	\$180
Sub Total					\$0	\$0	\$180
Facilities Utilities							
522	50	47	01	Station 51 Electric	\$4,033	\$4,300	\$4,300
522	50	47	02	Station 51 Garbage	\$296	\$375	\$375
522	50	47	03	Station 51 Water	\$226	\$300	\$375
522	50	47	04	Station 52 Electric	\$266	\$350	\$350
522	50	47	05	Station 52 Garbage	\$0	\$0	\$0
522	50	47	06	Station 53 Electric	\$8,702	\$10,000	\$10,000
522	50	47	07	Station 53 Garbage	\$2,924	\$3,900	\$3,900
522	50	47	08	Station 54 Electric	\$1,608	\$2,100	\$2,400
522	50	47	09	Station 54 Garbage	\$0	\$0	\$0
522	50	47	10	Training Center Electric	\$712	\$1,000	\$1,400
522	50	47	11	Landfill Fees	\$191	\$1,000	\$1,000
522	50	47	12	Station 53 Water	\$962	\$1,200	\$1,300
522	50	47	13	Station 54 Water	\$120	\$480	\$480
Sub Total					\$20,041	\$25,005	\$25,880

Table 18. Facilities Division Budget (Continued)

Facilities Repair & Maintenance					2015 Actual	2016 Adjusted	2017 Adopted
522	50	48	01	Station 51 (Repair & Maintenance)	\$2,318	\$3,000	\$4,000
522	50	48	02	Station 52 (Repair & Maintenance)	\$109	\$1,000	\$500
522	50	48	03	Station 53 (Repair & Maintenance)	\$8,840	\$9,945	\$10,000
522	50	48	04	Station 54 (Repair & Maintenance)	\$701	\$3,000	\$3,500
522	50	48	05	Training Center	\$0	\$0	\$2,400
Sub Total					\$11,967	\$16,945	\$20,400
Intergovernmental Professional Services							
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
Sub Total					\$0	\$551	\$551
Facilities Intergovernmental Payments							
522	50	20	01	Property Tax (Forest Protection)	\$135	\$157	\$138
Sub Total					\$135	\$157	\$138
Total Facilities Division Budget					\$52,697	\$87,246	\$87,044

Major Expenditures/Changes

Facilities Division expenditures in the 2017 Adopted Budget decreased by 0.23% from the expenditures in the 2016 Adjusted Budget.

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

Strategic Goals

The following Strategic Goals are of particular significance to the Vehicle Maintenance Division.

- Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value.
- Maintain adequate infrastructure to support operations.

In addition, the Vehicle Maintenance Division directly supports the following Strategic Goal to be fiscally responsible and operate with transparency.

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 2016 included:

- ***Continuous Improvement:*** Preventative maintenance schedules for the existing fleet and new vehicles were developed and refined and a system was implemented to archive fleet maintenance records on an annual basis. These improvements will aid in record keeping and on time scheduling of preventive maintenance procedures according to the manufactures recommended schedules. This accomplishment supported the District's strategic goals to maintain adequate infrastructure and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this accomplishment will address Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6D (6D.1 Apparatus Maintenance Program), and 6E (6E.3 Apparatus and Equipment Maintenance testing and inspections are conducted by qualified personnel).
- ***EVT Training & Certification:*** The Firefighter/Mechanic has completed all of the requirements for certification as a Master Fire Apparatus EVT certification. This initiative supports the District's strategic goal to ensure adequate staffing. In addition, this accomplishment will address CFAI Accreditation Criteria 6D (6D.3 Staffing), and 6E (6E.3 Apparatus and Equipment Maintenance testing and inspections are conducted by qualified personnel).

The Vehicle Maintenance Division extended the initiative focused on Development of Repair and Preventative Maintenance Standard Operating Guidelines (SOG) into 2017 and deferred the initiative to Improve the Parts Inventory System to 2017.

Projects

Major Projects in 2017 include the following:

- **Develop Standard Operating Guidelines (SOG):** Create SOGs for the repair and PM processes of the district's fleet. This project supports the District's strategic goals to maintain adequate infrastructure and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this accomplishment will address the Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6D (6D.1 Current standard operating procedures or general guidelines for an apparatus maintenance program).
- **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 project supports the District's strategic goals to maintain adequate infrastructure and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project will address the CFAI Accreditation Criteria 6E (6E.4 Inventory control and tracking).
- **EVT Training & Certification:** Complete Ambulance Level I & II EVT certification training. This project supports the District's strategic goal to ensure adequate staffing. In addition, this project will address CFAI Accreditation Criteria 6D (6D.3 Staffing), and 6E (6E.3 Apparatus and Equipment Maintenance testing and inspections are conducted by qualified personnel).
- **Mobile Repair Vehicle:** Improve the District's preventative maintenance program by completing the assembly of a well outfitted fleet maintenance repair truck. This project supports the District's strategic goals to maintain adequate infrastructure and to apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project will address CFAI Accreditation Criteria 6D (6D.2 Appropriate equipment and tools are provided and 6E.3 Apparatus and Equipment Maintenance Systems).
- **Staffing Level Assessment:** Implement a method to be able to track time being spent on Fleet management, training, and miscellaneous tasks. Data from our fleet software identifies how many direct labor hours are associated with physically working on the fleet. Analysis of these data sets will assist in identification of required staffing levels based on fleet size and maintenance requirements. This project addresses the District's strategic goal to ensure adequate staffing and CFAI Accreditation Criteria 6D (6D.3 an adequate number of trained and certified maintenance personnel are available to meet the program needs).

2017 Division Budget

Table 19 outlines the Vehicle Maintenance Division Budget.

Table 19. Vehicle Maintenance Division Budget

Vehicle Maintenance Salaries & Wages					2015 Actual	2016 Adjusted	2017 Adopted
522	60	11	01	FT FF Mechanic	\$62,602	\$69,892	\$71,949
522	60	12	01	FT FF Mechanic (Vehicle Maint O/T)	\$87	\$760	\$818
522	60	13	01	FT FF Mechanic (Educational Incentive)	\$1,246	\$1,368	\$1,439
522	60	14	01	FT FF Mechanic (Other Overtime)	\$0	\$0	\$0
522	60	15	01	Fully Qualified Incentive	\$0		\$0
522	60	16	01	Longevity	\$0		\$0
522	60	19	01	FT FF Mechanic (Def Comp)	\$2,491	\$2,732	\$2,878
Sub Total					\$66,425	\$74,752	\$77,084
Vehicle Maintenance Benefits							
522	60	21	01	FT FF Mechanic (Medicare Only)	\$916	\$1,033	\$1,110
522	60	22	01	FT FF Mechanic (L&I)	\$2,471	\$3,695	\$3,646
522	60	23	01	FT FF Mechanic (Medical & Dental)	\$20,151	\$20,153	\$20,153
522	60	24	01	FT FF Mechanic (LEOFF)	\$3,493	\$3,827	\$4,003
Sub Total					\$27,031	\$28,708	\$28,912
Vehicle Maintenance Office and Operating Supplies							
522	60	31	01	Apparatus R&M Supplies	\$1,926	\$3,004	\$3,530
522	60	31	02	Computer Software	\$755	\$900	\$900
522	60	31	03	Computer Hardware	\$0	\$0	\$340
522	60	31	04	Uniforms - Mechanic	\$0	\$691	\$400
522	60	31	05	Office Supplies	\$0	\$500	\$500
Sub Total					\$2,681	\$5,095	\$5,670
Small Tools & Minor Equipment							
522	60	35	01	Personal Protective Equipment	\$57	\$224	\$225
522	60	35	02	Vehicle Maintenance Tools	\$2,149	\$6200	\$5,400
522	60	35	03	Computer Equipment	\$0	\$0	\$0
Sub Total					\$2,205	\$6,424	\$5,625
Vehicle Maintenance Travel, Lodging, & Meals							
522	60	43	01	Vehicle Maintenance Meetings	\$0	\$250	\$250
Sub Total					\$0	\$250	\$250
Operating Rentals & Leases							
522	60	45	01	Equipment Rental	\$9	\$500	\$500
Sub Total					\$9	\$500	\$500

Table 19. Vehicle Maintenance Division Budget (Continued)

Vehicle Repair & Maintenance					2015 Actual	2016 Adjusted	2017 Adopted
522	60	48	01	Apparatus R&M	\$26,966	\$36,681	\$30,400
Sub Total					\$26,966	\$36,681	\$30,400
Vehicle Maintenance Miscellaneous							
522	60	49	01	Miscellaneous	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Total Mechanic Division Budget					\$125,318	\$152,409	\$148,441

Major Expenditures/Changes

Compensation for the Firefighter/Mechanic and expense for worker's compensation insurance through the Washington Department of Labor and Industries increased. However, the Vehicle Maintenance Division budget was reduced 2.6% due predominantly to reduction in apparatus repair and maintenance cost.

Summary of General Fund by Division

As illustrated in Table 20, the total General Fund Budget increased 2.08%. The most significant percentage increases were in the Community Risk Reduction (CRR) Division and Training and Recruitment Division, in large part due to contractual compensation increases. However, these increases were offset by much smaller increases in other Divisions and a reduction in the Adopted Budget for the Fleet Maintenance Division.

Table 20. General Fund Budget by Division

Division	2015 Actual	2016 Adjusted	2017 Adopted	Change
Administration	\$486,816	\$574,270	\$604,432	5.25%
Operations	\$1,007,462	\$496,977	\$525,332	5.75%
Community Risk Reduction	\$4,590	\$676,455	\$697,555	3.12%
Training	\$166,764	\$210,807	\$211,292	0.23%
Facilities	\$52,697	\$87,246	\$87,044	-0.23%
Fleet Maintenance	\$125,318	\$152,409	\$148,441	-2.60%
Total District Budget	\$1,843,646	\$2,198,164	\$2,274,096	3.47%

As discussed in the Budget Message, the 2017 Adopted District budget is 3.47% higher than in 2016. The majority of this increase is due to onetime expenses related to presenting a bond measure to the District's voters in 2017. Absent these onetime expenses, the increase in the District's 2017 Adopted Budget is 0.87%. This increase is within the District's long term financial plan (CWIFR 2015a) and budgeted funds provide for improvement over current service delivery levels with a continued increase in volunteer staffing.

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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 the Budgeting, Accounting, and Reporting System (BARS), this managerial fund is rolled up into the General Fund.

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.

Detail of 2015 Contingency Transfers

In 2015, the District made the following \$24,600 in contingency fund transfers.

Labor and Industries

The District's worker's 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 worker's compensation costs spread across eight line items (worker's 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.

Detail of 2016 Contingency Fund Transfers

In 2016, the District made the following \$42,747 in contingency fund transfers:

Administrative Audit

Transfer of \$11,700 from the Contingency Fund to Line 522-10-51-01 to cover the additional expense of expanding the District's financial audit by an additional two years to provide audited financial reports from 2010 to 2014.

Collective Bargaining Agreement

Prior to approval of the 2016 budget, the District and Local 4299 International Association of Firefighters were engaged in collective bargaining negotiations. As the District had not determined the outcome of these negotiations, funds were not budgeted for compensation increases in 2016. These negotiations were successfully concluded in September of 2016 and a contingency transfer planned for November 2016. This will involve transfer of \$31,047 spread between the lines identified in Table 21.

Table 21. Collective Bargaining Agreement Transfer Detail

Line Number	Description	Transfer
522 20 12 02	Callback Overtime	\$205
522 20 12 03	Project Overtime	\$21
522 30 10 01	Full-Time FFs & LTs	\$11,314
522 30 12 01	Shift Coverage Overtime	\$570
522 30 13 01	Project Overtime	\$167
522 30 15 01	Educational Incentive	\$151
522 30 15 02	Fully Qualified Incentive	\$767
522 30 15 03	Longevity	\$2,670
522 30 16 01	FF Holiday Pay	\$514
522 30 17 01	AIC Differential	\$79
522 30 18 01	FT Firefighters Deferred Comp	\$453
522 30 21 01	FT FFs & LTs (Medicare Only)	\$785
522 30 24 01	FT FFs & LTs (LEOFF)	\$2,831
522 45 11 01	Full-Time Captain	\$2,123
522 45 13 01	Educational Incentive	\$1,615
522 45 13 03	Longevity	\$2,422
522 45 12 01	Training Overtime	\$249
522 45 12 02	Project Overtime	\$29
522 45 19 01	FT Captain Deferred Comp	\$85
522 45 21 01	FT Captain (Medicare Only)	\$90
522 45 24 01	FT Captain (LEOFF)	\$324
522 60 11 01	FT Firefighter Mechanic	\$3,141
522 60 12 01	Vehicle Maintenance Callback	\$36
522 60 13 01	Educational Incentive	\$63
522 60 19 01	FT Firefighter/Mechanic Deferred Comp	\$126
522 60 21 01	FT Firefighter/Mechanic (Medicare Only)	\$47
522 60 24 01	FT Firefighter/Mechanic (LEOFF)	\$171

Capital Projects Fund

Overview of the 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 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.

When this fund was established, it was substantially underfunded to meet the District's *pay as you go* fiscal policy for apparatus and equipment. If the cost of each vehicle and equipment replacement and acquisition is amortized over its useful life, the District should transfer approximately \$296,596 to the 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 Capital Projects Fund in 2012, the District has transferred well in excess of this amount to this fund on an annual basis. At the start of 2017, the balance of the General Capital Project Fund is anticipated to be approximately \$1,317,148 and \$353,000 will be transferred from the General Fund to the Capital Projects Fund in 2017.

While progress has been made in developing sufficient funds to meet the District's requirements for apparatus and equipment, there has not been sufficient revenue to set aside funds for capital facilities projects. The 2017-2027 Capital Project Plan as presented in this section of the budget is based on passage of a bond measure to fund capital facilities and major apparatus (fire engine replacement) projects.

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 facilities capital projects. In addition, CWIFR will be unable to maintain current service levels and investment in apparatus and equipment capital projects beyond 2021 without increased revenue.

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 addition to Station 53 and Station 54 in Greenbank. The next most important need is renovation and expansion of Station 51 in Coupeville which is jointly owned with WhidbeyHealth and houses both fire district facilities and the WhidbeyHealth Emergency Medical Services (EMS) offices. This project will require substantial joint planning between the District and WhidbeyHealth to identify and address the needs of both agencies. Future needs also 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 capital projects. Expenses related to a voter approved bond are included in the Adopted District budget pending a decision to place a bond measure before the voters. As this bond would fund capital projects, including:

- Renovation and expansion of Station 53 on Race Road in Coupeville
- Renovation and expansion of Station 54 on Day Road in Greenbank
- Replacement of three Type 1 Fire Engines based on reaching their service life of 25 years

Table 22 outlines the District's current capital projects plan. Inclusion of renovation and expansion of Stations 53 and 54 is based on passage of a voter approved bond. Additional detail on funding for major capital projects is provided in the District's Long Term Financial Plan (Appendix C)

2017-2027 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 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

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Table 22. 2017-2027 Capital Projects Schedule

Expenditures	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
594 22 64 04	Replace Apparatus 8601 (E542)	\$1,714											
594 22 64 09	Refurbish Apparatus 0701 (T54) & 0702 (T53)	\$196,779											
594 22 64 12	NEW Apparatus 1301 (C502)	\$10,968							\$46,500				
594 22 64 14	Hose & Appliances	\$20,224	\$23,200	\$23,200	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225	\$19,225
594 22 63 03	Facilities Study (Architectural & Engineering)	\$14,388											
594 22 64 17	Replace Apparatus 0501 (A53)	\$60,990											
594 22 64 18	Replace Apparatus 0301 (M5)	\$115,215											
594 22 64 19	Thermal Imager (TI) Replacement	\$29,920											
594 22 64 32	Rescue Equipment Replacement	\$14,803											
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 35	Marine 5 Electronics Upgrade			\$13,000									
594 22 64 20	Replace Apparatus 0703 (A53)			\$70,000									
594 22 64 34	Replace Apparatus 0601 & 0602 (B53 & B54)				\$300,000								
594 22 63 05	Station 53/Administrative Facility					\$5,417,000							
594 22 64 15	Replace Apparatus 9402 (R51)					\$70,000							
594 22 64 31	Extrication Equipment Replacement					\$25,000							
594 22 64 11	Server Replacement					\$10,716							
594 22 64 06	Mobile Data Computer Replacement						\$14,000						
594 22 64 21	SCBA/Cylinder Replacement						\$299,500						
594 22 64 22	Apparatus 9401 (E51) Replacement						\$652,925						
594 22 64 05	Replace/Upgrade AEDs						\$28,000						
574 22 64 02	Replace Apparatus 1301 (S591)						\$17,500						
594 22 64 16	Replace Apparatus 9501 (Fleet Services)						\$120,000						
594 22 63 07	Replace Roof Covering Burn Building/Tower						\$6,000						
594 22 64 28	Apparatus 9601 (E512) Replacement						\$652,925						
594 22 63 06	Station 54 Expansion							\$2,572,000					
594 22 64 29	Apparatus 9602 (E54) Replacement							\$652,925					
594 22 64 23	ImageTrend Records Management System									\$17,234			
594 22 64 24	IT Infrastructure Improvements									\$12,650			
594 22 64 25	Fit Test Upgrade (Software/Hardware)									\$5,861			
594 22 63 04	Station 51 Phase 2 (Deferred)												
Total Expenditures	\$465,001	\$48,200	\$106,200	\$319,225	\$5,541,941	\$985,650	\$843,650	\$3,244,150	\$65,725	\$19,225	\$19,225	\$19,225	\$19,225

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Capital Projects Budget

Table 23 illustrates the capital projects budgeted in 2017.

Table 23. Capital Projects Budget

Expenditures		2015 Actual	2016 Budgeted	2017 Adopted
594 22 64 04	Replace Apparatus 8601 (E542)	\$1,714		
594 22 64 09	Refurbish Apparatus 0701 (T54) & 0702 (T53)	\$196,779		
594 22 64 12	NEW Apparatus 1301 (C502)	\$10,968		
594 22 64 14	Hose & Appliances	\$20,224	\$23,200	\$23,200
594 22 63 03	Facilities Study (Architectural & Engineering)	\$14,388		
594 22 64 17	Replace Apparatus 0501 (A53)	\$60,990		
594 22 64 18	Replace Apparatus 0301 (M5)	\$115,215		
594 22 64 19	Thermal Imager (TI) Replacement	\$29,920		
594 22 64 32	Rescue Equipment Replacement	\$14,803		
594 22 64 33	Fire 1 Upgrade (Transmitter Replacements)		\$18,000	
594 22 63 06	Station 53 Water System Upgrade		\$7,000	
594 22 63 04	Station 51 Phase 2 (<i>Deferred</i>)			
594 22 64 35	Marine 5 Electronics Upgrade			\$13,000
594 22 64 20	Replace Apparatus 0703 (A53)			\$70,000
Total Expenditures		\$465,001	\$48,200	\$106,200

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.

2017-594-22-64-14 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).

- Replace 3" hose incrementally, beginning with hose that has greater than 20 years of service.
- 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).

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.

2017-594-22-64-35 Marine 5 Electronics Upgrade

Description: This project would upgrade the radar, sonar, and geographic positioning system (GPS) on the District's Rescue Boat (Marine 5) and would provide an I-Pad for use in accessing the Island County Communications Center (ICOM) computer aided dispatch (CAD) system during marine rescue operations.

Purpose & Justification: The existing electronics suite on the Rescue Boat is comprised of consumer grade electronic hardware that provides basic functionality, but is not fully suited to marine search and rescue operations. Operations conducted over the first year that this vessel has been in service have allowed identification of the capabilities and limitations current electronic equipment.

The improved electronics suite would provide a larger screen, aiding in navigation and allowing simultaneous monitoring of position and depth of water beneath the boat. The upgraded GPS would also have the capability to plot coordinates and input a grid search pattern, significantly improving the efficiency of search operations. In addition to navigation capabilities, the electronics system would also be able to display fuel status and engine performance data, simplifying the coxswains job duties.

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 should have no impact on operational expense.

2017-594-22-64-20 Replace Apparatus 0703

Description: Originally programmed as replacement of the existing apparatus (2007 Ford Expedition SUV) with a similar vehicle, this project has been revised to replace the existing apparatus with a ¾ ton crew cab, diesel pickup and installation of related equipment (radios, warning lights).

Purpose & Justification: Apparatus 0703 is a 2007 Ford Expedition which was originally purchased and placed into service as a Command Unit. In 2015, this apparatus was re-designated as Aid 53 and used as a Medical Emergency Response Vehicle (MERV) through the end of 2016. The District's Light Apparatus Working Group has examined the District's light apparatus (Command Vehicles, MERV, Rescue, and Brush Units) to determine if the condition of existing apparatus, specific application and use, and if it is adequate for the District's short and mid-term needs. The working group identified several ongoing maintenance issues and areas in which apparatus was not fully suited for the District's short and mid-term needs that impact on this project.

- Over the last seven years, the MERV has been infrequently staffed by volunteer Emergency medical Technicians (EMT) and as such has little to no impact on the District's delivery of emergency medical services. As such use of this vehicle as a MERV may be discontinued and the apparatus repurposed without negative impact.
- While the existing SUV was capable of towing the prior (small) marine unit, it is not capable of towing the existing vessel and trailer.
- The current marine unit and trailer is currently towed by Brush 53 (a Ford F550). However, this engine in this apparatus has had repeated mechanical failures and the combined weight of the marine unit, trailer and apparatus exceeds the maximum combined gross vehicle weight for this combination (due to the weight of the apparatus, water, tools, and equipment carried on the brush unit). B53 weighs 15,360 lbs. (2 personnel on board weighing 400 lbs.) and Marine 5 weighs 9600 lbs for a combined vehicle weight of 24,860 lbs. This exceeds the combined maximum vehicle weight of 23,500 lbs.
- Purchase of a ¾ ton, crew cab, diesel pickup, would provide a suitable tow vehicle for the marine unit and special operations (Gator) trailer. In addition, this vehicle would be capable of transporting four personnel and related equipment for marine rescue and other special operations incidents. This vehicle has a trailer towing capacity of 13,000 lbs. (providing a 3,400 lb. safety margin when towing Marine 5).
- Maintaining a consistent fleet (Command Vehicles, Marine Unit/Special Operations Trailer tow vehicle) would allow for rotation of vehicles from higher to lower mileage application, extending the useful life.

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

Estimated Change in Operational Expense: In the short term, this project will have little effect on operational expense. However, the lifecycle cost of this vehicle is anticipated to be lower than the current vehicle and savings will accrue from efficiencies in maintenance of a consistent fleet.

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Compensated Absences Fund

Overview of the Compensated Absences 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, and Finance Officer).

Compensated Absences Expenditures

There were no expenditures from the Compensated Absence Fund in 2016.

Current Compensated Absences Liabilities

The District's potential liability for compensated absences is based on 240 hours of sick leave buyback for the Fire Chief, Deputy Chief and Finance Officer. The Deputy Chief's position was filled in 2015 and he currently has not accrued any 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 the next several years. However, the District has budgeted to fund this potential liability in advance of the Deputy's accrual.

Based on the Executive Staff compensation increases approved by the Board of Fire Commissioners in November 2016, there will be an increase in the District's liability for compensated resulting in the total liability illustrated in Table 24.

Table 24. Potential Compensated Absences Liability

Position	Hourly Rate	Buyback (hrs)	Total Liability
Fire Chief	\$51.05	240	\$12,252
Deputy Chief	\$42.86	240	\$10,286 ⁵
Finance Officer	\$26.73	240	\$6,415
Total Compensated Absences Liability			\$28,953

Compensated Absences Budget

Transfer from the General Fund to the Compensated Absences fund has been budgeted to ensure full funding to meet existing and potential liabilities (see Table 25). No expenses have been budgeted as no executive staff retirements have been forecast within the next year.

⁵ The Deputy's Chief currently has no accrued long term sick leave, creating no compensated absences liability for this category of leave. The total liability value is based on the Deputy's maximum future buyback of accrued long term sick leave.

Table 25. Compensated Absences Fund Budget

Compensated Absences Fund	Actual 2015	Budgeted 2016	Adopted 2017
Beginning Compensated Absences Balance	\$17,672	\$17,684	\$27,139
Revenue			
Investment Interest	\$12	\$15	\$0
Interfund Transfers			
From General Fund	\$0	\$9,440	\$1,814
Expenditures			
Investment Fee	\$0	\$0	\$0
Vouchers (Compensated Absences)	\$0	\$0	\$0
Ending Compensated Absences Balance	\$17,684	\$27,139	\$28,953

The Compensated Absences 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 Long Term General Obligation (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, Steve Hutchinson,
(Name)

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

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


of said district requests that the following levy amounts be collected in 2017 as provided in the district's
(Year of Collection)

budget, which was adopted following a public hearing held on 11/10/16:
(Date of Public Hearing)

Regular Levy: \$2,500,000.00
(State the total dollar amount to be levied)

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

Refund Levy: \$3,436.56
(State the total dollar amount to be levied)

Signature: 

Date: 11/10/16

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

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

Tax Increase Resolution



Ordinance / Resolution No. 16-03
RCW 84.55.120

WHEREAS, the Board of Commissioners of Central Whidbey Island Fire & Rescue #5 has met and considered
(Governing body of the taxing district) (Name of the taxing district)
 its budget for the calendar year 2017; and,

WHEREAS, the districts actual levy amount from the previous year was \$ 2,223,075.66; and,
(Previous year's levy amount)

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

BE IT RESOLVED by the governing body of the taxing district that an increase in the regular property tax levy is hereby authorized for the levy to be collected in the 2017 tax year.
(Year of collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 22,230.77
 which is a percentage increase of 1 % from the previous year. This increase is exclusive of
(Percentage increase)

additional revenue resulting from new construction, improvements to property, newly constructed wind turbines, 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 10 day of November, 2016.

Steve Hatcher
Charles J. Engle
Paul M. Moseley

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>.

To ask about the availability of this publication in an alternate format, please call 1-800-647-7706. Teletype (TTY) users may use the Washington Relay Service by calling 711. For tax assistance, call (360) 534-1400.

REV 64 0101e (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

IN THE MATTER OF
Adopting the Budget for 2017

)
)

Resolution 16-04

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

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

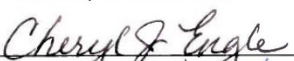
IT IS HEREBY RESOLVED AS FOLLOWS:


1. That the attached 2017 Budget be hereby adopted as the official budget of Central Whidbey Island Fire & Rescue for calendar year 2017.
2. That the honorable Island County Council be and hereby requested to make a Regular levy for 2017 for Central Whidbey Island Fire & Rescue of \$2,500,000.
3. That the Island County Treasurer be and is hereby authorized and directed to deposit and sequester the moneys received from the collection of the tax levy specified in section 2 above in the amount and fund specified below:
 - a. \$2,500,000 Regular Levy into the General Fund of Central Whidbey Island Fire & Rescue
 - b. \$3,436.56 Refund Levy into the General Fund of Central Whidbey Island Fire & Rescue.
4. That one copy of this resolution together with the 2017 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 10th Day of November, 2016.


Steve Hutchinson, Chairman of the Board


Paul Messner, Commissioner


Cheryl Engle, 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.

Adverse Opinion: An auditor's opinion stating that financial statements do not present fairly financial position, results of operations and (when applicable) cash flows in conformity with generally accepted accounting principles (GAAP).

AIC: See Acting-in-Capacity.

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 WhidbeyHealth). 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 Value (AV): 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.

AV: See Assessed Value.

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: See Budgeting, Accounting, and Reporting System.

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 Adjustment: A change to a budget adopted in accordance with state law. A budget may be Adjusted 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 Adoption: Formal action in the form of a resolution by the Board of Fire Commissioners which sets the spending limits for the fiscal year.

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 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.

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

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 (CPSE): 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).

CFAI: See Commission on Fire Accreditation International.

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

COLA: See Cost of Living Adjustment.

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.

Compensated Absences 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).

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.

Consumer Price Index for All Urban Consumers (CPI-U): The all-urban consumer population consists of all urban households in Metropolitan Statistical Areas (MSAs) and in urban places of 2,500 inhabitants or more. Non-farm consumers living in rural areas within MSAs are included, but the index excludes rural consumers and the military and institutional population.

Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): The urban wage earner and clerical worker population consists of consumer units consisting of clerical workers, sales workers, craft workers, operative, service workers, or laborers. (Excluded from this population are professional, managerial, and technical workers; the self-employed; short-term workers; the unemployed; and retirees and others not in the labor force.¹)

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. For the purposes of budgetary reporting within the context of the Budgeting, Accounting, and Reporting System (BARS), this managerial fund is rolled up into the General Fund

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.

CPI: See Consumer Price Index.

CPI-U: See Consumer Price Index for All Urban Consumers

CPI-W: See Consumer Price Index for Urban Wage Earners and Clerical Workers

CPSE: See Center for Public Safety Excellence.

CRR: See Community Risk Reduction.

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 Finance Officer.

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.

EMT: See Emergency Medical Technician

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.

Excess Levy: Excess levies are those that impose property taxes over and above the regular property tax levies described previously. They are in "excess" of the many limits we put on regular levies. Excess levies require not only voter approval; but most also require a 60 percent "super" majority to be approved.

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

FBC: See Fire Benefit Charge.

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

Fire Benefit Charge: 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.

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: See Full Time Equivalent.

Full Time Equivalent: 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: Fund balance is 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.

GAAP: See Generally Accepted Accounting Principles.

GAAS: See Generally Accepted Auditing Standards.

GAGAS: See Generally Accepted Government Auditing Standards.

GASB: See Governmental Accounting Standards Board.

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.

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards and guidelines for financial accounting and reporting. They govern the form and content of the financial statements of an entity. GAAP encompass the conventions, rules and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. GAAP provide a standard by which to measure financial presentations. The primary authoritative body on the application of GAAP to state and local governments is the Governmental Accounting Standards Board (GASB).

Generally Accepted Auditing Standards (GAAS): Measures of the quality of the performance of auditing procedures and the objectives to be attained through their use. They are concerned with the auditor's professional qualities and with the judgment exercised in the performance of an audit. Generally accepted auditing standards have been prescribed by (1) the American Institute of Certified Public Accountants (AICPA), and (2) the U.S. General Accounting Office (GAO) in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions (the Yellow Book).

Generally Accepted Government Auditing Standards (GAGAS): Standards established by the GAO in its publication Standards for Audit of Governmental Organizations, Programs, Activities and Functions ("Yellow Book") for the conduct and reporting of both financial and performance audits. GAGAS set forth general standards applicable to both types of audits and separate standards of field work and reporting for financial and performance audits. The GAGAS standards of field work and reporting for financial audits incorporate and build upon GAAS.

GFOA: See Government Finance Officers Association.

Government Finance Officers Association: 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.

Governmental Accounting Standards Board (GASB): The authoritative accounting and financial reporting standard-setting body for government entities.

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.

ILA: See Interlocal Agreement.

Interfund Transfers: Amounts transferred from one District fund to another (i.e., General Fund to Capital Projects Fund or Compensated Absences 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 governments (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 Lid Lift: Initiative Measure No. 747 required state and local governments to limit property tax levy increases to 1% per year, unless an increase greater than this limit is approved by the voters at an election. A levy lid lift is an increase in the levy rate under the provision of the Revised Code of Washington (RCW) 84.55.050 approved by the voters within the boundaries of a specific government (such as a fire protection district).

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.

Lid Lift: See Levy Lid Lift.

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 Emergency Medical Technicians (EMT), 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.

LTGO: See Limited Tax General Obligation Bond.

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.

MERV: See Medical Emergency Response Vehicle.

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 Finance Officer 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.

OCBA: See Other Comprehensive Basis of Accounting.

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: See Public Employees Retirement System.

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

Proposed Budget: The Proposed Budget is an estimate of the future costs, revenues and resources submitted by the Fire Chief to the Board of Fire Commissioners.

PTO: See Paid Time Off.

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

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 placed in service 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.

Type 1 Engine: A fire engine designed for structural firefighting and other types of response activity that meets the National Incident Management System (NIMS) performance and equipment requirements this type.

Type 1 Water Tender: A fire apparatus designed to provide water supply in areas without fire hydrants that meets the National Incident Management System (NIMS) performance and equipment requirements this type.

Type 6 Engine: A small fire engine designed for vegetation (brush) fires that meets the National Incident Management System (NIMS) performance and equipment requirements this type.

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.

UTGO: See Unlimited Tax General Obligation Bond

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.

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Appendix C - CWIFR Long Term Financial Plan

The District's Long Term Financial Plan (CWIFR 2015a) is a living document. Originally developed in 2015, the District began the process of updating and revising the plan to maintain concurrence with the 2017 budget and continue to provide effective fiscal guidance in future years.

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, 2015a) 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 WhidbeyHealth. 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 2011 Strategic Plan (2016) 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 Value (AV) 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 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 Capital Projects Fund and accelerated accumulation of funds to progress towards full funding for capital apparatus and equipment. However, the District did not have sufficient revenue to also meet capital facility needs.
- Increased revenue allowed maintenance of current service delivery levels and was initially projected to allow these levels of service to continue through 2018. Maintaining a conservative fiscal philosophy and prudent budgeting has extended the District's ability to maintain current service level 2021.
- Staffing was increased by 2.0 Full Time Equivalent (FTE) (Training and Recruitment Captain and Firefighter/Mechanic) allowing the District to achieve considerable gains in volunteer recruitment, apparatus maintenance, and fleet reliability.

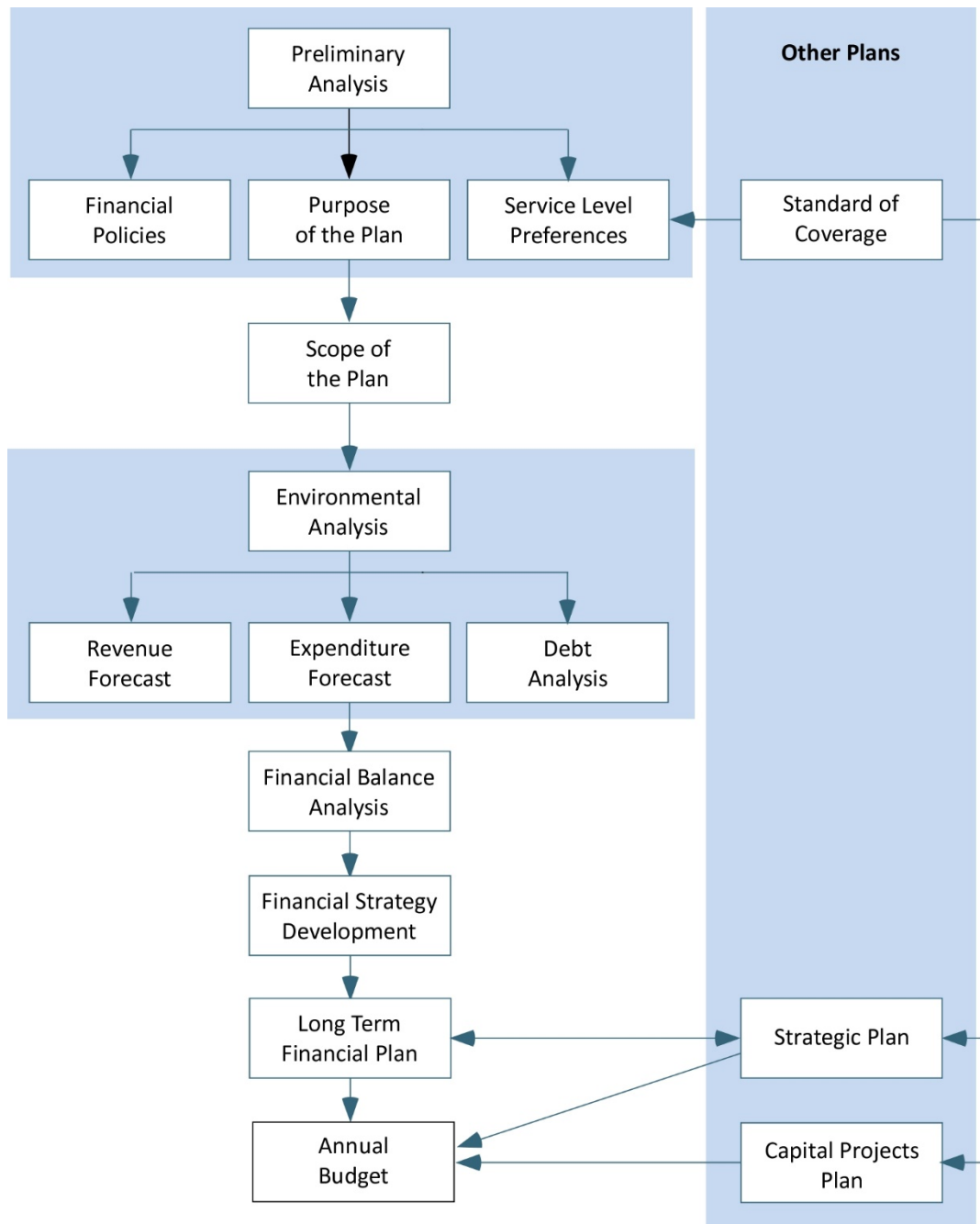
However, as with all municipal corporations in Washington State, the District continues to struggle with the gap between increasing expense and constitutionally limited increases in tax revenue. In addition, revenue from the general levy is insufficient to address current and future capital facility 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 25. 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 25. Financial Planning Process

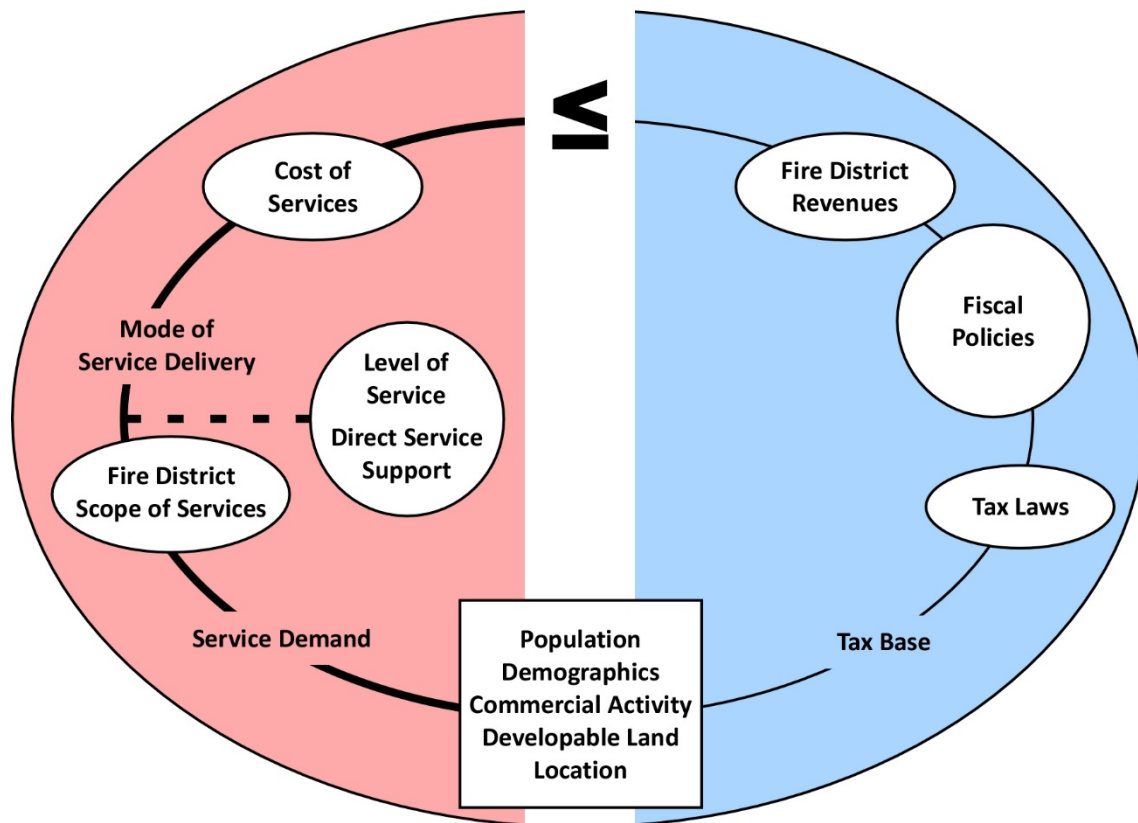


Note: Adapted from Kavanaugh, S. (2007) *Financing the Future*. Chicago: Government Finance Officers Association

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 26, 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 26. 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, 2015b) and Financial Standard Operating Guidelines and are included on pages 49-53 of the 2017 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"> • Fire and Medical Community Education • Fire and Life Safety Inspections (Commercial) • Home Fire Safety Surveys • Address Sign Program • Hydrant Inspection and Testing • Pre-Incident Planning • Community Preparedness 	<ul style="list-style-type: none"> • Fire Suppression (Structural and Vegetation) • Emergency Medical Services (EMS) in partnership with WhidbeyHealth EMS • Technical Level Marine Rescue • Operational Level Hazardous Materials Response • Operational Level Technical Rescue (rescue from height, confined spaces, trenches, or collapsed buildings) • Non-Emergency Services

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), WhidbeyHealth 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 2016, 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 2016 or the 1st Quarter of 2017.

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 1st 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
- Capital Projects Fund
- Compensated Absences 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 WhidbeyHealth (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. WhidbeyHealth 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 AV 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 (AV) 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.

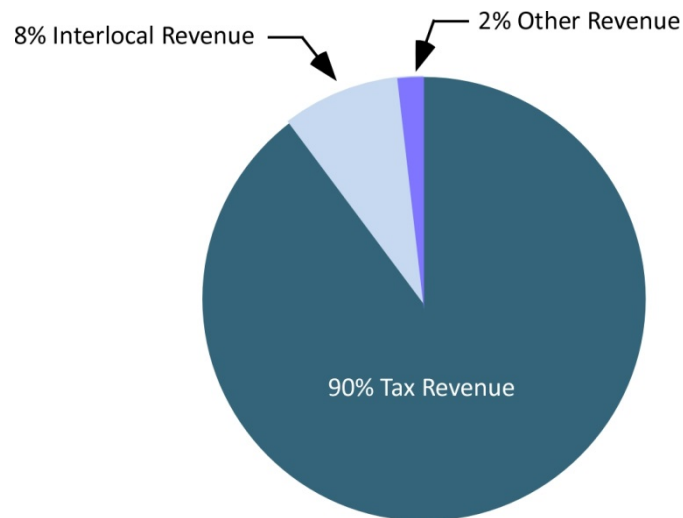
Financial Planning Assumptions

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.

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 27, 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 WhidbeyHealth, 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 27. 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, this trend has reversed with the levy rate decreasing as property values have rebounded. Based on historical performance, it is anticipated that AV within the District will continue to increase and the levy rate will continue to decrease 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 AV 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 AV 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 WhidbeyHealth 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 2018.

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 five assumptions regarding revenue. These assumptions were used in development of the District's 2017 budget.

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 (AV) (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 WhidbeyHealth 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 revision of the District's Long Term Financial Plan in 2016.

Assumption R1: In 2016 the District's taxable AV increased 0.97% for the 2015 tax year and in 2016 the taxable AV is estimated to increase by approximately 3.92%.

Assumption R2: The District's AV will continue 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.

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 WhidbeyHealth to staff a Basic Life Support Ambulance will continue through 2018.

Assumption R5: In 2016, the District saw a 22.6% increase in AV added to the tax rolls due to new construction. While it is anticipated that some level of new construction will continue, this level of increase is unlikely to continue in the long term.

Expenditure: Revision of CWIFR's Long Term Financial Plan is based on four assumptions regarding expense.

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).

Assumption E4: Initiative 1433 is likely to pass, raising the statewide minimum wage to \$15.00 over several years and requiring provision of paid sick leave beginning in 2018.

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)
- 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
Repayment Pledge	Limited pledge of the District to pay debt service on the bond	Unlimited pledge of the voters to pay debt service on the bond
Rating	Frequently Two-Steps Away from the County Bond Rating	Frequently One-Step Away from the County Bond Rating
Call Provision	10-Year Par Call	10-Year Par Call
Tax Exemption	Interest Exempt from Federal Taxes	Interest Exempt from Federal Taxes
Bank Qualification	Improved Rates for Issuers of Under \$10 Million per year	Improved Rates for Issuers of Under \$10 Million per Year
Buyer Profile	Moderate Risk Looking for Higher Yields	Risk Adverse Accepting Lower Yields
Appropriation Risk	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 (AV) 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 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 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 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 and maintain sufficient cash flow to address short to mid-term capital needs. However, revenue has been insufficient to address capital facilities requirements on a pay as you go basis.

Discussion

Consistent with the Board of Fire Commissioners' 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:

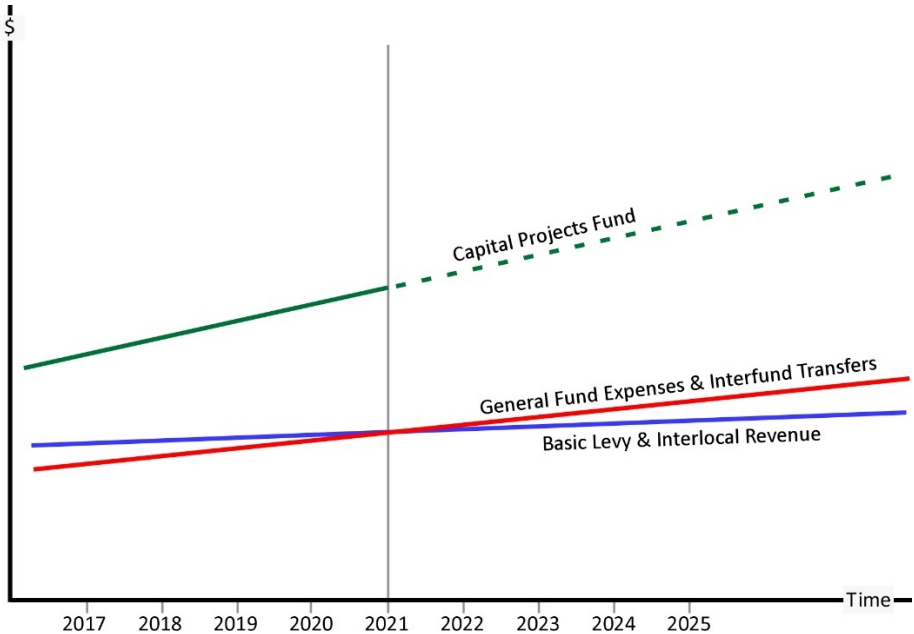
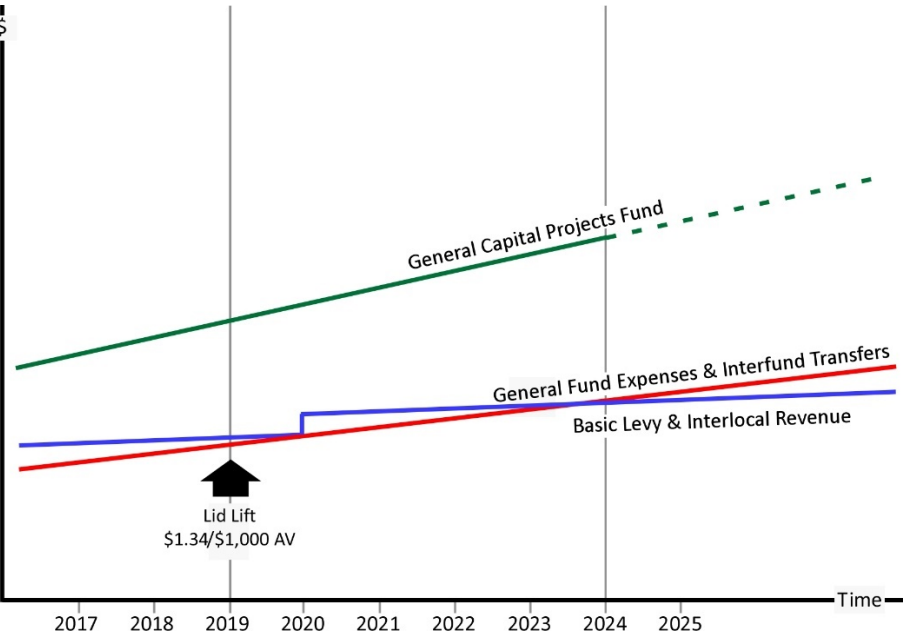
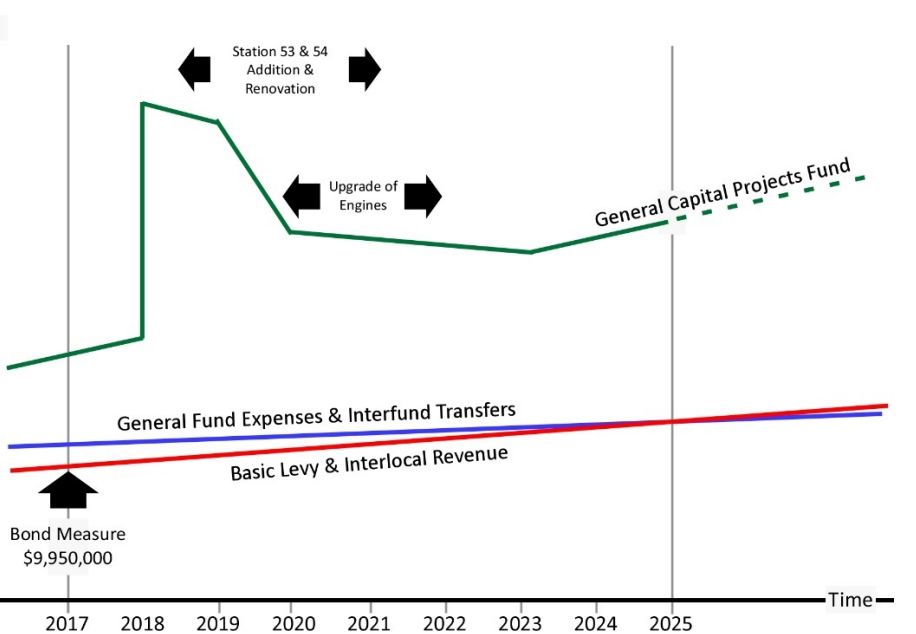
- The District's ability to maintain a balanced budget as indicated by a positive, General Fund Cash Flow.
- Multi-year trends in Beginning Fund Balance (increasing or decreasing) for each fund.
- Adequacy of the General Fund Beginning Balance of at least 43% of budgeted maintenance and operations expenses (Inclusive of a Contingency Reserve of 10%).
- Ability to maintain a sufficient Funding and Cash Flow in the 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 District's development of a long term financial strategy. Table 28 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. Each of these scenarios is detailed in tabular format in the District's Long Term Financial Plan. This summary is limited to financial analysis of the baseline scenario and bond scenario.

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Table 29. Fiscal Scenario Overview

Baseline Scenario	Lid Lift Scenario	Bond Scenario
<div></div> <p>Description: 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 & Interfund Transfers intersects the Basic Levy & Interlocal Revenue, it would be necessary to increase revenue or decrease expenses (and as a result, service delivery levels).</p> <p>Assumptions & Conditions: The baseline scenario presents an unfiltered view of current and projected fiscal conditions based on the following:</p> <ul style="list-style-type: none">• Statutory 1% increase in tax revenue (excluding new construction)• Increase in Assessed Value (AV) of between 1% and 5% (distributed randomly)• Increase in 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 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.• No funds set aside for capital facilities projects <p>Additional Detail: Additional information and analysis of this scenario is provided In the District’s Long Term Financial Plan</p>	<div></div> <p>Description: 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>Assumptions & Conditions: 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">• Statutory 1% increase in tax revenue (excluding new construction)• Increase in 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 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.• No funds set aside for capital facilities projects• Lid lift increasing the District’s tax levy to \$1.40/\$1000 AV passed by the voters in 2019. <p>Additional Detail: Additional information and analysis of this scenario is provided In the District’s Long Term Financial Plan</p>	<div></div> <p>Description: 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>Assumptions & Conditions: 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">• Statutory 1% increase in tax revenue (excluding new construction)• Increase in 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 Capital Projects Fund to achieve full funding for apparatus and equipment by 2018 and adequate cash flow to meet capital apparatus and equipment needs.• Voter approved bond passed in 2017 that includes capital facilities improvements at Stations 53 and 54 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 51) <p>Additional Detail: Additional information and analysis of this scenario is provided In the District’s Long Term Financial Plan</p>

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Baseline Scenario

The baseline scenario presents an unfiltered view of current and projected fiscal conditions based on the following:

- Statutory 1% increase in tax revenue (excluding new construction)
- Average increase in Assessed Value (AV) of 3.5%.
- 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 2030 and adequate cash flow to meet capital apparatus and equipment needs until full funding is achieved.
- No funds set aside for capital facilities projects

As illustrated in Table 30, the District will be unable to sustain current service delivery levels beyond 2021 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 Baseline Long Term Cash Flow Projection (Revision 8.2)

General Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning General Fund Balance	\$2,280,497	\$2,331,497	\$2,297,044	\$2,170,972	\$1,999,678	\$1,756,459	\$1,453,747	\$1,099,599	\$692,009	\$228,908	-\$291,843	-\$872,448	-\$1,515,186
Contingency (Administrative) Fund (10% of M&O)	\$189,562	\$219,816	\$227,434	\$234,257	\$241,285	\$248,523	\$255,979	\$263,658	\$271,568	\$279,715	\$288,107	\$296,750	\$305,652
Beginning GF Balance (Less Contingency)	\$2,090,935	\$2,111,680	\$2,069,610	\$1,936,715	\$1,758,393	\$1,507,936	\$1,197,768	\$835,940	\$420,441	-\$50,807	-\$579,949	-\$1,169,198	-\$1,820,839
Revenue													
Investment Interest	\$4,656	\$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)	\$2,216,014	\$2,223,076	\$2,258,096.90	\$2,267,760	\$2,290,437	\$2,313,342	\$2,336,475	\$2,359,840	\$2,383,438	\$2,407,273	\$2,431,345	\$2,455,659	\$2,480,216
Other Taxes/State Assessed Property	\$4,240	\$2,280	\$2,280	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
WGH Contract	\$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	\$75,443	\$44,000	\$52,000	\$106,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000
Voided Warrants & Vendor Credits	\$76,433	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Revenues	\$2,578,280	\$2,473,351	\$2,503,582	\$2,580,055	\$2,540,732	\$2,563,637	\$2,586,770	\$2,610,135	\$2,633,733	\$2,657,568	\$2,681,640	\$2,705,954	\$2,730,511
Expenditures													
Regular Budgeted Expenditures (M&O General Fund)	\$1,895,620	\$2,198,164	\$2,274,340	\$2,342,570	\$2,412,847	\$2,485,233	\$2,559,790	\$2,636,583	\$2,715,681	\$2,797,151	\$2,881,066	\$2,967,498	\$3,056,523
Contingency Expenditures	\$24,675.00	\$11,700.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Fee	\$158	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Tax Adjustment	\$1,534	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Correction & Vendor Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$1,921,988	\$2,210,364	\$2,274,840	\$2,343,070	\$2,413,347	\$2,485,733	\$2,560,290	\$2,637,083	\$2,716,181	\$2,797,651	\$2,881,566	\$2,967,998	\$3,057,023
Interfund Transfers													
To General Capital Projects Fund	\$605,293	\$288,000	\$353,000	\$407,000	\$370,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000
To Compensated Absences Fund	\$0	\$9,440	\$1,814	\$1,278	\$604	\$616	\$628	\$641	\$654	\$667	\$680	\$694	\$708
To Grants Management Fund	\$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
Total Transfers From General Fund	\$605,293	\$297,440	\$354,814	\$408,278	\$370,604	\$380,616	\$380,628	\$380,641	\$380,654	\$380,667	\$380,680	\$380,694	\$380,708
Ending General Fund Balance													
Contingency (Adminisrative) Fund Ending Balance	\$164,887	\$208,116	\$227,434	\$234,257	\$241,285	\$248,523	\$255,979	\$263,658	\$271,568	\$279,715	\$288,107	\$296,750	\$305,652
Ending GF Balance (Less Congingency)	\$2,166,610	\$2,088,927	\$1,943,538	\$1,765,421	\$1,515,174	\$1,205,223	\$843,620	\$428,351	-\$42,660	-\$571,558	-\$1,160,555	-\$1,811,936	-\$2,528,059
Total Ending General Fund Balance	\$2,331,497	\$2,297,044	\$2,170,972	\$1,999,678	\$1,756,459	\$1,453,747	\$1,099,599	\$692,009	\$228,908	-\$291,843	-\$872,448	-\$1,515,186	-\$2,222,406
General Capital Projects Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Capital Projects Fund Balance	\$933,671	\$1,074,998	\$1,317,148	\$1,566,621	\$1,671,618	\$1,922,169	\$1,320,305	\$866,142	\$576,803	\$894,207	\$1,222,707	\$1,587,371	\$1,952,456
Revenue													
Bond Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Interest	\$1,048	\$2,500	\$2,822	\$17,372	\$5,642	\$3,936	\$9,637	\$2,961	\$3,279	\$3,620	\$4,040	\$4,459	\$4,879
Interfund Transfers													
From General Fund	\$605,293	\$288,000	\$353,000	\$407,000	\$370,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000	\$380,000
Expenditures													
Investment Fee	\$13	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Vouchers (Capital Projects Fund)	\$465,001	\$48,200	\$106,200	\$319,225	\$124,941	\$985,650	\$843,650	\$672,150	\$65,725	\$54,970	\$19,225	\$19,225	\$19,225
Ending Capital Projects Fund Balance	\$1,074,998	\$1,317,148	\$1,566,621	\$1,671,618	\$1,922,169	\$1,320,305	\$866,142	\$576,803	\$894,207	\$1,222,707	\$1,587,371	\$1,952,456	\$2,317,960

Table 30. CWIFR Baseline Long Term Cash Flow Projection (Revision 8.2) Continued

Compensated Absences Trust Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Compensated Absences Balance	\$17,672	\$17,684	\$27,139	\$29,017	\$30,362	\$31,034	\$31,719	\$32,418	\$33,131	\$33,859	\$34,601	\$35,357	\$36,129
Revenue													
Investment Interest	\$12	\$15	\$64	\$67	\$68	\$69	\$71	\$72	\$73	\$75	\$76	\$78	\$79
Interfund Transfers													
From General Fund	\$0	\$9,440	\$1,814	\$1,278	\$604	\$616	\$628	\$641	\$654	\$667	\$680	\$694	\$708
Expenditures													
Investment Fee	\$0	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Vouchers (Compensated Absences)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Compensated Absences Balance	\$17,684	\$27,139	\$29,017	\$30,362	\$31,034	\$31,719	\$32,418	\$33,131	\$33,859	\$34,601	\$35,357	\$36,129	\$36,916
Grants Management Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Grants Management Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue													
Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers													
From General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures													
Vouchers (Grants Management)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Grants Management Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Debt Service Balance	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Revenue													
Property Taxes (Voter Approved Debt)	\$0	\$0	\$0	\$430,630	\$430,630	\$430,630	\$634,780	\$634,780	\$634,780	\$634,780	\$634,780	\$634,780	\$634,780
Interfund Transfers													
From General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures													
Vouchers (Debt Service)	\$0	\$0	\$0	\$430,630	\$430,630	\$430,630	\$634,780	\$634,780	\$634,780	\$634,780	\$634,780	\$634,780	\$634,780
Ending Debt Service Absences Balance	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
All Funds	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Ending Balance (All Funds)	\$3,424,179	\$3,641,331	\$3,766,609	\$3,701,658	\$3,709,662	\$2,805,771	\$1,998,159	\$1,301,944	\$1,156,973	\$965,465	\$750,280	\$473,399	\$132,470

Table 30. CWIFR Baseline Long Term Cash Flow Projection (Revision 8.2) Continued

Fiscal Performance Measures		Actual 2015	Adjusted 2016	Adopted 2017	Projected									
					2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
General Fund Cash Flow														
Revenue - Expenses		\$656,293	\$262,987	\$228,742	\$236,985	\$127,385	\$77,904	\$26,481	-\$26,948	-\$82,448	-\$140,084	-\$199,925	-\$262,044	-\$326,512
GF Beginning Balance														
Percentage of GF Expense		118.65%	105.48%	100.98%	92.65%	82.86%	70.66%	56.78%	41.70%	25.48%	8.18%	-10.13%	-29.40%	-49.56%
Capital Projects Fund														
Percentage Funded		45.15%	44.47%	48.88%	56.92%	18.67%	77.88%	44.76%	68.76%	37.58%	51.75%	61.37%	70.85%	84.58%
Compensated Absences Trust Fund														
	Percentage Funded	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Levy Rate														
	General Levy	\$1.39	\$1.38	\$1.27	\$1.24	\$1.21	\$1.18	\$1.16	\$1.13	\$1.10	\$1.07	\$1.05	\$1.02	\$1.00
	Voter Approved Bond Levy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Levy Rate (General Levy+Bond Levy)		\$1.39	\$1.38	\$1.27	\$1.24	\$1.21	\$1.18	\$1.16	\$1.13	\$1.10	\$1.07	\$1.05	\$1.02	\$1.00

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General Fund Cash Flow: As illustrated in Table 30, the District maintains a balanced budget (Revenue minus General Fund Expense) through 2021. However, this is only part of the picture as the District needs to transfer money to the reserve funds (General Capital Projects and Compensated Absences Trust) and must maintain an adequate Contingency Fund and General Fund Beginning Balance.

Beginning Fund Balance Trends: The General Fund Beginning Balance decreases each year from 2016 to 2024 (the balance may not be negative as shown in 2025). This decrease was anticipated due to increasing expense and in part as a result of transfer of money to the General Capital Projects Fund (catching up on investment for future capital purchases).

The General Capital Projects Fund Beginning Balance fluctuates as a result of the timing of capital projects. As illustrated in Table 30, the District would have sufficient funds to meet capital expenditure requirements for apparatus and equipment (but not facilities) through 2027. The District is transferring sufficient money from the General Fund to increase the percentage to which the General Capital Project Fund is fully funded with a target of achieving 100% by 2030 and sufficient cash flow to allow necessary capital purchases prior to that time. However, without a decrease in expenses or an increase in revenue, it will not be possible to sustain this level of capital investment beyond 2021.

The Compensated Absences Fund will be fully funded in 2017 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 30, the District will maintain a General Fund Beginning Balance in excess of this minimum through 2021 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 (48.88% 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. However, the District will not be able to continue this investment beyond 2018 without an increase in revenue.

Considerations: The District will need to increase revenue or decrease expenses to sustain current service levels beyond 2021.

The annual increase in the maintenance and operations budget in 2017 is 2.08. This increase includes the expense of placing a bond measure before the voters in 2017 to address the District's capital facilities and apparatus improvement needs. It is likely expense increases in subsequent years will not exceed 3% over the period of this plan. In addition to controlling increases in expenditure, the District continues to explore options for generating additional revenue through shared services (e.g., Basic Life

Support Ambulance Agreement with WGH EMS and Fire Inspection Services for the Town of Coupeville and Island County).

The District's levy rate fluctuates based on the Assessed Value (AV) of taxable property within the District. As noted earlier, the levy rate is reduced if property values increase and increases if property values decrease (with a maximum value of \$1.50/\$1000 AV). The District may present a lid lift to the voters at some point in the future to ensure that service delivery levels meet community needs. Alternately, the Board of Fire Commissioners may choose to use a voter approved bond to fund some capital expenditures which would have some impact on the level of funds transferred from the General Fund to General Capital Projects Fund on an annual basis.

The Bottom Line: While the Long Term Cash Flow Projection illustrated in Table 30, shows an eventual negative General Fund Cash Flow and reduced General Fund Beginning Balance, the District may not run a deficit. This projection simply serves to identify the point at which the District would no longer be able to sustain current service levels. In actuality, revenues would be increased to maintain current service levels or expenses would be decreased to maintain a balanced budget and continue to provide the best service possible (even if at a reduced level).

There are several options to address the District's fiscal requirements to maintain current service delivery levels.

- The District may choose to present a bond measure to the voters that would address capital facilities requirements along with the funding required for major fire apparatus. This would allow the District to reduce transfer of funds from the General Fund to the General Capital Projects fund while achieving 100% funding for capital equipment and smaller apparatus and meeting operational requirements for some time.
- Alternately, the District may present a lid lift to the voters which if approved would provide sufficient revenue to address operational requirements and allow the District to continue progress towards achieving 100% funding for capital apparatus and equipment purchases on a pay-as-you-go basis. However, this option will not allow the District to address current and future capital facility needs.

This summary examines the first of these options as the 2017 Adopted District budget includes the option of placing a bond measure on the ballot in 2017.

If the District is unable to increase revenue by 2021, it will be necessary to reduce service delivery in order to operate with available revenue. Given that personal services expense comprises 71% of the District's budget, this would require a reduction in force, which would in turn impact on the District's ability to meet its contractual obligations to Whidbey General Hospital in staffing a Basic Life Support Ambulance. If the district was unable to meet these contractual obligations, this would further reduce revenue under the terms of this Interlocal agreement.

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)
- Average increase in Assessed Value (AV) of 3.5%.
- 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 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 2017 that includes capital facilities improvements at Stations 53 and 54 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 51)*

As illustrated in Table 31, the District will be able to sustain current service delivery levels until 2023 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). As the District has generally been able to hold increases in expense to less than 3% annually, it is likely that current service level may be extended beyond 2023 (but this analysis is based on a worst case, 3% increase annually).

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Table 31. CWIFR Voter Approved Bond Long Term Cash Flow Projection (Revision 8.2)

GeneralFund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning General Fund Balance	\$2,280,497	\$2,331,497	\$2,297,044	\$2,174,972	\$2,138,678	\$2,055,459	\$1,922,747	\$1,738,599	\$1,501,009	\$1,207,908	\$857,157	\$446,552	-\$26,186
Contingency (Administrative) Fund (10% of M&O)	\$189,562	\$219,816	\$227,434	\$234,257	\$241,285	\$248,523	\$255,979	\$263,658	\$271,568	\$279,715	\$288,107	\$296,750	\$305,652
Beginning GF Balance (Less Contingency)	\$2,090,935	\$2,111,680	\$2,069,610	\$1,940,715	\$1,897,393	\$1,806,936	\$1,666,768	\$1,474,940	\$1,229,441	\$928,193	\$569,051	\$149,802	-\$331,839
Revenue													
Investment Interest	\$4,656	\$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)	\$2,216,014	\$2,223,076	\$2,258,096.90	\$2,267,760	\$2,290,437	\$2,313,342	\$2,336,475	\$2,359,840	\$2,383,438	\$2,407,273	\$2,431,345	\$2,455,659	\$2,480,216
Other Taxes/State Assessed Property	\$4,240	\$2,280	\$2,280	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300	\$2,300
WGH Contract	\$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	\$75,443	\$44,000	\$52,000	\$106,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000	\$44,000
Voided Warrants & Vendor Credits	\$76,433	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Revenues	\$2,578,280	\$2,473,351	\$2,503,582	\$2,580,055	\$2,540,732	\$2,563,637	\$2,586,770	\$2,610,135	\$2,633,733	\$2,657,568	\$2,681,640	\$2,705,954	\$2,730,511
Expenditures													
Regular Budgeted Expenditures (M&O General Fund)	\$1,895,620	\$2,198,164	\$2,274,340	\$2,342,570	\$2,412,847	\$2,485,233	\$2,559,790	\$2,636,583	\$2,715,681	\$2,797,151	\$2,881,066	\$2,967,498	\$3,056,523
Contingency Expenditures	\$24,675.00	\$11,700.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Fee	\$158	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Tax Adjustment	\$1,534	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Correction & Vendor Credits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$1,921,988	\$2,210,364	\$2,274,840	\$2,343,070	\$2,413,347	\$2,485,733	\$2,560,290	\$2,637,083	\$2,716,181	\$2,797,651	\$2,881,566	\$2,967,998	\$3,057,023
Interfund Transfers													
To General Capital Projects Fund	\$605,293	\$288,000	\$349,000	\$272,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000
To Compensated Absences Fund	\$0	\$9,440	\$1,814	\$1,278	\$604	\$616	\$628	\$641	\$654	\$667	\$680	\$694	\$708
To Grants Management Fund	\$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
Total Transfers From General Fund	\$605,293	\$297,440	\$350,814	\$273,278	\$210,604	\$210,616	\$210,628	\$210,641	\$210,654	\$210,667	\$210,680	\$210,694	\$210,708
Ending General Fund Balance													
Contingency (Adminisrative) Fund Ending Balance	\$164,887	\$208,116	\$227,434	\$234,257	\$241,285	\$248,523	\$255,979	\$263,658	\$271,568	\$279,715	\$288,107	\$296,750	\$305,652
Ending GF Balance (Less Congingency)	\$2,166,610	\$2,088,927	\$1,947,538	\$1,904,421	\$1,814,174	\$1,674,223	\$1,482,620	\$1,237,351	\$936,340	\$577,442	\$158,445	-\$322,936	-\$869,059
Total Ending General Fund Balance	\$2,331,497	\$2,297,044	\$2,174,972	\$2,138,678	\$2,055,459	\$1,922,747	\$1,738,599	\$1,501,009	\$1,207,908	\$857,157	\$446,552	-\$26,186	-\$563,406
General Capital Projects Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Capital Projects Fund Balance	\$933,671	\$1,074,998	\$1,317,148	\$1,562,621	\$8,282,618	\$2,956,169	\$2,184,305	\$4,760,142	\$1,728,803	\$1,876,207	\$2,070,452	\$2,265,116	\$2,460,201
Revenue													
Bond Revenue	\$0	\$0	\$0	\$6,750,000	\$0	\$0	\$3,200,000	\$0	\$0	\$0	\$0	\$0	\$0
Investment Interest	\$1,048	\$2,500	\$2,822	\$17,372	\$5,642	\$3,936	\$9,637	\$2,961	\$3,279	\$3,620	\$4,040	\$4,459	\$4,879
Interfund Transfers													
From General Fund	\$605,293	\$288,000	\$349,000	\$272,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000	\$210,000
Expenditures													
Investment Fee	\$13	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Vouchers (Capital Projects Fund)	\$465,001	\$48,200	\$106,200	\$319,225	\$5,541,941	\$985,650	\$843,650	\$3,244,150	\$65,725	\$19,225	\$19,225	\$19,225	\$19,225
Ending Capital Projects Fund Balance	\$1,074,998	\$1,317,148	\$1,562,621	\$8,282,618	\$2,956,169	\$2,184,305	\$4,760,142	\$1,728,803	\$1,876,207	\$2,070,452	\$2,265,116	\$2,460,201	\$2,655,705

Table 31. CWIFR Voter Approved Bond Long Term Cash Flow Projection (Revision 8.2) Continued

Compensated Absences Trust Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Compensated Absences Balance	\$17,672	\$17,684	\$27,139	\$29,017	\$30,362	\$31,034	\$31,719	\$32,418	\$33,131	\$33,859	\$34,601	\$35,357	\$36,129
Revenue													
Investment Interest	\$12	\$15	\$64	\$67	\$68	\$69	\$71	\$72	\$73	\$75	\$76	\$78	\$79
Interfund Transfers													
From General Fund	\$0	\$9,440	\$1,814	\$1,278	\$604	\$616	\$628	\$641	\$654	\$667	\$680	\$694	\$708
Expenditures													
Investment Fee	\$0	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Vouchers (Compensated Absences)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Compensated Absences Balance	\$17,684	\$27,139	\$29,017	\$30,362	\$31,034	\$31,719	\$32,418	\$33,131	\$33,859	\$34,601	\$35,357	\$36,129	\$36,916
Grants Management Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Grants Management Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue													
Grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers													
From General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures													
Vouchers (Grants Management)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Grants Management Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Service Fund	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Debt Service Balance	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
Revenue													
Property Taxes (Voter Approved Debt)	\$0	\$0	\$0	\$0	\$325,150	\$338,150	\$350,850	\$524,350	\$540,450	\$559,550	\$578,000	\$600,750	\$621,900
Interfund Transfers													
From General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures													
Vouchers (Debt Service)	\$0	\$0	\$0	\$0	\$325,150	\$338,150	\$350,850	\$524,350	\$540,450	\$559,550	\$578,000	\$600,750	\$621,900
Ending Debt Service Absences Balance	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7
All Funds	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Ending Balance (All Funds)	\$3,424,179	\$3,641,331	\$3,766,609	\$10,451,658	\$5,042,662	\$4,138,771	\$6,531,159	\$3,262,944	\$3,117,973	\$2,962,210	\$2,747,025	\$2,470,144	\$2,129,215

Table 31. CWIFR Voter Approved Bond Long Term Cash Flow Projection (Revision 8.1) Continued

Fiscal Performance Measures	Actual 2015	Adjusted 2016	Adopted 2017	Projected									
				2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
General Fund Cash Flow													
Revenue - Expenses	\$656,293	\$262,987	\$228,742	\$236,985	\$127,385	\$77,904	\$26,481	-\$26,948	-\$82,448	-\$140,084	-\$199,925	-\$262,044	-\$326,512
GF Beginning Balance													
Percentage of GF Expense	118.65%	105.48%	100.98%	92.83%	88.62%	82.69%	75.10%	65.93%	55.26%	43.18%	29.75%	15.05%	-0.86%
Capital Projects Fund													
Percentage Funded	45.15%	44.47%	48.88%	151.88%	106.14%	116.17%	132.87%	108.65%	125.45%	125.69%	123.33%	122.52%	133.82%
Compensated Absences Fund													
Percentage Funded	98.93%	126.43%	99.91%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Levy Rate													
General Levy	\$1.38	\$1.38	\$1.27	\$1.24	\$1.21	\$1.18	\$1.16	\$1.13	\$1.10	\$1.07	\$1.05	\$1.02	\$1.00
Voter Approved Bond Levy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.18	\$0.18	\$0.18	\$0.27	\$0.26	\$0.26	\$0.26	\$0.26	\$0.26
Total Levy Rate (General Levy+Bond Levy)	\$1.38	\$1.38	\$1.27	\$1.24	\$1.39	\$1.36	\$1.34	\$1.40	\$1.36	\$1.33	\$1.31	\$1.28	\$1.26

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General Fund Cash Flow: As illustrated in Table 31, 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 begins decline in 2017. This decrease was anticipated due to increasing expense and in part as a result of transfer of money to the Capital Projects Fund (catching up on investment for future capital purchases), but will eventually result in a negative cash flow.

The Capital Projects Fund Beginning Balance fluctuates significantly as a result of bond revenue and the timing of capital projects. As illustrated in Table 31, 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 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 31, 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.

Capital Projects Fund: The Capital Projects Fund is currently underfunded (82.99% 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 Capital Projects Fund at an accelerated rate to achieve full funding for capital apparatus and equipment 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 53 and 54 as well as upgrade of three Type 1 Engines will allow the District to achieve full funding of the Capital Projects Fund for apparatus and equipment by 2018 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 Capital Projects Fund for several years.

Considerations: Use of voter approved debt to fund major capital projects, inclusive of expansion and remodel of Stations 53 and 54 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 funds transferred from the General Fund to the 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 2019 to maintain current service levels beyond 2021.

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 fall of 2017 to fund the following capital improvement projects:

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

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

Should the voters not pass the bond measure in 2017, the District should present the voters with a lid lift in or before 2019 to maintain current service delivery levels.

The expense of placing a bond measure on the ballot in 2017 is included in the Adopted District Budget.

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)