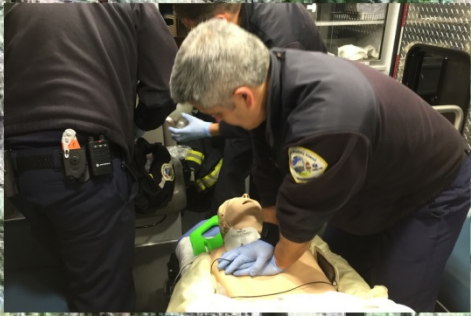


Central Whidbey Island Fire-Rescue



2019 Adopted District Budget

Professionalism • Integrity • Compassion • Excellence



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Central Whidbey Island Fire & Rescue
Washington**

For the Fiscal Year Beginning

January 1, 2018

Christopher P. Morill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a fifth consecutive Distinguished Budget Presentation Award to Central Whidbey Island Fire & Rescue for its annual budget for the Fiscal year beginning January 1, 2018. 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 2019 Adopted Budget for review by the GFOA for the Distinguished Budget Presentation Award.

2019 Annual Budget

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

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

District Staff:

- Fire Chief Ed Hartin, MS, EFO, FiFireE, CFO
- Deputy Chief Charlie Smith, CEMSO
- Finance Officer Kim Harpe
- Captain Jerry Helm, FO, Recruitment and Training Division Manager
- Lieutenant Jen Porter, Community Risk Reduction Division Manager
- Lieutenant James Meek, Operations Division Manager
- Lieutenant Derik Vrable, Facilities Maintenance Division Manager
- Firefighter/Mechanic Mike Matros, Fleet Maintenance Division Manager
- Firefighter Dillon Rogers
- Firefighter Alex Majestic
- Firefighter Jim Huff

Editorial Review

Linda Sue Hartin

Citizen Review

- Chris Geiger, EMPA, EFO
- Susan Geiger
- Paul Onerheim

The 2019 Central Whidbey Island Fire & Rescue Budget was adopted by the Board of Fire Commissioners on November 8, 2018.

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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 *2019 Adopted Budget* may be downloaded in Portable Document Format (PDF) from the District's web site (www.cwfire.org).

Purposes of the Budget

The District Budget Document serves two purposes. The 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 hyperlinked table of contents is provided to simplify navigation to the related sections of the budget.

Readers' Guide to the Budget

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

Budget Message

The Budget Message is an introduction to the budget and identifies important fiscal issues from the perspective of the Fire Chief and Financial Officer.

Budget Summary

This section of the Budget Document provides a high level view of the District Budget at the fund level and examines changes in fund balance. The summary provides data on revenue and expenditures in 2017, budgeted revenue and expenses for 2018, and the adopted budget for 2019 inclusive of both revenue and expenses.

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.

Integrated Comprehensive Planning

The District Budget is closely coupled to the District's Integrated Comprehensive Plan which includes Volume 1-Community Risk Assessment (CWIFR, Under Development), Volume 2-Strategic Plan (CWIFR, 2016), Volume 3-Standard of Coverage and Community Risk Reduction Plan (CWIFR, Under Development), Volume 4-Fire and Emergency Services Self Assessment Manual (CWIFR, Under Development), Volume 5-Long Term Financial Plan (CWIFR, 2018b), and Volume 6-Capital Projects Plan

(CWIFR, 2018c). The relationship between these plans, ensures that the budget is consistent with the District's policies, long term goals, and priorities. Hyperlinks are provided in this section for download of each volume of the ICP in Portable Document Format (PDF).

Budget Process

The Budget Process section of this document provides an outline of methods used to develop the District's budget, financial assumptions used in budget development and long-term financial planning, organization and structure of the budget and the basis of budgeting and accounting.

Revenue

This section of the budget examines the District's revenue streams and revenue trends over a three-year period. A long-term view on revenue is provided in the District's Long-Term Financial Plan which is summarized in Appendix D.

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, performance measures, division budget, major expenditures, and the strategic goals and initiatives that will be addressed in 2019. In addition, this section of the Budget Document provides an overview of the Contingency and detail of 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.

Bond Fund

The Bond Fund section of the budget delineates the revenue and expenses related to the Unlimited Tax General Obligation (UTGO) bond approved by the voters in November 2017 for renovation and expansion of Station 53 and purchase of three Type 1 Fire Engines.

Debt Service Fund

The Debt Services Fund budget section of the document outlines fund transfers and debt service payments based on the District's UTGO bond.

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.

Grants Management Fund

The Grants Management Fund budget delineates revenue and expenditures related to grant funded programs and activities.

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 will be included in Appendix A.

Glossary of Terms

A glossary of terms is provided in Appendix B.

Financial Policies

Appendix C provides a consolidated view of the District's financial policies.

Long Term Financial Plan

A summary of the District's long-term financial plan is provided in Appendix D. Download the complete [*Integrated Comprehensive Plan Volume 5-Long Term Financial Plan*](#) in Portable Document Format (PDF).

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Budget Message

Fire Chief

The District has experienced a 44.89% increase in demand for service in the last 10 years (2007-2017). The District has been able to meet this demand with modest budget increases that are within the bounds established in the District's Long-Term Financial Plan (CWIFR, 2018b). The 2019 Adopted District budget is 2.3% higher than in 2018 but does not include compensation increases for full-time employees represented by Local 4299 International Association of Firefighters. The current collective bargaining agreement between Local 4299 and the District expires on December 31, 2018 and negotiations are pending. Budgeted funds provide for improvement over current service delivery levels with continued efforts to increase volunteer staffing. Overall, the District is fiscally healthy, maintains a balanced budget, and has enough revenue to meet current operational needs and maintain an adequate ending balance in the General Fund.

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

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

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

Fiscal Responsibility

As an element of the District's initiative to develop, maintain, and operate under sound fiscal policy and procedure, the District maintains financial policies and guidelines to provide a solid basis for fiscal responsibility. These policies reflect best practices identified by the Government Finance Officers Association and Category 4 Fiscal Resources criteria as specified in the Commission on Fire Accreditation International (CFAI) *Fire & Emergency Service Self-Assessment Manual* (2015). The District's maintenance of a AAA bond rating from Standard and Poor's reflects the District's sound financial policies and fiscal management.

Transparency

The District's initiative to engage the community in building awareness and understanding of the District's fiscal and policy making processes is supported by ongoing communication with our citizens and other stakeholders. The District provides a *Budget Summary* to District residents via the District's newsletter, web site, and social media. Download the [Budget Summary](#) or [2019 Adopted Budget](#) in Portable Document Format (PDF). In addition, the Monthly Budget Position Report, Annual Financial Reports, and Audit Reports are posted monthly and are also available for download from the District's web site.

The District received its fifth consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its annual budget for the fiscal year beginning

January 1, 2018. This award reflects the ongoing commitment of our Board of Fire Commissioners and District staff to meeting the highest principles of governmental budgeting. The District's budget was evaluated against nationally recognized guidelines for effective budget presentation. The GFOA assessors examined 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 2019 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 21.06% because of rebounding property values and new construction. Based on historical data, we anticipate that AV will continue to increase at close to historical levels which will maintain the District's ability to increase tax revenue 1% annually while reducing the District's regular levy rate. However, Washington State's 1% constitutional limitation on increases in tax revenue continues to challenge the District in keeping pace with increased demand for service.

The District's Interlocal agreement with Whidbey Island Hospital District (dba WhidbeyHealth) to staff a Basic Life Support (BLS) Ambulance has been level funded for five years. This agreement provides funding necessary to maintain the District's part-time operational staffing. Initiative 1433 passed by Washington state voters in 2016, has to date resulted in a 21.43% increase in the minimum wage. Subsequent increases in 2019 and 2020 will result in a further increase of 17.39% above the 2018 minimum wage for a total increase above the 2016 minimum wage of 42.55%. Increases to the minimum wage significantly impacts expense of maintaining the District's part-time staffing. Negotiations with WhidbeyHealth are underway to address funding of the Interlocal agreement for staffing of the BLS ambulance to address increased service delivery costs.

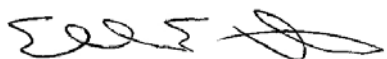
In November 2017, the District's voters passed a \$7,376,000 bond measure to fund the District's most pressing capital facilities improvements and replacement of major fire apparatus. Passage of this bond measure allowed the District to borrow funds for major capital expenditures with a separate tax levy to fund the debt service (payment on borrowed funds). This reduced demand on current revenue for major capital expenditures and preserved the general levy to meet the expense of ongoing operational requirements and other programmed capital projects.

Fiscal Sustainability

Due to constitutional and statutory limits on taxation, the District has and continues to face a challenge in maintaining and improving current service delivery levels beyond 2026. The District's Long-Term Financial Plan, updated and adopted by the Board of Fire Commissioners in 2018 presented a strategy to address these issues. Additional detail is provided in the Long-Term Financial Plan section of the budget.

We welcome feedback on our budget document. Please contact me via e-mail (ehartin@cwfire.org), telephone (360) 678-3602, or stop by our headquarters station at 1164 Race Road.

Sincerely,



Chief Ed Hartin, MS, EFO, FIFireE, CFO

Finance Officer

The 2018 Adopted District Budget is submitted in accordance with the requirements of *Revised Code of Washington (RCW) 52.16.030* and District policies as specified in the *Board of Fire Commissioners Policy Manual* (CWIFR, 2018a) and *Standard Operating Guideline 1.3.1 Budget* (CWIFR, 2017d).

Audit

As with all municipal entities in Washington State, Central Whidbey Island Fire & Rescue (CWIFR) is regularly audited by the Washington State Auditor's Office. Based on Washington State Auditor's policy, municipal entities that exceed \$2,000,000 in revenue must receive a regularly scheduled financial and accountability audits.

In 2017 the Washington State Auditor's Office (SAO) completed a financial and accountability audit of financial reports and records for 2015 and 2016 with no adverse findings. The auditor rendered an adverse opinion on fair presentation regarding Generally Acceptable Accounting Principles (GAAP). This opinion resulted from the District's preparation of financial statements using the Cash Basis of Accounting permitted by Washington State statutes, and the *State Auditor's Budgeting, Accounting and Reporting System (BARS) Manual* (2015). Cash basis accounting is considered 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 (SAO, 2017a, 2017b).

Interestingly, while cash basis accounting is permitted by state law, all financial audits conducted by the Washington State Auditor's Office 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, receives 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.

Financial Reporting

All local governments, including fire districts must file an annual financial report with the State Auditor in accordance with *Revised Code of Washington (RCW) 43.09.230*. Central Whidbey Island Fire & Rescue's Annual Financial Reports are accessible from the District's web site (<http://www.cwfire.org/finance/financial-audit-reports>) or through the State Auditor's Local Government Finance Reporting System (LGFRS). (See Island County Fire Protection District 5 <http://portal.sao.wa.gov/LGCS/Reports/>).

At the highest level, the District's finances are organized by fund. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Each of the District's funds serves a specific financial purpose and has a separate budget. For example, the General Fund receives most types of revenue and is used for

maintenance and operations while the Capital Projects fund is used specifically for capital projects. Funds are discussed in detail in the Budget Process section of this document.

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 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 1.

Table 1. Fund Reporting

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

Bond Rating

In 2018, the District maintained its AAA bond rating grade based on: 1) Demonstrated track record of very strong fund balances in the General Fund; 2) Strength of the local economy; 3) Growth in assessed value; 4) Financial management practices and policies; and 5) Experienced management in operating the District in an efficient manner.

We welcome feedback on our budget document. Please contact me via e-mail (cwfire@cwfire.org), telephone (360) 678-3602, or stop by our headquarters station at 1164 Race Road.

Sincerely,



Finance Officer Kim Harpe

Budget Summary

This summary provides an overview of CWIFR's annual budget and financial position in an easy to understand and simplified format. In addition to inclusion in the budget document, the summary is distributed to District residents in the District's Newsletter. In addition, the [Budget Summary](#) is available for download in Portable Document Format (PDF) from the budget page on the District website.

Budget by Fund and Fiscal Performance Measures

Table 2 provides a summary of actual District revenues and expenditures in 2017 as well as the budgeted revenues and expenditures in the 2018 Adjusted Budget, and 2019 Adopted Budget. Additional detail is provided in the fund specific sections of this Budget Document.

Table 2. 2019 Cash Basis Financial Summary

General Fund	Actual 2017	Adjusted 2018	Adopted 2019
Beginning General Fund Balance	\$2,628,225	\$2,775,233	\$2,823,853
Contingency (Administrative) Fund (10% of M&O)	\$227,519	\$230,532	\$235,180
Beginning GF Balance (Less Contingency)	\$2,400,706	\$2,544,701	\$2,588,673
Revenue			
Taxes	\$2,262,039	\$2,305,765	\$2,344,800
State Generated Revenue	\$3,897	\$14,476	\$14,476
Charges for Service	\$214,150	\$219,575	\$219,515
Miscellaneous Revenue	\$26,181	\$16,784	\$13,599
Other Revenue	\$0	\$2,500	\$2,500
Investment Interest	\$16,259	\$2,500	\$5,701
Total Operating Revenues	\$2,522,526	\$2,561,600	\$2,600,591
Expenditures			
Regular Budgeted Expenditures (M&O General Fund)	\$2,023,385	\$2,305,317	\$2,358,855
Contingency Expenditures	\$0	\$0	\$0
Investment Fee	\$1,319	\$1,300	\$285
Total Expenditures	\$2,024,704	\$2,306,617	\$2,359,140
Interfund Transfers			
To General Capital Projects Fund	\$349,000	\$203,746	\$205,119
To Compensated Absences Fund	\$1,814	\$1,431	\$35,360
To Grants Management Fund	\$0	\$1,186	\$0
To Debt Service Fund	\$0	\$0	\$0
Total Transfers From General Fund	\$350,814	\$206,363	\$240,479
Ending General Fund Balance			
Contingency (Administrative) Fund Ending Balance	\$227,519	\$230,532	\$235,866
Ending GF Balance (Less Contingency)	\$2,547,714	\$2,593,321	\$2,588,939
Total Ending General Fund Balance	\$2,775,233	\$2,823,853	\$2,824,824

Table 2. 2019 Cash Basis Financial Summary (Continued)

Capital Projects Fund	Actual 2017	Adjusted 2018	Adopted 2019
Beginning Capital Projects Fund Balance	\$1,331,031	\$1,664,918	\$1,749,488
Revenue			
Investment Interest	\$7,888	\$2,972	\$3,364
Interfund Transfers			
From General Fund	\$349,000	\$203,746	\$205,119
Expenditures			
Investment Fee	\$129	\$149	\$168
Vouchers (Capital Projects Fund)	\$22,872	\$122,000	\$426,135
Ending Capital Projects Fund Balance	\$1,664,918	\$1,749,488	\$1,531,668
Bond Fund			
Beginning Bond Fund Balance	\$7	\$7,424,544	\$7,175,205
Revenue			
Bond Revenue	\$7,424,537	\$361,769	\$372,700
Investment Interest	\$0	\$87,500	\$60,000
Interfund Transfers			
To Debt Service Fund		\$364,106	\$372,700
Expenditures			
Investment Fee	\$0	\$4,375	\$3,000
Vouchers (Bond Fund Capital Expenditures)	\$0	\$330,127	\$5,133,305
Ending Bond Fund Balance	\$7,424,544	\$7,175,205	\$2,098,900
Debt Service Fund			
Beginning Debt Service Balance	\$0	\$0	\$2,337
Interfund Transfers			
From Bond Fund	\$0	\$364,106	\$372,700
Expenditures			
Vouchers (Debt Service)	\$0	\$361,769	\$372,700
Ending Debt Service Balance	\$0	\$2,337	\$2,337
Compensated Absences Trust Fund	Actual 2017	Adjusted 2018	Adopted 2019
Beginning Compensated Absences Balance	\$27,169	\$29,161	\$30,583
Revenue			
Investment Interest	\$182		\$71
Interfund Transfers			
From General Fund	\$1,814	\$1,431	\$35,360
Expenditures			
Investment Fee	\$4	\$8	\$25
Vouchers (Compensated Absences)	\$0	\$0	\$22,360
Ending Compensated Absences Balance	\$29,161	\$30,583	\$43,629

Table 2. 2019 Cash Basis Financial Summary (Continued)

Grants Management Fund			
Beginning Grants Management Balance	\$0	\$24,920	\$0
Revenue			
Grants	\$23,734	\$25,000	\$0
Interfund Transfers			
From General Fund	\$1,186	\$0	\$0
Expenditures			
Vouchers (Grants Management)	\$0	\$49,920	\$0
Ending Grants Management Balance	\$24,920	\$0	\$0
All Funds			
Total Ending Balance (All Funds)	\$11,918,776	\$11,781,466	\$6,508,410

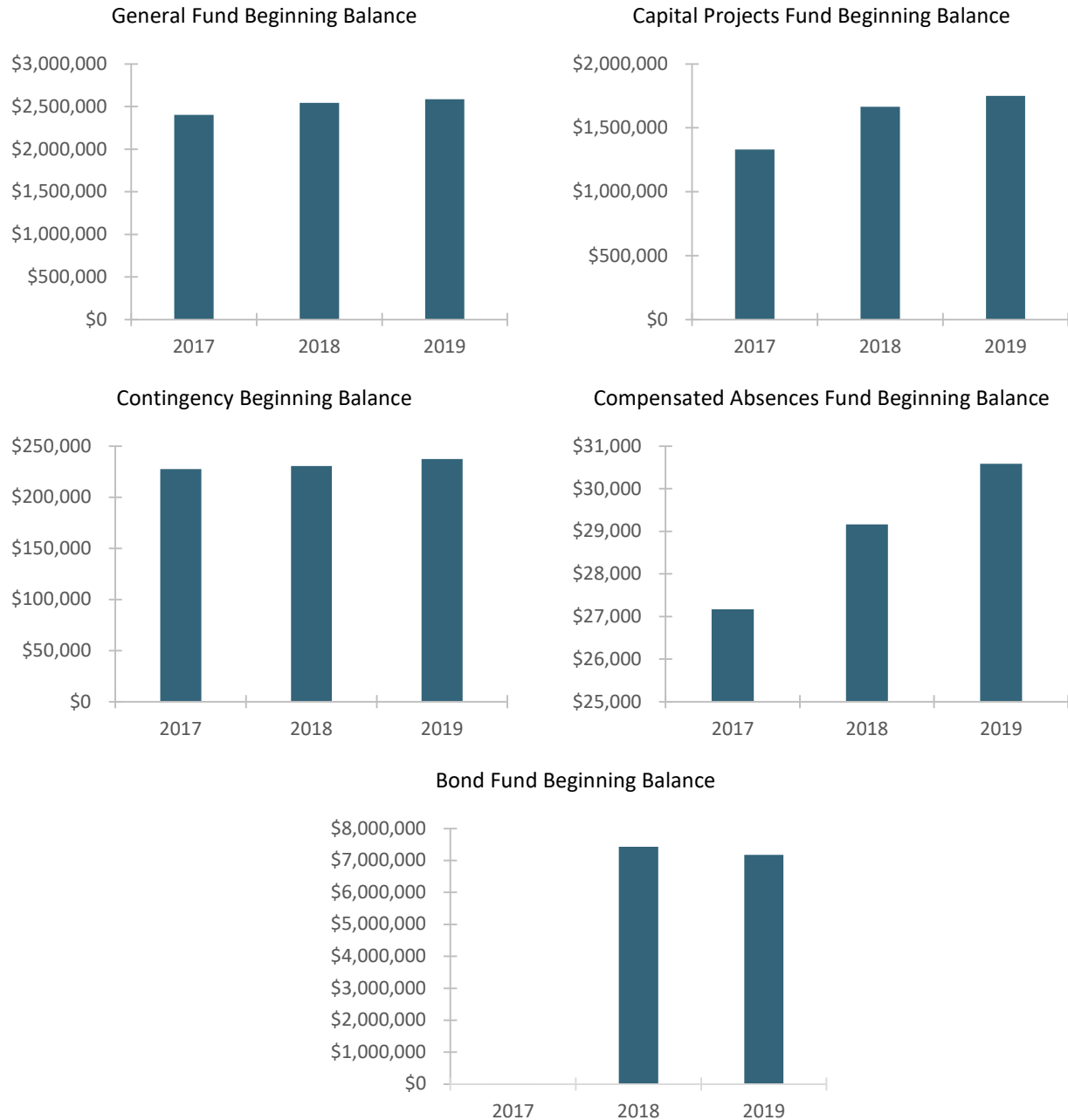
Fiscal Performance Measures	2017	2018	2019
Fiscal Responsibility			
General Fund Revenue-General Fund Expense	\$147,008	\$48,620	\$8,022
Expenditure/Capita	\$244.68	\$275.99	\$278.64
% Change in General Fund Balance	5.59%	1.75%	0.28%
% Change in Capital Projects Fund Balance	25.08%	5.08%	-12.45%
% Change in Compensated Absences Fund Balance	7.33%	4.88%	42.66%
General Fund Cash Flow/General Fund Revenue	19.74%	9.95%	9.56%
General Fund Ending Balance/General Fund Revenue	110.02%	110.24%	108.89%
Long Term Debt/Assessed Value	n/a	n/a	0.35%
Debt Service/Operating Revenue	n/a	n/a	14.33%
% Full Funding of Contingency (Administrative) Fund	100.00%	100.00%	100.00%
% Full Funding of Capital Projects Fund	44.47%	123.14%	147.52%
% Full Funding of Compensated Absences Fund	11.31%	11.86%	16.94%
Adequacy & Sustainability of Funding			
General Fund Balance as a % of GF Expense	129.81%	120.32%	120.06%
Revenue/Capita	\$304.84	\$306.49	\$311.16
Intergovernmental Revenues/Total Revenues	8.49%	8.57%	8.44%
Property Tax/Total Revenues	89.67%	90.01%	90.16%
General Levy Rate	\$1.35	\$1.30	\$1.27
General Levy Rate/Maximum Levy Rate (\$1.50)	89.73%	87.07%	84.47%
Bond Levy Rate		0.22	0.22
Total Levy (General Levy+Bond Levy)	\$1.35	\$1.52	\$1.49

Note: General Fund Revenue-General Fund Expense includes transfers out. Per Capita Performance Measures are based on an anticipated 1% annual increase in population.

Changes in Fund Balance

Changes in beginning fund balance and short-term trends are illustrated in Figure 1 (exclusive of the Grants Management Fund and Debt Service Fund). Overall beginning fund balances are healthy with the total of all funds decreasing slightly between 2018 and 2019 due to expenditure of bond funds for fire station renovation. Additional detail on projected changes in beginning fund balances is provided in the summary of the District's Long-Term Financial Plan provided in Appendix D.

Figure 1. Beginning Fund Balances 2017-2019



General Fund

The General Fund beginning balance will increase slightly in 2019. In 2020 the General Fund beginning balance will decrease annually (absent an increase in revenue). This change was anticipated based on inflation and constitutional limitations in property tax increases and is addressed in the District's *Long-Term Financial Plan* (CWIFR, 2018b), a summary of which is presented in Appendix D.

Capital Projects Fund

The Capital Projects Fund beginning balance shows continued increases between 2017 and 2019. The balance in this fund will fluctuate considerably over the next several years based on the schedule of capital projects (CWIFR, 2018b)

Compensated Absences Fund

The beginning fund balance for the Compensated Absences Fund shows a slow increase between 2017 and 2019. The beginning balance in this fund will fluctuate between 2020 and 2024 due to anticipated retirements and will then increase consistently in subsequent years due to increase transfer from the General Fund to address the District's liability for unused Executive Staff Paid Time Off (PTO) and Vacation for other full-time employees (CWIFR, 2018b).

Grants Management Fund

This fund shows no beginning balance in 2019. The District received a federal grant in 2017 with a one-year period of performance. But no funds were disbursed to the District before the end of 2017. For the District's current grant, expenditures must be made within 30 days of disbursement. In addition, grant funding was received from the International Association of Fire Chiefs for volunteer recruitment and retention with the period of performance ending within 2018. Future beginning fund balances will be impacted if multi-year grant funding is received by the District.

Bond Fund

Proceeds from an Unlimited Tax General Obligation (UTGO) Bond approved by the voters in November 2017 were deposited prior to the end of 2017 providing a beginning balance of \$7,424,544 in 2018. This balance will be drawn down as capital projects funded by the bond are completed between 2018 and 2020. Bond Levy funds are deposited in the Bond Fund and transferred to the Debt Service Fund to pay the debt service on the bond (CWIFR 2018b)

Debt Service Fund

The Debt Service fund was created by the District following passage of the UTGO bond in November 2017. Bond levy funds will be transferred from the Bond Fund to the Debt Service Fund and expended for debt service in the year that funds are received. Beginning fund balance will generally be level with changes in the balance occurring throughout the year as a result of receipt of tax revenue and payment of debt service.

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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.

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 most 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 Medical Center (Whidbey Island Hospital District)
- 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 multiple 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. Oakes Road, under construction between Race Road and Houston Road will provide 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 3 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.

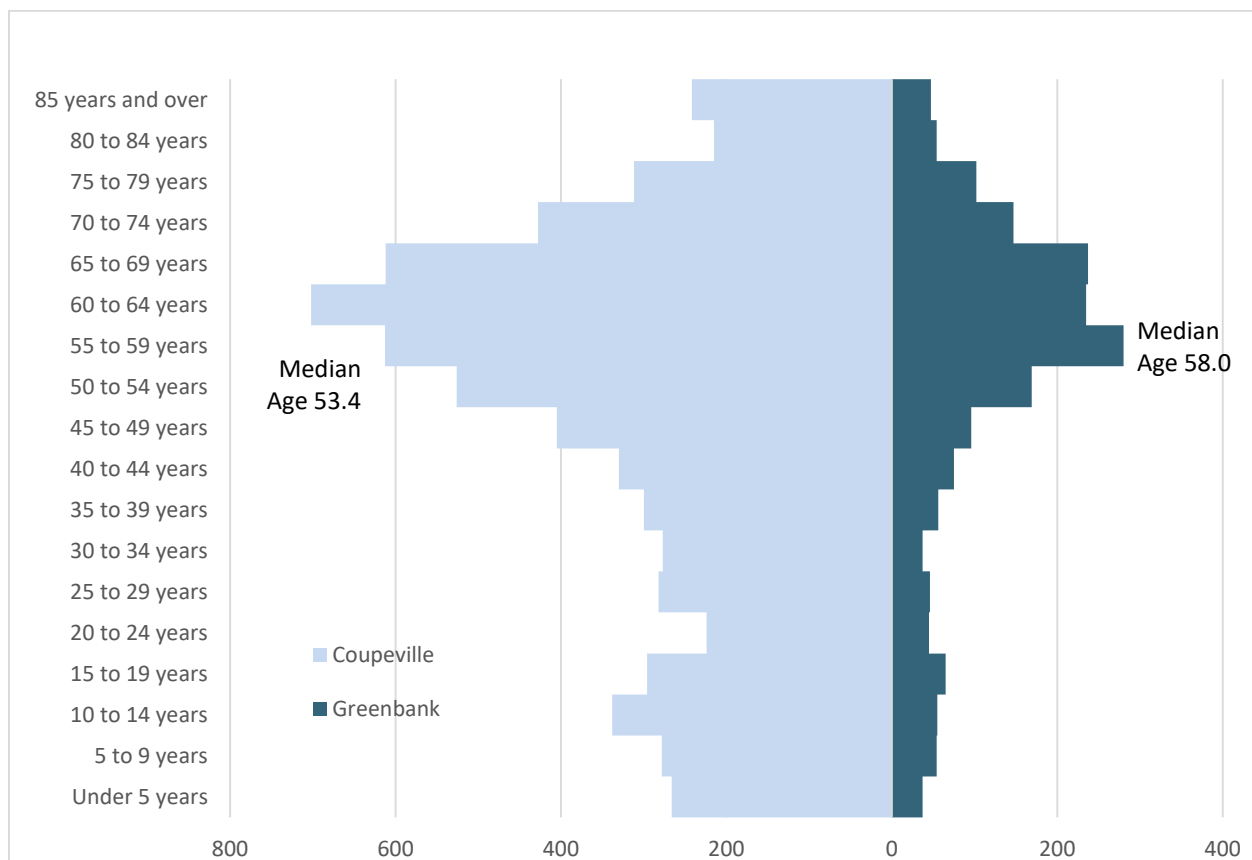
The population and age-related demographics of the District have an impact on workload and ability to recruit volunteer members. The large number of District residents over the age of 50 results in a substantial demand for emergency medical services and a higher potential risk of injury and death from 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 3. 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 4 illustrates CWIFR's proactive and response services.

Table 4. 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

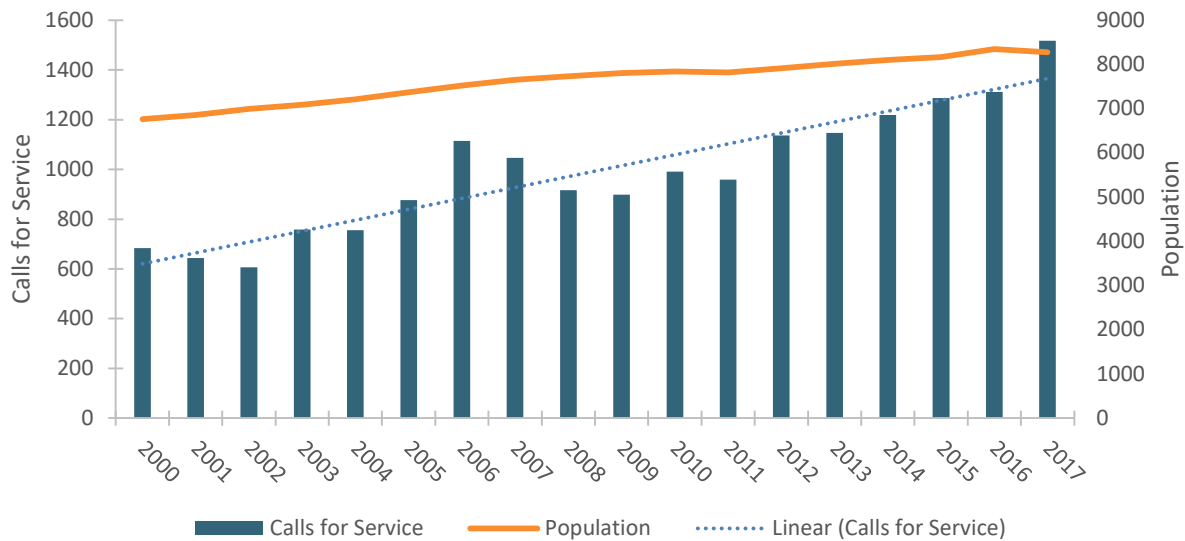
CWIFR maintains Interlocal Agreements with the Town of Coupeville and Island County to provide commercial fire and life safety inspections throughout the District.

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 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. During the last six years the demand for service has increased dramatically and consistently as illustrated in Figure 4.

Figure 4. Calls for Service and Population



Examining the linear trend lines for both population and total calls for service illustrates call volume is increasing substantially faster than the District's population. The District has experienced a 44.89% increase in demand for service in the last 10 years (2007-2017) while population has only increased by 8.14%.

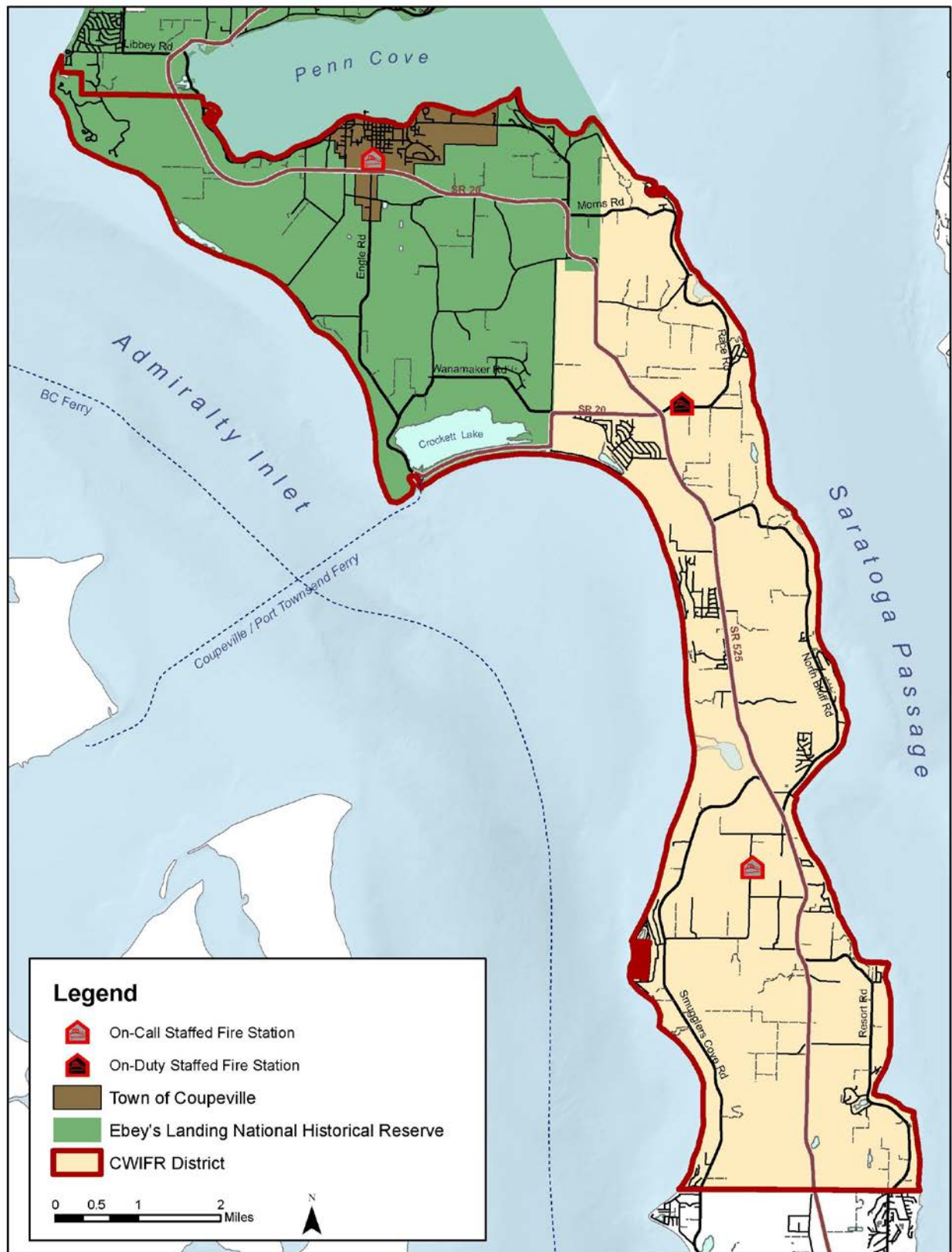
Non-Emergency Services

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 2018, 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



Fire Stations

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



Fire Station Renovation and Expansion

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 need renovation and expansion to meet current and projected operational requirements and to provide a safe and effective work environment. The Board of Fire Commissioners prioritized renovation and expansion of Station 53 as the most important facilities improvement. This project (along with purchase of three Type 1 Fire Engines) was funded through a Unlimited Tax General Obligation (UTGO) bond measure passed by the District's voters in November 2017.

Following a structural and civil engineering assessment of the existing Station 53, Carletti Architects recommended replacement of the existing building (rather than renovation) due to the expense of bringing the existing facility into compliance with current seismic codes and meeting the District's programmatic requirements. This approach will aid the District in bringing this project to successful conclusion on budget. The District anticipates completion of facility plans, solicitation of bids, and bid award to break ground on this project in the second quarter of 2018 with completion within 12 months.

Logistics Facility

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, and 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)

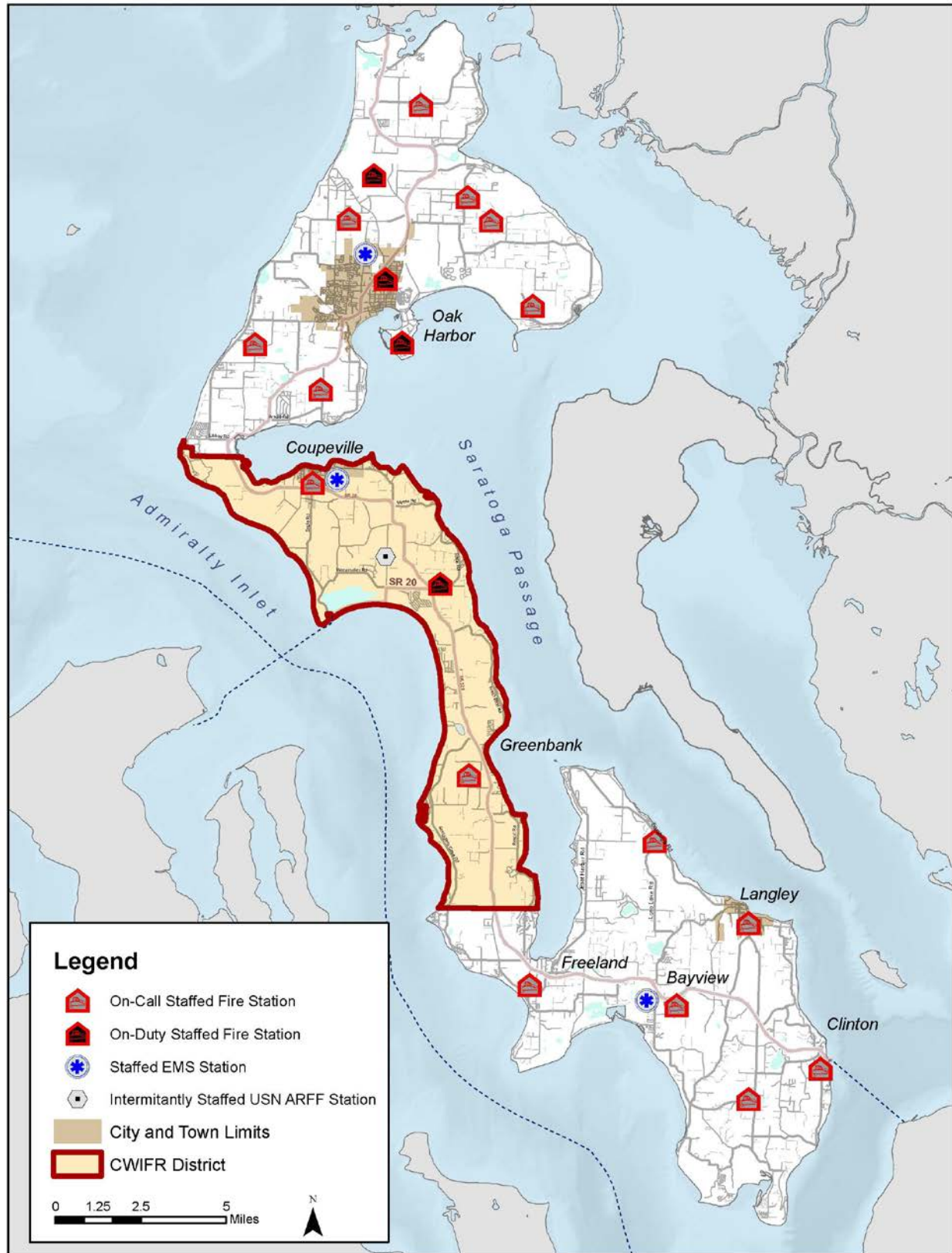


Automatic and Mutual Aid

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 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. The District also maintains mutual aid agreements with all emergency service agencies on Whidbey Island under which agencies may request assistance needed for larger incidents or if resources are committed to another incident.

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

Figure 10. Whidbey Island Fire Station Locations



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.

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 if 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). 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 5 provides a summary of personnel by classification and Division.

Figure 12. CWIFR Organization/Lines of Accountability

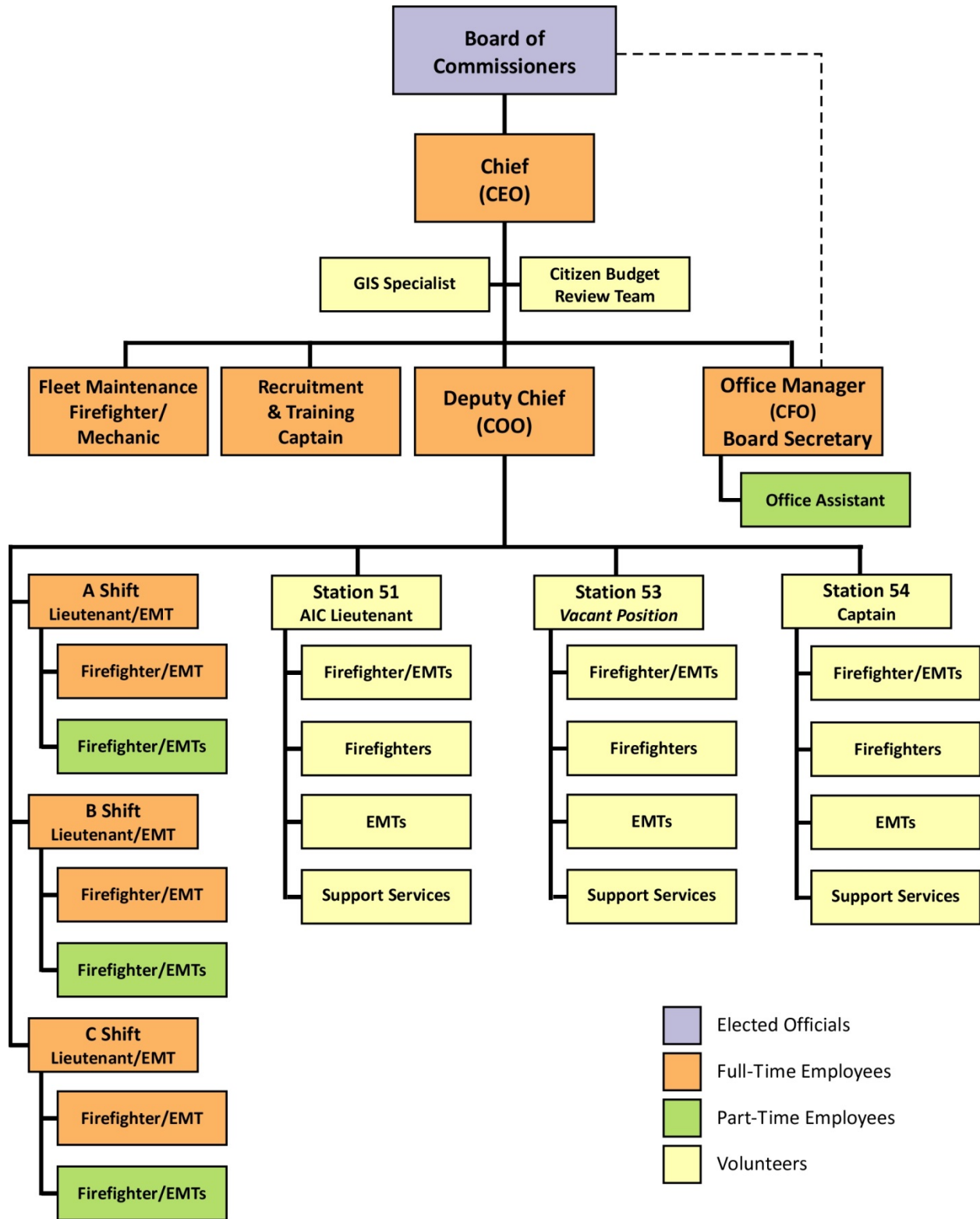


Table 5. Summary of Personnel

2017 Personnel	Administration	Operations	Life Safety/CRR	Training	Facilities	Vehicle Maintenance	Total District Staff
Full-Time	3.00	0.00	6.42 ²	1.00	0.00	1.00	11.42
Part-Time	0.50	9.58 ²	0.00	0.00	0.00	0.00	10.08
Volunteer	0.00	22.00	1.00	0.00	0.00	0.00	23.00
Subtotal	3.50	31.58	7.00	1.00	0.00	1.00	44.50

2018 Personnel	Administration	Operations	Life Safety/CRR	Training	Facilities	Vehicle Maintenance	Total District Staff
Full-Time	3.00	0.00	6.17 ²	1.00	0.00	1.00	11.17
Part-Time	0.50	9.83 ²	0.00	0.00	0.00	0.00	10.33
Volunteer	0.00	22.00	1.00	0.00	0.00	0.00	23.00
Subtotal	3.50	31.83	7.17	1.00	0.00	1.00	44.50

2019 Personnel	Administration	Operations	Life Safety/CRR	Training	Facilities	Vehicle Maintenance	Total District Staff
Full-Time	3.00	0.00	6.00	1.00	0.00	1.00	11.00
Part-Time	0.50	10.00	0.00	0.00	0.00	0.00	10.50
Volunteer	0.00	28.00	1.00	0.00	0.00	0.00	18.00
Subtotal	3.50	38.00	7.00	1.00	0.00	1.00	50.5

Increased staffing in 2019 is anticipated through improved effectiveness in volunteer recruitment. Paid staffing is anticipated to remain stable (with normal turnover among part-time staff).

While the District maintains a hierarchical organizational structure typical of paramilitary fire and rescue services, internal and external service delivery can also be examined in a functional basis. Much of the District's work activity involves programs and projects that cross the boundaries of the hierarchical organization as illustrated in Figure 13.

² The manager of the CRR Division was on light duty for five months in 2017 and was on light duty for two months in 2018, requiring increase in full-time staffing in the CRR Division for that period of time (promoting a Part-Time Firefighter to temporary Full-Time Firefighter). This reduced part-time staffing and increased full-time staffing during this time period.

Figure 13. Functional Organization

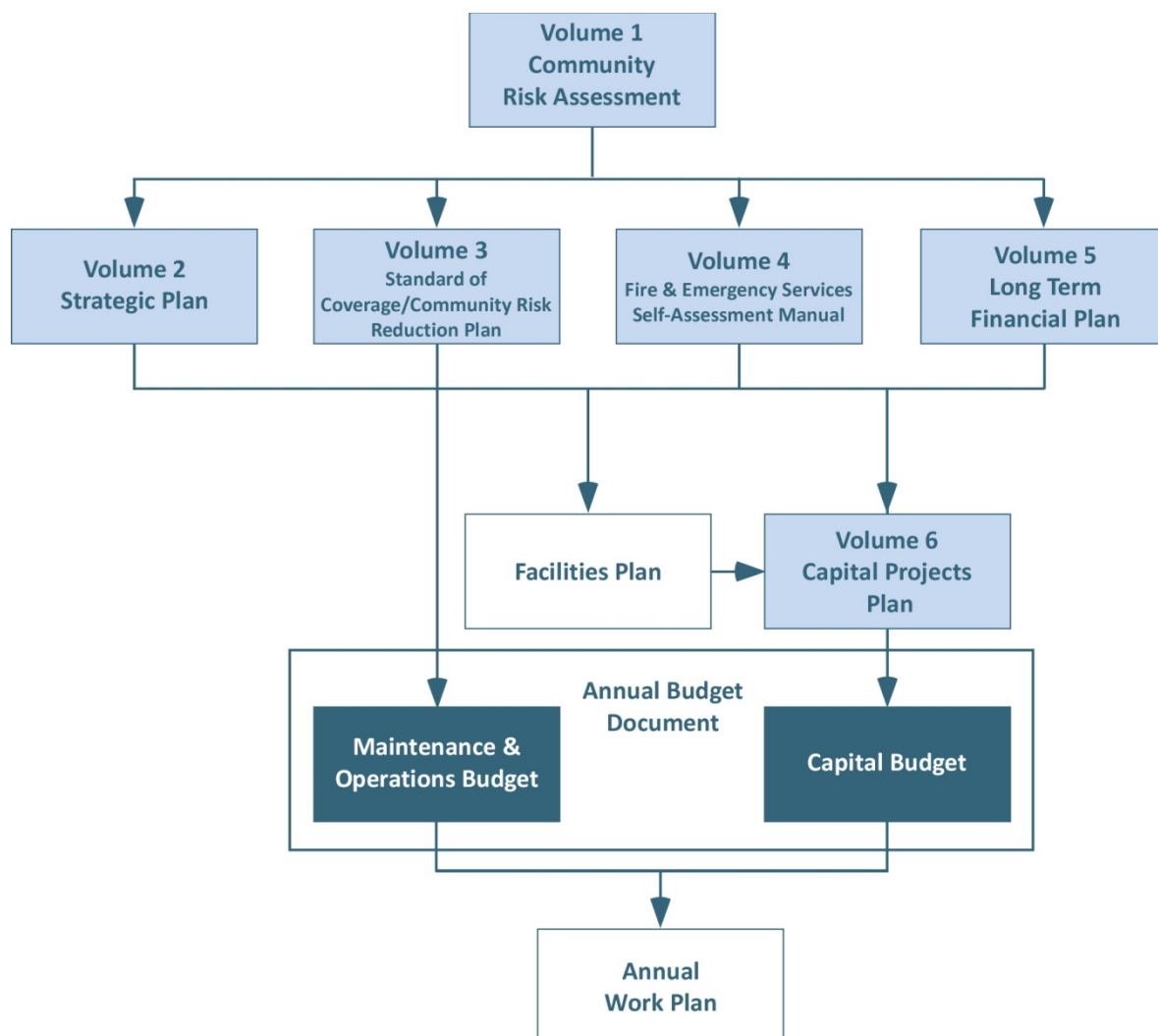


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Integrated Comprehensive Planning

Central Whidbey Island Fire & Rescue (CWIFR) maintains several strategic level plans to guide its ongoing operations with a forward-looking orientation. Each of these plans is a component of the District's Integrated Comprehensive Plan (ICP). Use of integrated comprehensive planning reduces duplication of effort and maximizes the effectiveness of the District's planning process. The ICP provides direction to the District's annual budgeting and work planning process which provides the mechanism to translate strategic level plans into action to address the District's goals and initiatives. Figure 14 illustrates the components of the ICP, their relationships to one another and connection to the District's annual budget process and work plan.

Figure 14. CWIFR Integrated Comprehensive Plan Components



Volume 1-Community Risk Assessment (CWIFR, Under Development): Each element of the District's comprehensive planning process is rooted in a sound understanding of the nature, characteristics, and risk profile of the community. This volume of the Comprehensive Plan provides an overview of the

community including demographics, geography, economic profile, and critical infrastructure. In addition, provides a comprehensive risk assessment for the District as a whole, and by Fire Management Zone and Marine Area of Operation. [Download ICP Volume 1 Community Risk Assessment.](#)

Volume 2-Strategic Plan (CWIFR, 2016): CWIFR's Strategic Plan sets our organizational direction by establishing goals and identifies specific initiatives necessary to accomplish these goals and a means for measuring progress. This plan is a living document, intended to guide and support ongoing operations and is solidly integrated with the District's budgetary and operational business planning processes. [Download ICP Volume 2 Strategic Plan.](#)

Volume 3-Standard of Coverage, & Community Risk Reduction Plan (CWIFR, Under Development): The Standard of Coverage (SOC) and Community Risk Reduction (CRR) Plan provides a rational and systematic method of reducing and responding to the risks identified in ICP Volume 1-Community Risk Assessment. This document establishes baseline and benchmark response performance standards, provides a basis for measuring service delivery performance, and identifies strategies and performance measures for proactive risk reduction. [Download ICP Volume 3 CRA, SOC, and CRR Plan.](#)

Volume 4-Fire and Emergency Services Self-Assessment Manual (Under Development): The Fire and Emergency Services Self-Assessment Manual (FESSAM) (CPSE, 2015) provides a structured approach to examining the District's current performance, assessment of this performance against criteria established by the Center for Public Safety Excellence (CPSE) Commission on Fire Accreditation International (CFAI) and developing a plan for continuous improvement. While this document is one of the key elements in fire department accreditation, the District has used this self-assessment process for six years prior to formally moving forward in the accreditation process. [Download ICP Volume 4 FESSAM.](#)

Volume 5-Long Term Financial Plan (2018x): Long term financial planning involves financial forecasting and strategizing how to meet both current and future needs of the community. This volume of the Integrated Comprehensive Plan provides a financial forecast projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables. [Download ICP Volume 5 Long Term Financial Plan.](#)

Volume 6-Capital Projects Plan (2018x): This volume of the Integrated Comprehensive Plan establishes a long term, prioritized schedule of capital investments to ensure that the District has sufficient resources to fulfill its mission and that critical assets are repaired or replaced before they reach their end of useful life. The Capital Projects Plan provides a basis for development of the District's annual Capital Budget. [Download ICP Volume 6 Capital Projects Plan.](#)

While not part of the integrated comprehensive plan, the District's facilities plan (Rice Fergus Miller, 2015) provides analysis of existing facilities and projected needs based on a 50-year timeframe. This plan was used in development of the exiting Capital Projects Plan and will serve as a reference for future capital facilities projects. [Download the Facilities Plan.](#)

Alternately, you can read the components of the ICP on-line at the District's web site (www.cwfire.org).

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 District's strategic goals, initiatives, and performance measures.

- **Strategic Goals:** Six strategic goals were established to provide a clear enterprise-wide strategy.
- **Initiatives:** Two to three initiatives were developed for each of the six strategic goals. These initiatives provide an organizing framework for performance improvement.
- **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, initiatives, 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.

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 15, *Integrity* and *Compassion* are at the core of CWIFR's values and surrounded by *Professionalism* and *Excellence*.

Figure 15. 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. 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.

Strategic Themes and Outcomes

Strategic themes are the focus of CWIFR's strategy, or key areas in which we must excel 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 6 outlines the District's strategic themes and outcomes.

Table 6. 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 7, each perspective provides answers to an important question.

Table 7. Critical Perspectives

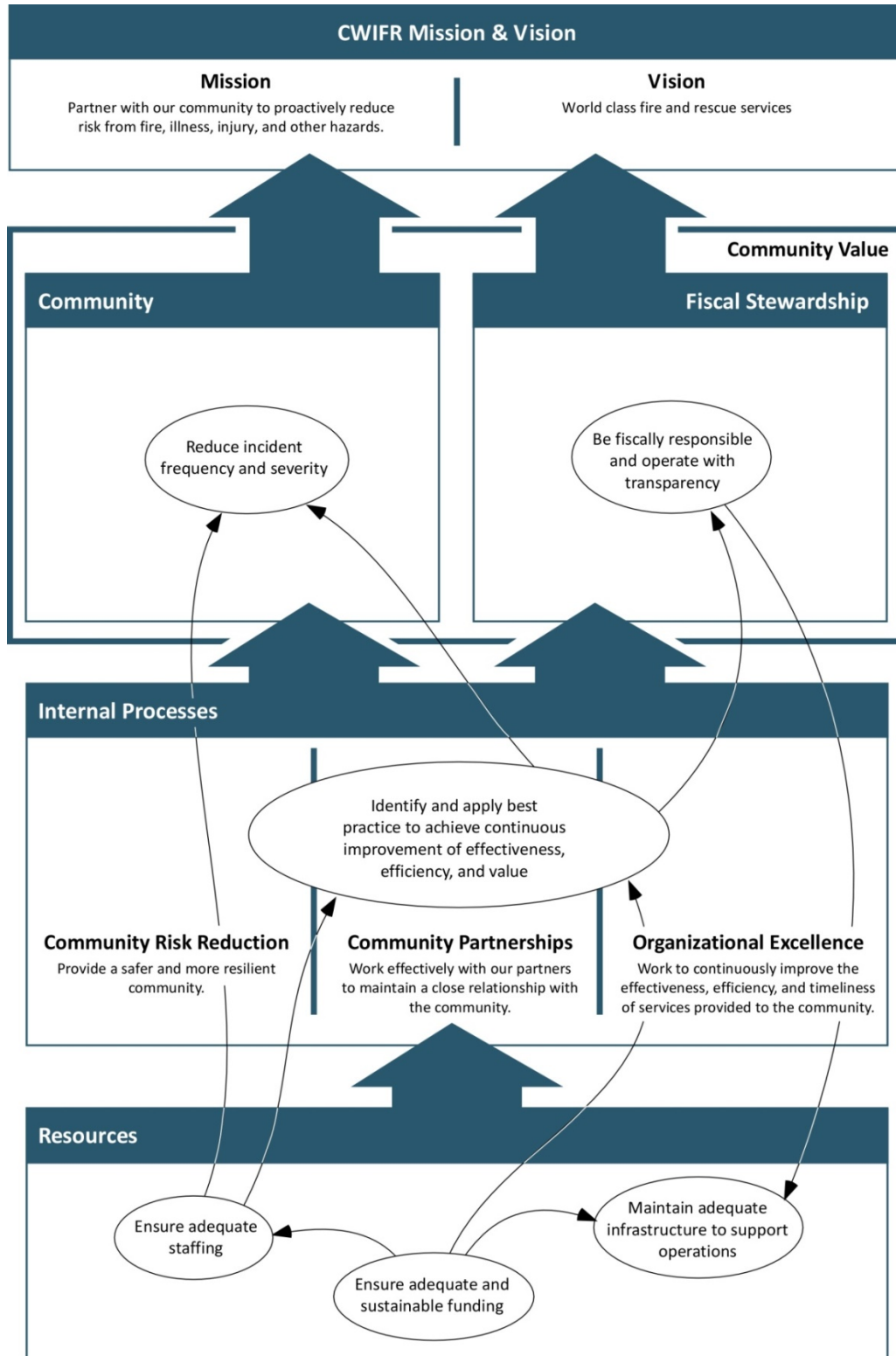
Perspective	Questions Answered	
Community	How will we achieve or exceed the community’s risk reduction outcome objectives?	How will we provide the greatest value to the community? (Outcomes/Cost Effectiveness)
Fiscal Stewardship	How will we provide the most cost-effective service to the community?	
Internal Processes	In what internal processes must we excel to exceed the community’s expectations?	
Physical and Human Resources	What resources and capabilities are required 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 several strategic goals that cross two or even all three themes. Figure 16 illustrates how these goals relate to our Strategic Themes, Mission, and Vision.

Figure 16. Enterprise Wide Strategy Map



As CWIFR's Enterprise Wide Strategy is based on integration of its strategic goals, it serves as the District's strategic bull's eye.

Strategic Goals and Initiatives

Each Strategic Goal is supported by specific initiatives that continue for the duration of the plan (2017-2021). In most cases, Strategic Goals and in some cases, initiatives involve more than one Division. Table 8 illustrates responsibility for strategic goals and initiatives by Division.

Table 8. Division Responsibility for Strategic Goals and Initiatives

◆ Primary Responsibility

◆ Supportive Responsibility

Goals & Initiatives	Administration	Operations	CRR	Training/ Recruitment	Facilities	Fleet
Reduce incident frequency and severity. [Community]	◆	◆	◆	◆	◆	◆
<i>Focus prevention and public education on community risks.</i>			◆			
<i>Improve operational capability to address community risks.</i>		◆		◆		
Be fiscally responsible and operate with transparency. [Fiscal Stewardship]	◆	◆	◆	◆	◆	◆
<i>Develop, maintain, and operate under sound fiscal policy and procedure.</i>	◆					
<i>Engage the community in building awareness and understanding of the District's fiscal and policy making processes.</i>	◆					
<i>Develop and maintain a capital projects plan to meet the District's capital infrastructure needs.</i>	◆	◆			◆	◆
Identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. [Internal Process]	◆	◆	◆	◆	◆	◆
<i>Maintain the District's Strategic Plan.</i>	◆					
<i>Develop and maintain the District's Community Risk Assessment, Community Risk Reduction Plan, and Standard of Cover.</i>	◆	◆	◆			
<i>Complete and maintain the District's Fire and Emergency Services Self-Assessment (FESSAM)</i>	◆	◆	◆	◆	◆	◆
<i>Integrate the Strategic Plan, Community Risk Assessment, Community Risk Reduction Plan, and Standard of Cover; and the FESSAM into the District's annual planning cycle and budget process.</i>	◆					
Ensure adequate and sustainable funding. [Resources]	◆					
<i>Develop alternative (non-property tax) revenue sources consistent with the District's mission.</i>	◆					
<i>Develop and present property tax funding alternatives (e.g., lid lift, voter approved bond measure) to the Board of Fire Commissioners as necessary to meet and continue established service delivery levels.</i>	◆					

Table 8. Division Responsibility for Strategic Goals and Initiatives (Continued)

Goals & Initiatives	Administration	Operations	CRR	Training/ Recruitment	Facilities	Fleet
Ensure adequate staffing [Resources]	◆	◆		◆		
<i>Engage in effective recruitment to strengthen volunteer staffing to meet the District's operational requirements.</i>	◆			◆		
<i>Provide the tools and support necessary to develop and maintain a competent workforce.</i>	◆			◆	◆	◆
<i>Engage our members in a comprehensive effort to develop and maintain health, wellness, and physical capacity.</i>	◆	◆	◆	◆	◆	◆
Maintain adequate infrastructure to support operations. [Resources]	◆				◆	◆
<i>Maintain District facilities to minimize operational cost over their lifecycle.</i>	◆				◆	
<i>Maintain the District's apparatus and equipment to minimize operational cost over their lifecycle.</i>	◆					◆

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 adjusting 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 identify and apply best practices to achieve continuous improvement of effectiveness, efficiency, and value. Performance measurement is essential in assessment of progress towards this goal.

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 based on 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.

CWIFR's Balanced Scorecard

The District's 2017-2021 Strategic Plan (CWIFR, 2016) refined and clarified measures to ensure close alignment with the District's strategic goals and provide a Balanced Scorecard examining performance through the community, fiscal stewardship, internal process, and resources lenses.

Performance measures are presented within General Fund Budget by Division. This approach provides a strong connection between Division responsibilities, performance, and budgeted funds. Table 9 specifies the location and provides links to the performance measures for each Division.

Table 9. Performance Measures Reference

Division	Page Reference
Administration	Page 61
Operations	Page 72
Community Risk Reduction	Page 84
Training and Recruitment Division	Page 95
Facilities	Page 103
Fleet Maintenance	Page 111

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Budget Process

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.

Budget Philosophy

The District maintains a conservative fiscal philosophy and endeavors to make financial decisions in the best interests of its taxpayers. The annual operating and capital budgets provide the financial basis for implementing the District's Integrated Comprehensive Plan (ICP) and meeting our mission of partnering with the community to reduce risk.

The budget is based on clearly articulated policies. It is realistic and includes adequate resources to accomplish identified goals and objectives. Once adopted, the Fire Chief is given spending authority consistent with policy guidance and within budgeted funds.

Bottom Up Budgeting

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.

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 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?

As illustrated in Table 10, this bottom up, modified zero based budgeting process has both advantages and disadvantages.

Table 10. 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>

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 11 details the timeline for specific budget development activity taking place over the course of the year.

Table 11. 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
July	Development of Division Budgets
August	Review & revision of Division Budgets Draft District Budget input (BIAS)
September	Executive review & revision of the Proposed District Budget Community Budget Review Working Group review of Proposed District Budget
October	Submittal of the Proposed 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.

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 including:

- 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

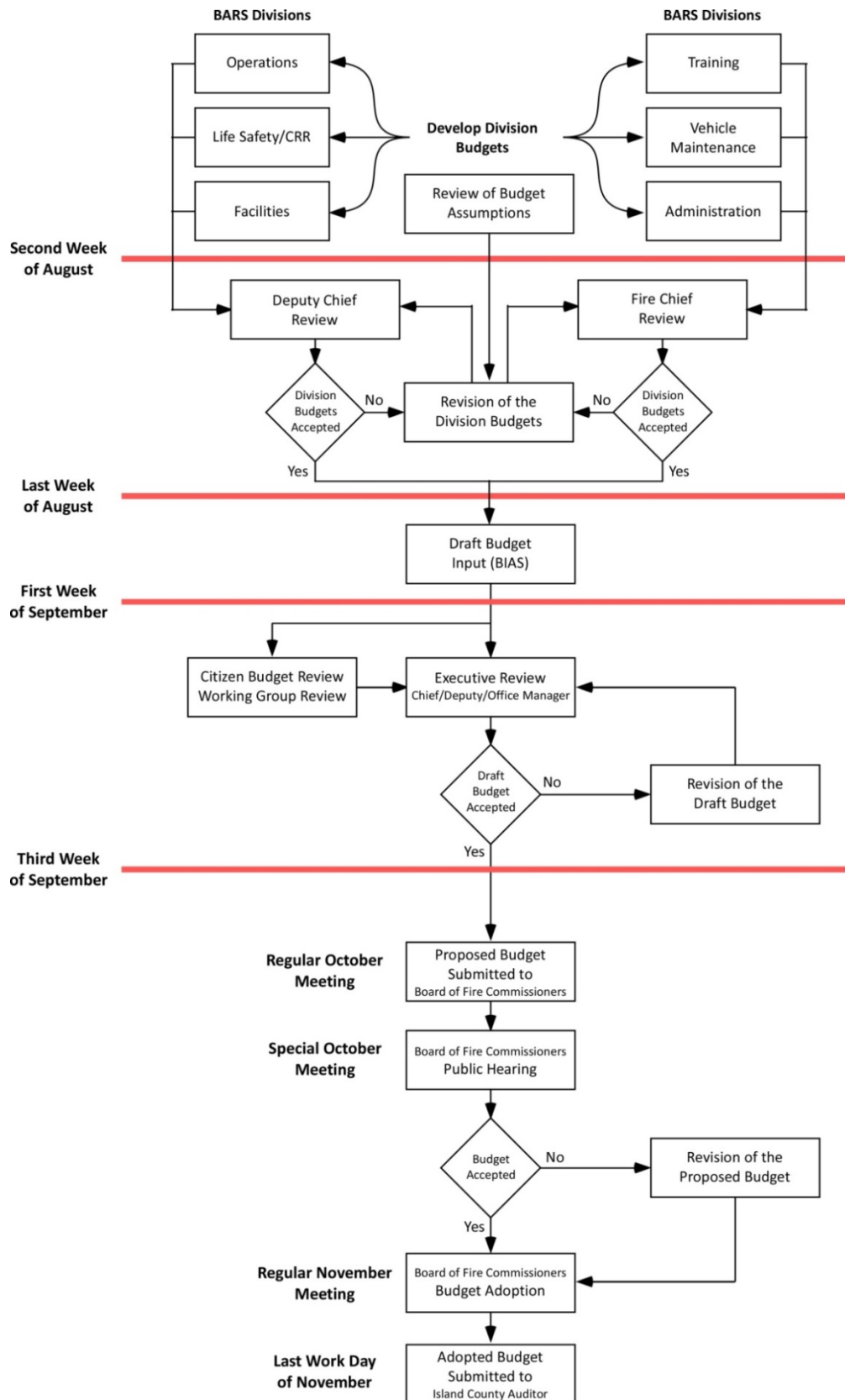
Most capital projects are included in the Capital Project Fund. However, the capital projects for renovation of Station 53 and purchase of three Type 1 Fire Engines were moved to the Bond Fund at the end of 2017 with passage of a voter approved bond measure. Therefore separate capital budgets for the Capital Projects Fund and Bond Fund are included in the annual budget document.

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.

Figure 17 illustrates the workflow and key milestones for budget development and approval.

Figure 17. Budget Development Workflow



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 General Fund to the Capital Projects 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. If 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 adjusted amount of the line item, the difference, percentage difference, and justification of the 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 Adopted Budget Changes Report to the Board of Fire Commissioners in advance of the meeting at which the budget adjustment will be considered.

Financial Assumptions Used in the Budget Process

Development of financial assumptions is a key element in Central Whidbey Island Fire & Rescue's long-term financial planning process. These assumptions provide a foundation for the District's Long Term Financial Plan and serve as guidance in development of the annual budget. Detailed explanation of these financial assumptions is presented in the summary of the District's *Integrated Comprehensive Plan Volume 5-Long Term Financial Plan* included in this budget document (Appendix D).

Revenue and Expense

The District is primarily funded through property taxes. Increases in the general levy are limited to 1% annually by the Washington State Constitution; provided that the District's levy rate is below the \$1.50 maximum for fire districts established in the *Revised Code of Washington (RCW) 52 Fire Protection Districts*. This provides a limited, but predictable increase in revenue. The District's Long Term Financial Plan (CWIFR, 2018b) is based on an anticipated 3% average annual increase in expense, which cannot be met in the long term without voter approved tax revenue increases. However, budgetary increases of less than 3% and greater than anticipated General Fund ending balances have allowed the District to extend the timeframe over which it can maintain current service delivery levels without additional revenue.

Passage of the voter approved bond measure on the November 2017 general election ballot reduced pressure on the General Fund for transfers to the Capital Fund for apparatus and equipment, further

extending the duration for which the District may maintain current service levels without an increase in the general levy.

Assessed Valuation and Levy Rate

In its Long-Term Financial Plan (CWIFR, 2018b) the District has anticipated a 5% average annual increase in Assessed Valuation (AV). The taxable assessed valuation of property within the District has increased faster than projected. This has resulted in a corresponding reduction in the District's general levy rate. While not impacting revenue, this places additional space between the general levy rate and the maximum general levy rate for fire districts. This provides a cushion, allowing the District to maintain a 1% annual increase in revenue, even if assessed valuation decreases.

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 Cities, Counties, and Special Purpose Districts (Cash Basis)* (SAO, 2018) 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.

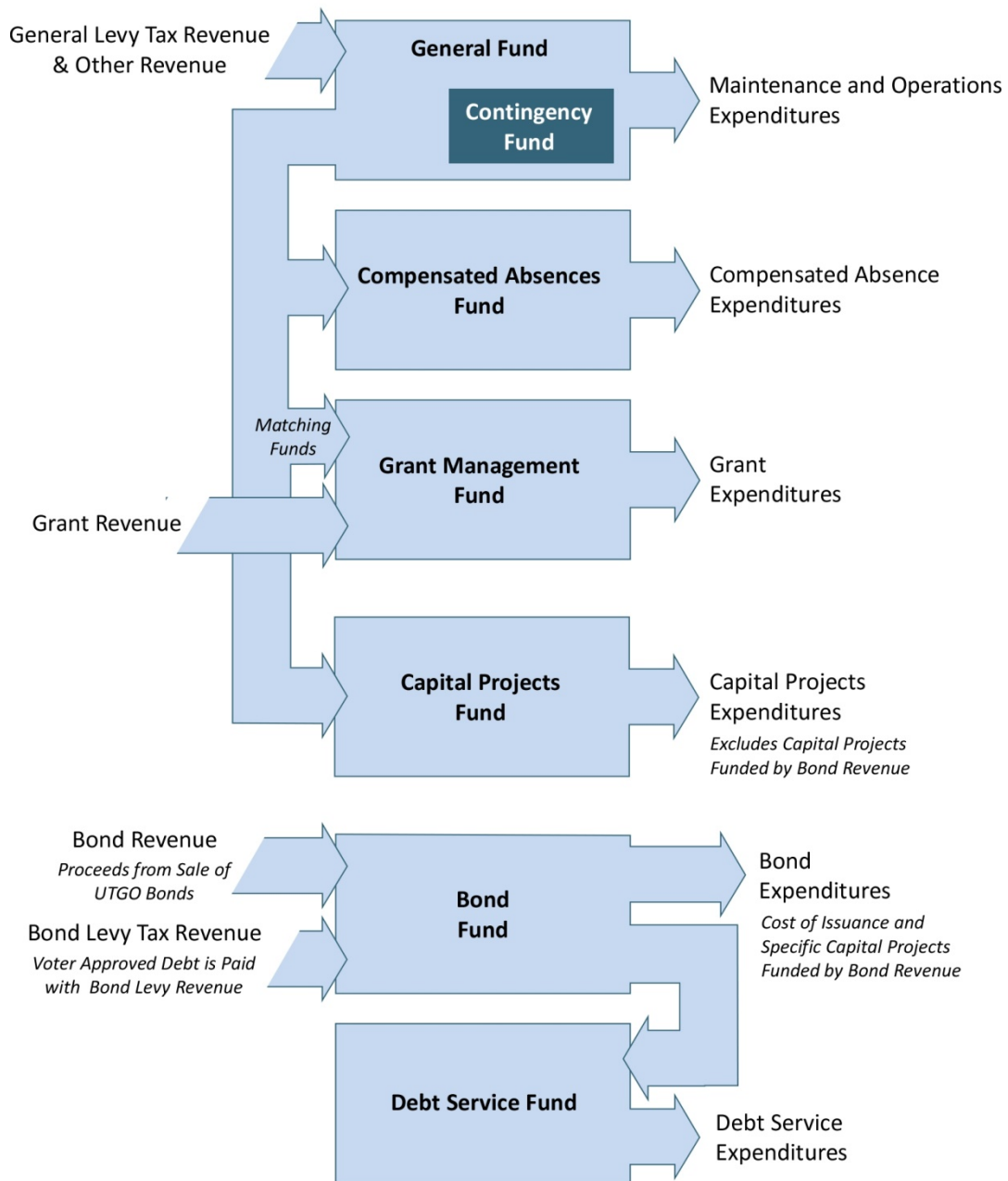
Included within the General Fund, the **Contingency** is a budgetary reserve set aside (within the General Fund) for emergencies or unforeseen expenditures not otherwise budgeted. CWIFR endeavors to maintain the Contingency at 10% of the Maintenance and Operations Budget.

- **Compensated Absences Fund:** This fund is used to account for assets held by the District for buyback of accrued annual leave and in the case of executive staff, a specified percentage of unused sick leave from employees at the time of their separation from the District (e.g., retirement). For budgetary reporting within the context of BARS, this managerial fund is rolled up into the General Fund.

- **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).
- **Bond Fund:** A fund established with the proceeds from sale of Unlimited Tax General Obligation (UTGO) bonds to fund specific capital projects (e.g., renovation and expansion of Station 53 and purchase of three Type 1 Fire Engines). Use of a separate fund for these capital projects facilitates accounting for bond revenue, interest, and expenditures and simplifies required compliance reporting.
- **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.
- **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 budgetary reporting within the context of BARS, this managerial fund is rolled up into the General Fund.

Figure 18 illustrates the relationship between revenue, funds, and expenditures.

Figure 18. Overview of Fund Relationships



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 with multiple service functions (e.g., postage, information technology services, telecommunications).
- **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 because 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 12 illustrates the allocation of funds and expenditures by Division with each Fund for the 2019 budget year.

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).

Table 12. 2019 Division/Fund Matrix

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

Note: Contingency is not allocated to a specific Division; use of this fund is limited to transfers to other funds as approved by the Board of Fire Commissioners.

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, fire apparatus and other vehicles, communications system projects, and information technology infrastructure.

Budget Layout & BARS Numbers

The layout of the budget includes major categories of expenditure, the Washington State Auditor's Office Budgeting and Reporting System BARS number (for internal reference), and line item description as well as the actual expenditure (two years prior), adjusted budgeted amount (prior year), and budgeted amount (budget year) as illustrated in Figure 19.

Figure 19. Budget Layout

Budget Category Description					Two Years Prior	Prior Year	Budget Year
522	XX	XX	XX	Line Item Description	\$XX,XXX	\$XX,XXX	\$XX,XXX

BARS Number

Understanding BARS Numbers

522 First Three Digits Identify the Code for Fire Protection

XX The Second Two Digits Specify the Division (Administration, Operations, etc.)

XX The Third Two Digits Specify the Character of the Expenditure

XX The Last Two Digits Identify the Specific Line Item

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.

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,

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 on an accrual basis and estimates revenue from other miscellaneous sources.

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 because of increasing General Fund expenses and constitutional limitations on increases in tax revenue. Several options exist to maintain current service levels beyond 2026 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. Limited increases over the last several years have significantly improved the District's financial position.
- Identify and develop additional revenue streams. The District continues to explore opportunities to develop additional revenue through Interlocal agreements and shared services.
- Determine at what point it will be necessary to present a lid lift to the District's voters. As intended by the Washington State Constitution and related laws regarding property tax limitations, the District's voters have the authority to increase the levy rate to maintain or improve service levels.

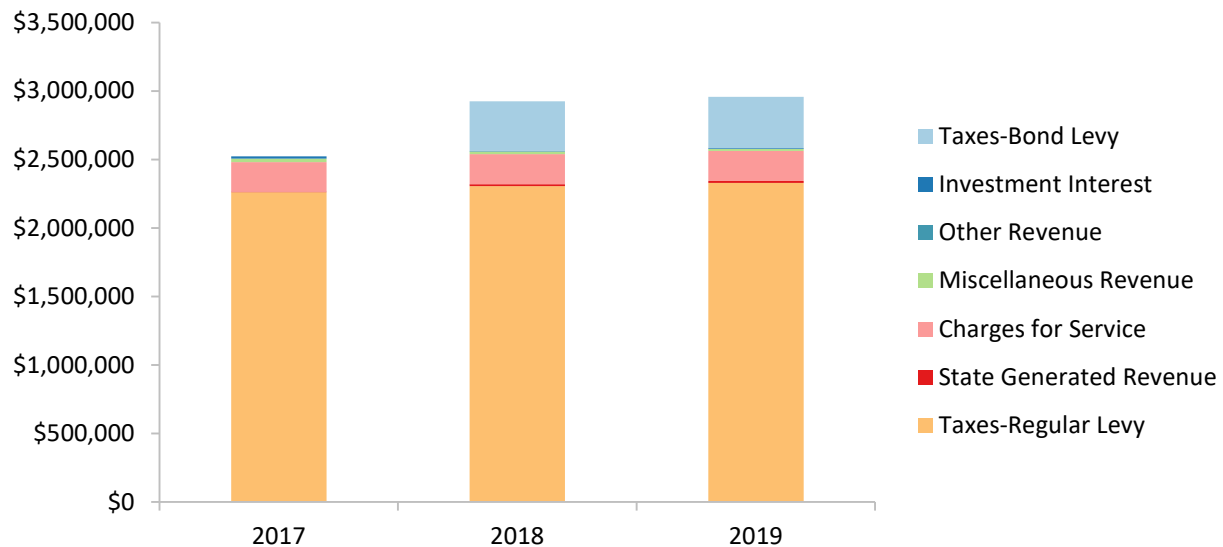
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Revenue

Overview of Revenue Streams

Excluding the influx of bond revenue in 2017, tax revenue is CWIFR's largest revenue stream, comprising approximately 91% 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 7% 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 20 illustrates CWIFR's revenue distribution and trends with the exception of bond revenue received in 2017 (inclusion on these one-time funds would distort general revenue distribution and trends).

Figure 20. Revenue Distribution and Trends (Excluding 2017 Bond Revenue)



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 2017 Assessed Value (AV) for 2018 tax collection was \$1,760,780,779 which at a Levy Rate of \$1.306/\$1000 AV provided a total property tax levy of \$2,303,485. The total property tax levy (excluding addition of taxes on new construction) can increase a maximum of 1% resulting in a maximum 2019 levy of \$2,326,520. Over the last two years new construction has increased substantially. The Island County Planning and Economic Development Department has reported a continuation of this trend (which will result in increased new construction revenue).

In 2017 AV increased 5.15% (for the 2018 tax year). Final data is not yet available for 2018 AV (for the 2019 tax year) but the Island County Assessor projects that the increase will be in excess of 7%. Increases in AV will not increase revenue, but it will lower the District's general levy rate.

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 13 illustrates the District's revenue received and projected for receipt from Interlocal Agreements.

Table 13. Revenue from Interlocal Agreements

Interlocal Agreement	2017 Actual Revenue	2018 Adjusted Revenue	2019 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 other miscellaneous revenues.

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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.

As discussed in the Budget Message and illustrated in Table 14, the 2019 Adopted District budget is 2.02% higher than in 2018. This increase includes the expense of increases in compensation for the District's part-time and executive staff, but does not include compensation increases for full-time staff represented by Local 4299 International Association of Firefighters as negotiations are pending.

Table 14. General Fund Budget by Division

Division	2017 Actual	2018 Adjusted	2019 Adopted	Change	Distribution
Administration ⁴	\$576,494	\$567,757	\$621,702	9.50%	26.36%
Operations	\$354,590	\$522,336	\$540,087	3.32%	22.88%
Community Risk Reduction	\$731,925	\$747,849	\$745,800	-0.27%	31.62%
Training	\$156,988	\$206,101	\$204,143	-0.95%	8.66%
Facilities	\$61,853	\$100,890	\$87,588	-13.19%	3.71%
Fleet Maintenance	\$142,907	\$160,384	\$159,525	-0.54%	6.76%
Total District Budget	\$2,024,758	\$2,305,317	\$2,358,450	2.30%	100.00%

General Fund expense can be examined in several ways, by Division (Table 14 and Figure 21) or by distribution between personnel costs (e.g., salaries, benefits, wages, and stipends), and materials and services (Figure 22).

⁴ Administrative Division expense includes the cost of District leadership and administration as well as any cost that is spread across the other Divisions which cannot be readily distributed on a proportionate basis to the Divisions (e.g., postage, information technology services, telecommunications).

Figure 21. Overview of General Fund Expense by Division

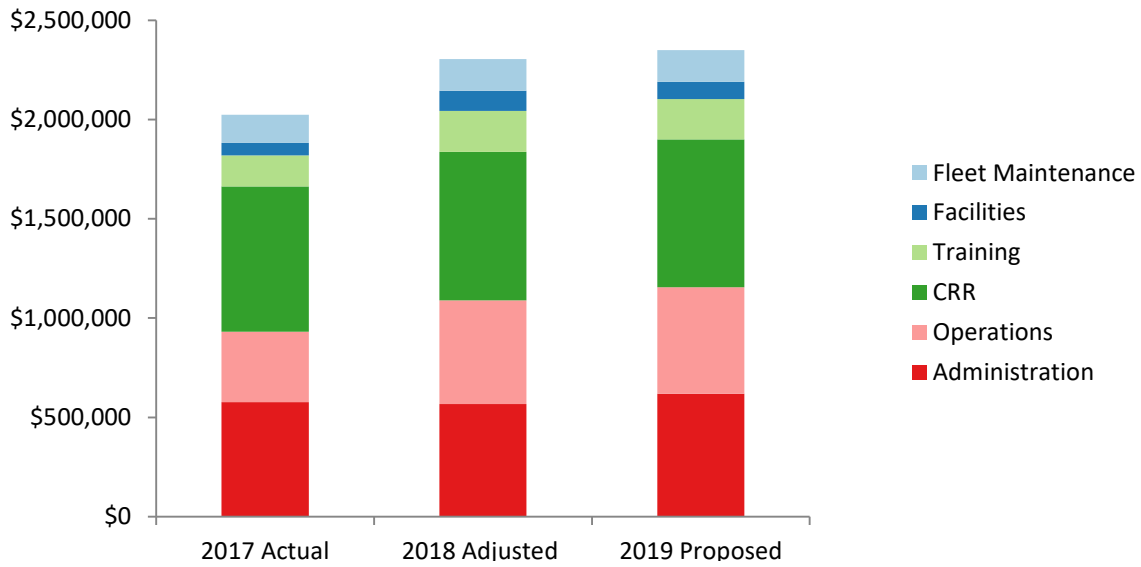
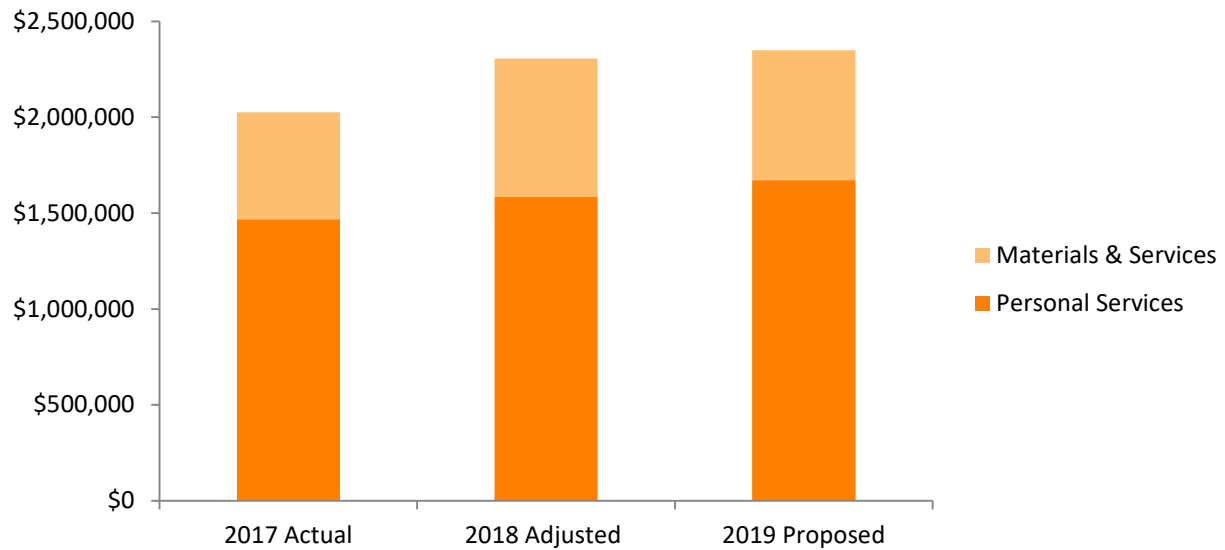


Figure 22. General Fund Expense by Category



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

Personnel Summary

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

Strategic Goals & Initiatives

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

In addition, the Administrative Division directly supports the District's strategic goals to

- Reduce incident frequency and severity.
- Ensure adequate staffing.
- Maintain adequate infrastructure to support operations.

Performance Measures

Table 15 identifies the Administrative Division's Strategic Performance Measures. Performance measures shaded light yellow are proposed (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the District's performance management processes.

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Table 15. Administrative Division Performance Measures

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
The Administrative Division has no Performance Measures in the Community Perspective					
Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
Be fiscally responsible and operate with transparency	Percentage change in beginning fund balance for:	Year	2015	2016	2017
	<ul style="list-style-type: none">General Fund	General Fund	2.24%	12.73%	6.59%
	<ul style="list-style-type: none">Capital Projects Fund	Capital Projects Fund	22.53%	18.64%	25.08%
	<ul style="list-style-type: none">Compensated Absences Fund	Compensated Absences Fund	53.47%	6.92%	7.33%
Be fiscally responsible and operate with transparency	Expenditure, Operating Position, Debt, and Unfunded Liabilities Indicators from Brown’s 10 Point Test (Maher, C. & Nollenberger, K., 2009). <ul style="list-style-type: none">Total expenditure per capita (Expenditure Indicator-Brown’s 10 Point Test)Operating Surplus or Deficit/Operating Revenues Percentage (Operating Position Indicator-Brown’s 10 Point Test)General Fund Balance/General Fund Revenues Percentage (Operating Position Indicator-Brown’s 10-Point Test)Long Term Debt/Assessed Value (AV) Percentage (Debt Indicator-Brown’s 10 Point Test)Debt Service/Operating Revenues Percentage (Debt Indicator-Brown’s 10 Point Test)% Fully Funded Contingency% Fully Funded Capital Projects Fund% Fully Funded Compensated Absences Fund (Unfunded Liability Indicator-Brown’s 10 Point Test)	Year	2015	2016	2017
		Expenditure/Capita	\$271.78	\$231.46	\$244.68
		Cash Flow/Revenue	25.45%	23.75%	19.74%
		GF Balance/Revenue	90.43%	105.05%	110.02%
		LT Debt/AV	n/a	n/a	4.44%
		Debt Service/Operating Revenue	n/a	n/a	n/a*
		% Funded Contingency	100%	100%	100%
		% Funded Capital	45.15%	44.47%	44.47%
		% Funded Compensated Absences Fund	7.83%	7.86%	11.31%
		* Debt service on the District’s Unlimited Tax General Obligation (UTGO) Bond begins in 2018.			

Table 15. Administrative Division Performance Measures (Continued)

Fiscal Stewardship Perspective (Continued)					
Strategic Goal	Outcome Measure	District Performance			
Be fiscally responsible and operate with transparency	Website self-assessment transparency score (Special District Transparency Checklist)	Year	2016	2017	2018
	<ul style="list-style-type: none"> District Overview Authorizing Statute Budget Meetings Elected Officials Administrative Officials Audits Procurements/Contracts Public Records Revenue 	Web Transparency	55%	55%	100%
	Discussion: The District continues to work towards improvement of transparency. The District's web site and linked documents address all of the Special District Transparency Checklist items with the exception of public records. This Standard Operating Guideline is under revision with a summary and links to the public records request and comprehensive guideline provided on the web site before the end of 2018. Update and revision of the District's web site in 2019 will provide a one-stop-shop for transparency data to simplify public access to this information.				
	Achievement of the Government Finance Officers Distinguished Budget Presentation Award	Year	2016	2017	2018
		Receiving Award	Yes	Yes	Yes
Be fiscally responsible and operate with transparency	Successful financial audit by the State Auditor's Office <i>Financial and accountability audits are conducted on a biannual basis for preceding two years.</i>	Year	2014	2015	2016
		Successful Audit	Yes	Yes	Yes
	Discussion: The District successfully completed its financial audit addressing 2015 and 2016 and is scheduled for its next audit in 2019.				
Be fiscally responsible and operate with transparency	General obligation bond rating (Standard & Poor's).	Year	2016	2017	2018
		Bond Rating	No Data	AAA	AAA
	Discussion: The District received a bond rating of AAA by Standard and Poor's in December of 2017. This rating reflects the District's strong financial position, sound financial policies, and demonstrated fiscal responsibility.				

Table 15. Administrative Division Performance Measures (Continued)

Fiscal Stewardship Perspective (Continued)					
Strategic Goal	Outcome Measure	District Performance			
Be fiscally responsible and operate with transparency	Mean fiscal responsibility score (1-5 Scale) on the District’s biennial community survey.	Year	2015	2016	2017
		Fiscal Responsibility	No Data	4.66	4.75
	Mean transparency score (1-5 Scale) on the District’s biennial community survey.	Proposed Performance Measure			
	Discussion: In 2016, 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. CWIFR continues work to identify an effective means for conducting a broad-based community survey that will address both fiscal responsibility and transparency along with other public perception measures.				
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 will consider moving to Applicant Agency Status when fully compliant with all critical criteria for accreditation.				
	Progress towards accreditation as indicated by:	Year	2016	2017	2018
	• Percentage completion of the Commission on Fire Accreditation International (CFAI) Fire and Emergency Services Self-Assessment (FESSAM)	FESSAM Completion	0.39%	24.20%	56.47%
		Critical Criteria	No Data	No Data	48.24%
	• Percentage compliance with CFAI Accreditation Criteria (Critical, Non-Critical, and Total).	Non-Critical Criteria	No Data	No Data	23.41%
	Total Criteria	No Data	No Data	39.68%	
Discussion: The District has made considerable progress in completing the CFAI Fire and Emergency Services Self-Assessment with 56.47% of performance indicators completed as of budget preparation and 70% completion anticipated by the end of 2018. Completion of description, assessment, and plan for each performance indicator will aid the District in bringing work practices, documentation, and performance into compliance with these criteria.					

Table 15. Administrative Division Performance Measures (Continued)

Internal Process Perspective (Continued)					
Strategic Goal	Outcome Measure	District Performance			
Identify and apply best practice to achieve continuous improvement of maximize effectiveness, efficiency, and value	Case examples of best practice implementation [QUALITATIVE]	Implemented a streamlined budget development process through use of a common staff budget input worksheet. Efficiencies resulted in a 30 day reduction in time to completion over the previous two years. Chief Hartin completed qualification as a Level 2 Peer Assessor with the Commission on Fire Accreditation International. This qualification allows the Chief to serve as a peer assessor on accreditation teams assessing other agencies credibility for accreditation.			
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	2015	2016	2017
		GF Beginning Balance/Expense	118.65%	105.48%	129.81%
	Revenue Indicators from Brown’s 10 Point Test (Maher, C. & Nollenberger, K., 2009) and Levy Rate Indicator.	Year	2015	2016	2017
		Revenue/Capita	\$315.81	\$303.55	\$304.84
	<ul style="list-style-type: none">Total revenue per capita (Revenue Indicator-Brown’s 10 Point Test)	Intergovernmental Revenues/Total Revenues	7.95%	8.54%	8.49%
	<ul style="list-style-type: none">Intergovernmental revenues/total revenues percentage (Revenue Indicator-Brown’s 10 Point Test)	Property Tax/Total Revenues	85.95%	89.06%	89.67%
	<ul style="list-style-type: none">Property tax/total revenues percentage (Revenue Indicator-Brown’s 10 Point Test)	Actual Levy Rate/Maximum Levy Rate	92.00%	89.88%	89.73%
	<ul style="list-style-type: none">Actual levy rate/ maximum levy rate (\$1.50 (Operating Position Indicator added to the 10 Point Test⁵)				

⁵ 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.

Accomplishments

Major administrative accomplishments in 2018 include the following:

- ***Financial Practices Standard Operating Guidelines (SOGs)***: Developed 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 accomplishment addressed the District's Strategic Goal to be fiscally responsible and operate with transparency. In addition, this accomplishment supported achievement of CFAI Accreditation Criteria 4B Financial Practices (4B.9 Grant Program Policies and 4B.10 Fee Policies).
- ***Personnel Policies and Procedures Handbook***: Consolidate the District's Human Resources Standard Operating Guidelines (SOGs) into a member's handbook. 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, this initiative supports achievement of CFAI Accreditation Criteria 7C Personnel Policies and Procedures (7C.1 Communication of Personnel Rules).
- ***Administrative Support Services Standard Operating Guidelines (SOG)***: Developed SOGs addressing 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 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 achievement of CFAI Accreditation Criteria 9C Administrative Support Services (9C.4 Public Information and C.7 Public Records).
- ***Fire & Emergency Service Self-Assessment Manual***: Began the formal process of self-assessment using the Commission on Fire Accreditation (CFAI) Fire and Emergency Services Self-Assessment Manual (CFAI, 2015). Description, appraisal, and plan (single page) were completed for 100% of the critical criteria and 60% of the total performance measures specified in the self-assessment manual. 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 supports achievement of all CFAI Accreditation Criteria.
- ***Personnel Policies and Procedures Standard Operating Guidelines (SOG)***: Develop SOGs addressing member complaints, ethics and conflict of interest. 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, this project supports achievement of CFAI Accreditation Criteria 7C Personnel Policies and Procedures (7C.4 Ethics/Conflict Procedures and 7C.5 Grievance/Complaint Procedure).

Projects

Major projects in 2019 include the following:

- **Lean Process:** Identify and implement a pilot project to introduce CWIFR to Lean Process. 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, this project supports achievement of CFAI Accreditation Criteria 9C Administration and Support Services (9C.1 Administrative & Support Processes).
- **Fire & Emergency Service Self-Assessment Manual:** Finalize the written description, appraisal, and plan (single page) for remaining 40% of the performance measures specified in the self-assessment manual. 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, this initiative supports achievement of all CFAI Accreditation Criteria.
- **Assessment of Occupational Safety, Health and Risk Management:** Identify a District Risk Management Officer, evaluate workplace hazards, document risk reduction efforts, and near-miss incident reporting. 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, this initiative addresses CFAI Accreditation Criteria 7F: Occupational Safety, Health and Risk Management (7F.1 Health and Safety Officer, 7F.2 Workplace Hazard Assessment, 7F.3 Workplace Risk Reduction, 7F.6 Near Miss Reporting).

2019 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 several 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 16 outlines the Administrative Division Budget.

Table 16. Administrative Division Budget

Administration Salaries & Wages					2017 Actual	2018 Adjusted	2019 Adopted
522	10	11	01	Fire Chief Salary	\$106,186	\$110,963	\$121,100
522	10	11	02	Deputy Chief Salary	\$90,420	\$94,036	\$96,260
522	10	11	03	Finance Officer Salary	\$55,596	\$58,097	\$74,750
522	10	11	07	Command Duty Officer Stipend	\$9,359	\$10,599	\$11,284
522	10	12	04	Office Assistant Wages	\$8,171	\$14,050	\$16,276
522	10	13	05	Commissioner Wages	\$14,706	\$13,680	\$13,338
522	10	13	06	District Secretary Wages	\$1,352	\$1,824	\$1,872
522	10	19	01	Fire Chief Deferred Compensation	\$9,026	\$9,987	\$10,899
522	10	19	02	Deputy Chief Deferred Compensation	\$8,669	\$8,463	\$8,663
522	10	19	03	Office Manager Deferred Compensation	\$2,224	\$2,439	\$2,990
522	10	20	01	Fire Chief Longevity	\$0	\$0	\$0
522	10	20	02	Deputy Chief Longevity	\$0	\$0	\$0
522	10	20	03	Finance Officer Longevity	\$0	\$2,780	\$3,738
Sub Total					\$305,708	\$326,918	\$361,170
Administration Benefits							
522	10	21	01	Fire Chief (Medicare Only)	\$1,678	\$2,042	\$1,923
522	10	21	02	Deputy Chief (Medicare Only)	\$1,545	\$1,774	\$1,549
522	10	21	03	Finance Officer (FICA/Medicare)	\$4,170	\$4,622	\$6,106
522	10	21	04	Office Assistant (FICA/Medicare)	\$625	\$1,075	\$236
522	10	21	05	Commissioners (FICA/Medicare)	\$1,125	\$1,120	\$193
522	10	21	06	District Secretary (FICA/Medicare)	\$103	\$140	\$27
522	10	21	07	Command Duty (Medicare Only)	\$96	\$154	\$0
522	10	22	01	Fire Chief (L&I)	\$784	\$962	\$964
522	10	22	02	Deputy Chief (L&I)	\$631	\$862	\$714
522	10	22	03	Finance Officer (L&I)	\$242	\$375	\$375
522	10	22	04	Office Assistant (L&I)	\$95	\$175	\$188
522	10	22	05	Commissioners (L&I)	\$20	\$36	\$25
522	10	22	06	District Secretary (L&I)	\$2	\$9	\$10
522	10	22	07	Command Duty (L&I)	\$1,699	\$1,400	\$0
522	10	23	01	Fire Chief (Medical/Dental)	\$13,661	\$14,396	\$16,194
522	10	23	02	Deputy Chief (Medical/Dental)	\$20,244	\$20,968	\$22,524
522	10	23	03	Finance Officer (Medical/Dental)	\$18,058	\$18,947	\$16,980
522	10	24	01	Fire Chief (LEOFF)	\$5,982	\$6,675	\$7,283
522	10	24	02	Deputy Chief (LEOFF)	\$5,094	\$5,700	\$5,813
522	10	24	03	Finance Officer (PERS)	\$6,568	\$7,738	\$10,454
522	10	24	05	Office Assistant (PERS)	\$967	\$1,784	\$2,088
522	10	28	04	Employee Assistance Program	\$892	\$1,300	\$984
Sub Total					\$84,280	\$92,254	\$94,630

Table 16. Administrative Division Budget (Continued)

Administration Office & Operating Supplies					2017 Actual	2018 Adjusted	2019 Adopted
522	10	31	01	Office Supplies	\$6,094	\$5,000	\$5,000
522	10	31	02	Computer Software	\$8,163	\$9,020	\$8,980
522	10	31	04	Uniforms - Admin & Commissioners	\$1,731	\$2,400	\$2,300
522	10	31	05	Copy Fees	\$6,758	\$5,820	\$5,820
522	10	31	06	Books & Publications	\$152	\$100	\$100
522	10	31	07	Member Recognition	\$1,083	\$1,000	\$760
Sub Total					\$23,981	\$23,340	\$22,960
Administration Small Tools & Minor Equipment (<\$5,000)							
522	10	35	01	Computer Hardware	\$3,088	\$4,400	\$4,200
522	10	35	02	Office Equipment	\$0	\$0	\$0
522	10	35	03	Furniture	\$1,705	\$178	\$0
Sub Total					\$4,793	\$4,578	\$4,200
Services & Pass-Through Payments							
522	10	40	01	Non-Legislative Election Fees	\$2,190	\$0	\$0
522	10	40	02	Legislative Election Fees	\$0	\$0	\$0
522	10	40	03	Sales Tax (Not Paid with Purchase)	\$875	\$2,000	\$2,000
Sub Total					\$3,066	\$2,000	\$2,000
Administration Professional Services							
522	10	41	01	Legal	-\$700	\$3,000	\$3,000
522	10	41	02	Accounting	\$2,323	\$2,700	\$2,500
522	10	41	03	Recruitment & Testing	\$0	\$80	\$260
522	10	41	04	Medical & Psychological	\$0	\$40	\$360
522	10	41	05	Vaccinations	\$0	\$120	\$120
522	10	41	06	Information Technology	\$22,237	\$22,494	\$23,454
522	10	41	07	MRSC	\$120	\$460	\$460
522	10	41	08	Consulting	\$42,269	\$0	\$2,500
522	10	41	09	Accreditation	\$0	\$0	\$570
Sub Total					\$66,249	\$28,894	\$33,224
Administration Communications							
522	10	42	01	Postage & Shipping	\$3,572	\$2,167	\$1,600
522	10	42	02	Internet Domain Name	\$55	\$60	\$60
522	10	42	03	Telephone	\$10,443	\$7,848	\$8,160
522	10	42	04	Cellular Telephones	\$2,482	\$2,645	\$2,700
522	10	42	05	Cable/Internet	\$4,572	\$5,488	\$6,672
522	10	42	06	Newsletter (Mail House)	\$5,209	\$10,500	\$10,500
Sub Total					\$26,332	\$28,708	\$29,692

Table 16. Administrative Division Budget (Continued)

Travel, Lodging, & Meals					2017 Actual	2018 Adjusted	2019 Adopted
522	10	43	01	Commissioners TLM	\$22	\$300	\$300
522	10	43	02	Staff TLM	\$748	\$1,500	\$1,500
Sub Total					\$770	\$1,800	\$1,800
Administration Advertising							
522	10	44	01	Legal Advertising	\$561	\$2,500	\$2,500
522	10	44	03	Admin Recruitment	\$368	\$400	\$400
Sub Total					\$930	\$2,900	\$2,900
Administration Operating Rentals & Leases							
522	10	45	01	Copier	\$4,646	\$4,560	\$4,560
522	10	45	03	Miscellaneous Equipment Rental	\$0	\$0	\$0
Sub Total					\$4,646	\$4,560	\$4,560
Administration Insurance							
522	10	46	01	Liability/Umbrella	\$37,955	\$41,250	\$45,085
Sub Total					\$37,955	\$41,250	\$45,085
Repair & Maintenance (R&M)							
522	10	48	01	Equipment R&M (Computer)	\$0	\$0	\$0
522	10	48	02	Equipment R&M (Office Equipment)	\$0	\$0	\$0
522	10	48	03	Equipment R&M (Miscellaneous)	\$0	\$100	\$0
Sub Total					\$0	\$100	\$0
Miscellaneous							
522	10	49	01	Professional Memberships	\$4,786	\$4,834	\$4,884
522	10	49	02	Subscriptions	\$1,486	\$1,646	\$1,646
522	10	49	03	Commissioner Off-Site Expense	\$0	\$200	\$200
522	10	49	04	Staff Off-Site Expense	\$163	\$200	\$200
522	10	49	05	On-Site Meeting Expense	\$373	\$450	\$450
522	10	49	06	Recognition/Awards Dinner	\$175	\$300	\$300
522	10	49	07	Investment/Misc Bank Fees	\$1,319	\$1,300	\$1,300
522	10	49	08	Finance Charges	\$656	\$500	\$500
522	10	49	09	Investment Fee (Capital)	\$0	\$0	\$0
522	10	49	10	Administrative Audit	\$8,826	\$1,025	\$10,000
Sub Total					\$17,785	\$10,455	\$19,480

Total Administrative Division Budget**\$576,494****\$567,757****\$621,702****Major Expenditures/Changes**

The Administrative Division budget increased by 9.50% in 2019 primarily due to increases in executive staff compensation and the expense of the bi-annual financial and accountability audit by the Washington State Auditor's Office.

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

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. A modest increase in volunteer staffing within the Operations Division is anticipated in 2019. Table 17 delineates the distribution of Operations Division Staffing.

Table 17. 2018 Operations Staffing by Rank/Role

Classification	Volunteer	Part-Time
Support Services (Operations)	7.00	0.00
Firefighter	17.00	10.00
Lieutenant	3.00	0.00
Captain	1.00	0.00
Total Staff	28.00	10.00

In addition to members rank or role, they may hold additional one or more qualifications based on certification or training and qualification as illustrated in Table 18.

Table 18. 2018 Operations Staffing by Qualification

Qualification	Volunteer	Part-Time
Emergency Medical Technician-Basic	7.00	10.00
Light Apparatus Operator	28.00	10.00
Heavy Apparatus Operator-Engine	12.00	10.00
Heavy Apparatus Operator-Water Tender	12.00	10.00
Marine Rescue	11.00	10.00
Rope Rescue	9.00	10.00

Strategic Goals

The following Strategic Goals are of 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 District's Strategic Goals to:

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

Performance Measures

Table 19 identifies the Operations Division's Strategic Performance Measures. Performance measure shaded light yellow are proposed (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the District's performance management processes.

Table 19. Operations Division Performance Measures

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
Reduce incident frequency and severity	Percentage of structure fires beyond the room of origin on arrival confined to the building of origin [Lag]	Year	2015	2016	2017
		Confined to the building of origin	66%	100%	80%
	Percentage of structure fires confined to the room or area of origin [Lag]	Year	2015	2016	2017
		Confined to the room or area of origin	66%	33%	50%
	Cardiac Arrest Save Rate (Utstine Criteria) [Lag]	Proposed Performance Measure			
	Discussion: Anecdotal data shows an increase in the District’s cardiac arrest save rate (patient self-reporting). In 2017 Whidbey Island enrolled in Cardiac Arrest Registry for Enhanced Survival (CARES) to begin the process of gathering cardiac arrest save rate and related data. However, WhidbeyHealth EMS and Medical Center have not entered data into the system, resulting in a lack of outcomes data.				
	Extent to which CWIFR meets its adopted Standard of Coverage (SOC) [Lead] <ul style="list-style-type: none">90% Percentile Response Time First Unit (All Emergency Incidents)90% Percentile Response Time for Minimum Response Force for Building Fire & Cardiac Arrest (MRF)90% Percentile Response Time for Effective Response Force Fire & Cardiac ArrestPercentage Turnout of On-Call Staff on Structure Fires (Day/Night)	Proposed Performance Measure			
	Discussion: The District’s SOC is under development and has not yet been adopted by the Board of Fire Commissioners. Data is currently being collected that will allow reporting on this measure after adoption of the SOC.				

Table 19. Operations Division Performance Measures (Continued)

Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
The Operations Division has no Performance Measures in the Fiscal Stewardship Perspective					
Internal Process Perspective					
Strategic Goal	Outcome Measure	District Performance			
Identify and apply best practice to achieve continuous improvement, maximize effectiveness, efficiency, and value	Case examples of best practice implementation [QUALITATIVE]	Performed fitness assessment to track and encourage improvements in physical performance; implemented comprehensive small equipment maintenance program; and improved Health Insurance Portability and Accountability Act (HIPAA) Compliance.			
Resource Perspective					
Strategic Goal	Performance Driver	District Performance			
Ensure adequate staffing	Retention rate:	Year	2015	2016	2017
	<ul style="list-style-type: none">% of volunteer members with greater than 24 months service	Volunteer >24 months	76.47%	58%	44%
	<ul style="list-style-type: none">% of part-time members with greater than 24 months service	PT > 24 months	60%	40%	40%
Discussion: This reduction in years of service resulted from increased recruitment, not a reduction in retention of senior members.					
Ensure adequate staffing	Average On-Duty Staffing (Day/Night)	Year	2015	2016	2017
	Average On-Call Staff (Day/Night)	On-Duty/1000 Day	5.76	5.48	4.99
		On-Duty/1000 Night	3.70	3.59	3.28
		On-Call /1000 Day	No Data	No Data	No Data
		On-Call/1000 Night	No Data	No Data	No Data
Discussion: Average on-duty staffing decreased slightly due to turnover in part-time staff resulting in periods of lower than desired staffing levels. 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.					

Table 19. Operations Division Performance Measures (Continued)

Resource Perspective (Continued)		
Strategic Goal	Performance Driver	District Performance
Ensure adequate staffing	Percentage of incidents in which the following Standard of Coverage response standards are met: <ul style="list-style-type: none"> • Minimum company staffing • Minimum Response Force • Effective Response Force 	Proposed performance measure.
	Discussion: The District's SOC is under development and has not yet been adopted by the Board of Fire Commissioners. Data is currently being collected that will allow reporting on this measure after adoption of the SOC.	

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Accomplishments

Major operational accomplishments in (2018) include the following:

- **Wellness Program Improvement:** Annual physical assessments were conducted for members. 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 (7G.3 Wellness/Fitness Training).
- **Equipment Maintenance:** Equipment maintenance, testing, and inspection are critical elements of performance. A spreadsheet was developed in 2018 to document maintenance for small tools and equipment per manufacturer's recommendation. The development and implementation of a maintenance schedule for our small tools and equipment supports the District's strategic goal of maintaining adequate infrastructure to support operations and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project addresses CFAI Criteria 6E Tools, Supplies, and Small Equipment (6E.3 Equipment Maintenance).
- **Health Insurance Portability and Accountability Act (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 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 HIPPA Compliance).

Several 2018 Operations Division projects were extended or moved to 2019 due to staff and resource limitations, these include:

- Continuous Quality Improvement (CQI) program
- Standard Equipment Inventory (Type 6 Engines)

Projects

Major projects in 2019 Include:

- **Standard Equipment Inventory:** Standard equipment will be purchase in 2018 upon receipt of new Type 6 Engines (contingent upon back order of Dodge chassis). Standard equipment inventory for Type 1 Engines will be identified for all Type 1 engines (implementation will occur upon receipt of new Type 1 Engines in 2020). This project will address the District's strategic goal of reducing incident frequency and severity as well as Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6E Tools and Equipment (6E.1 Tool and Equipment Inventory and Distribution).

- ***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).

2017 Division Budget

Table 20 outlines the Operations Division Budget.

Table 20. Operations Division Budget

Operations Salaries, Wages, & Stipends					2017 Actual	2018 Amended	2019 Adopted
522	20	10	03	Part-Time Firefighter Wages	\$132,240	\$175,875	\$198,743
522	20	11	01	Callback Overtime	\$5,829	\$8,218	\$8,724
522	20	13	01	Project Overtime	\$806	\$1,260	\$987
522	20	18	04	VIP Annual Pay	\$3,700	\$4,389	\$1,375
522	20	19	04	Quarterly Stipend	\$16,722	\$23,093	\$46,650
Sub Total					\$159,296	\$212,835	\$256,478
Operations Benefits							
522	20	21	01	OT Callback (Medicare)	\$107	\$119	\$126
522	20	21	03	PT FF (FICA/Medicare)	\$10,004	\$13,454	\$15,204
522	20	21	04	Volunteer FF (FICA/Medicare)	\$1,562	\$3,356	\$3,674
522	20	22	01	Overtime L&I		\$235	\$313
522	20	22	03	PT FF L&I	\$14,658	\$22,250	\$22,250
522	20	23	02	PT FF (Life Insurance)	\$156	\$226	\$226
522	20	24	03	PT FF (PERS)	\$15,502	\$22,336	\$25,499
522	20	26	01	Volunteer FFs (Pension & Medical)	\$1,710	\$3,150	\$1,860
522	20	26	03	VFIS Accident & Sickness Coverage	\$3,398	\$3,630	\$3,398
522	20	26	04	Life Insurance (Trusteed Plans)	\$297	\$925	\$58
Sub Total					\$47,394	\$69,681	\$72,608
Operations Office & Operating Supplies							
522	20	31	01	Fire Supplies	\$1,125	\$4,260	\$2,910
522	20	31	02	EMS Supplies	\$3,561	\$2,996	\$6,760
522	20	31	03	Special Operations Supplies	\$65	\$405	\$0
522	20	31	04	Small Equipment Supplies	\$1,062	\$2,350	\$3,050
522	20	31	05	Marine Supplies	\$0	\$16	\$705
522	20	31	06	Uniforms (PT & Vol)	\$11,949	\$22,980	\$19,480
522	20	31	07	Computer Software	\$2,475	\$2,300	\$2,300
522	20	31	08	Tech Rescue Supplies	\$0	\$0	\$433
522	20	31	09	Office Supplies	\$0	\$500	\$0
522	20	31	10	Hazmat Supplies	\$0	\$600	\$803
Sub Total					\$20,236	\$36,407	\$36,441
Operations Fuel							
522	20	32	01	Motor Fuel	\$20,999	\$25,600	\$25,800
Sub Total					\$20,999	\$25,600	\$25,800

Table 20. Operations Division Budget (Continued)

Small Tools & Minor Equipment (<\$5,000)					2017 Actual	2018 Amended	2019 Adopted
522	20	35	01	Fire Equipment	\$4,915	\$9,150	\$10,616
522	20	35	02	EMS Equipment	\$2,478	\$800	\$2,250
522	20	35	03	Tech Rescue Equipment	\$2,123	\$6,240	\$1,100
522	20	35	04	Communications Equipment	\$0	\$2,643	\$2,500
522	20	35	05	Personal Protective Equipment	\$21,535	\$47,498	\$39,994
522	20	35	06	Miscellaneous Equipment	\$0	\$555	\$0
522	20	35	07	Computer Equipment	\$0	\$0	\$0
522	20	35	08	Hazmat Equipment	\$0	\$6,049	\$952
522	20	35	09	Marine Equipment	\$0	\$0	\$3,265
Sub Total					\$31,052	\$72,935	\$60,677
Professional Services							
522	20	41	01	Breathing Air Testing	\$658	\$1,990	\$1,940
522	20	41	02	SCBA Testing	\$4,286	\$3,869	\$3,680
522	20	41	03	Recruitment & Testing	\$4,851	\$5,650	\$2,485
522	20	41	04	Medical & Psychological	\$13,067	\$16,310	\$11,870
522	20	41	05	Vaccinations	\$0	\$7,500	\$1,420
Sub Total					\$22,862	\$35,319	\$21,395
Communications							
522	20	42	01	ICOM Dispatch Charges	\$36,952	\$39,100	\$43,128
522	20	42	02	ICOM Other Charges	\$0	\$6,250	\$0
522	20	42	03	Data Cards for MDCs	\$2,418	\$2,460	\$4,200
Sub Total					\$39,370	\$47,810	\$47,328
Operating Rentals & Leases							
522	20	45	01	Equipment Rental	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Repair & Maintenance (R&M)							
522	20	48	02	Communications Equipment R&M	\$8,238	\$5,153	\$7,085
522	20	48	03	Fire Equipment R&M	\$3,043	\$1,140	\$750
522	20	48	04	Marine Equipment R&M	\$1,698	\$6,500	\$900
522	20	48	05	Hazmat Equipment R&M	\$0	\$0	\$0
522	20	48	06	PPE Equipment R&M	\$0	\$6,956	\$7,056
522	20	48	07	EMS Equipment R&M	\$0	\$500	\$1,870
522	20	48	08	Tech Rescue Equipment R&M	\$0	\$0	\$900
Sub Total					\$12,980	\$20,249	\$18,561

Table 20. Operations Division Budget (Continued)

Miscellaneous Services					2017 Actual	2018 Amended	2019 Adopted
522	20	49	01	Miscellaneous Services	\$0	\$0	\$0
522	20	49	02	Incident Rehab & Meals	\$402	\$1,500	\$800
Sub Total					\$402	\$1,500	\$800

Total Operations Division Budget	\$354,590	\$522,336	\$540,087
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Major Expenditures/Changes

The Adopted Operations Division Budget increased 3.32% in comparison to the 2018 Adjusted Budget. This change is largely the result of increased compensation for Part-Time Firefighters due to changes in the state minimum wage, and increased volunteer staffing and participation.

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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
- Home Safety Surveys

Personnel Summary

Staffing of the CRR Division is comprised of three full-time Lieutenants, one of whom serves as the Division Manager, three full-time Firefighters, and a Volunteer Geographic Information Specialist. In 2018, the Division Manager was on maternity leave for a period of two months, necessitating that the District maintain employment of a temporary Full-Time Firefighter and existing Full-Time Firefighter as an Acting Lieutenant to fill this vacancy. CRR Division staffing is illustrated in Table 21.

Table 21. 2019 CRR Division Staffing

Classification	Volunteer	Part-Time	Full-Time
Company Officer/EMTs	0.00	0.00	3.00
Firefighter/EMTs	0.00	0.00	3.00
Support Services (GIS)	1.00	0.00	0.00
Support Services (CRR)	0.00	0.00	0.00
Total Staff	1.00	0.00	6.00

Full-time 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. CRR Division operational qualifications are illustrated in Table 22.

Table 22. 2019 CRR Division Staffing by Qualification

Qualification	Volunteer	Part-Time	Full-Time
Emergency Medical Technician-Basic	0.00	0.00	6.00
Light Apparatus Operator	0.00	0.00	6.00
Heavy Apparatus Operator-Engine	0.00	0.00	6.00
Heavy Apparatus Operator-Water Tender	0.00	0.00	6.00
Marine Rescue	0.00	0.00	6.00
Rope Rescue	0.00	0.00	6.00

Strategic Goals

The following Strategic Goals are of 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 District's Strategic Goals to:

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

Performance Measures

Table 23 identifies the Community Risk Reduction Division's Strategic Performance Measures.

Performance measures shaded light yellow are proposed (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the District's performance management processes.

Table 23. Community Risk Reduction Division Performance Measures

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 population (NFIRS 100)Emergency medical responses/1000 population (NFIRS 300)Total incidents/1000 population	Year	2015	2016	2017
		Fire Incident Rate	5.93	5.38	5.20
		EMS Incident Rate	93.07	91.16	107.31
		Total Incident Rate	159.98	160.33	183.20
	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 and a slight decline in subsequent years..				
	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	2015	2016	2017
		Structure Fire Rate	0.73%	1.47%	-0.35%
		Cardiac Arrest	1.23%	80.00%	11.11%
		Ground Level Falls	No Data	No Data	No Data
	Discussion: It is important to note that the high risk incidents (structure fires and cardiac arrests) are an extremely small data set (n=9 for structure fires in 2017, n=10 for cardiac arrest in 2017). In addition, work is ongoing to improve the quality of data related to both cardiac arrest and ground level falls.				
	Example of programs focusing on highest risks within the community. [Qualitative/Lead]	CWIFR placed a specific home safety survey and smoke and carbon monoxide alarm installation emphasis on homes built prior to 1984, when hard wired smoke detectors were first required.			
	Discussion: The District’s focused home safety survey program had limited impact, in part due to staffing limitations and also resulting from the door-to-door approach used to reach the occupants of these homes. This program is currently being evaluated to determine a more effective strategy to ensure that pre-1984 homes have working smoke and where appropriate, carbon monoxide alarms.				

Table 23. Community Risk Reduction Division Performance Measures (Continued)

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
Reduce incident frequency and severity	Percentage of District population receiving CPR Training (Hands-Only or Certification) annually [Lead]	Year	2015	2016	2017
		% Receiving Training	14.6%	4.2%	2.31
	Discussion: In 2017, the District failed to meet its goal of training more than 10% of the District’s population in CPR on an annual basis with a three-year average of 7.04%. Increasing the percentage the District’s population receiving CPR Training will necessitate coordination with WhidbeyHealth EMS (tracking the training provided by our partners) and improved marketing.				
	Percentage of homes (dwelling units) receiving a safety survey annually [Lead]	Year	2015	2016	2017
		% of Homes	0.00%	1.04%	0.66%
	Discussion: This program was implanted in 2016 and received additional emphasis in 2018 with receipt of a grant for home safety surveys in homes build prior to 1984. 2018 data will be reported 2019 as part of the 2020 District Budget..				
	Number of contacts and referrals related to community risks [Lead]	Proposed performance measure.			
	Discussion: The District continues to work to develop a methodology to track contacts and referrals.				
Percentage of community members correctly identifying major fire, accident, and health risks [Lead]	Proposed performance measure.				
	Discussion: The District continues work to identify an effective means for conducting a broad-based community survey.				
Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
The Community Risk Reduction Division has no Performance Measures in the Fiscal Stewardship Perspective					

Table 23. Community Risk Reduction Division Performance Measures (Continued)

Internal Process Perspective		
Strategic Goal	Outcome Measure	District Performance
Identify and apply best practice to achieve continuous improvement, maximize effectiveness, efficiency, and value	Case examples of best practice implementation [QUALITATIVE]	As previously discussed regarding programs focused on the District's highest risks, CWIFR implemented a focused component of its home safety survey program to address lack of smoke and carbon monoxide alarms in pre-1984 homes.
Resource Perspective		
Strategic Goal	Outcome Measure	District Performance
The Community Risk Reduction Division has no Performance Measures in the Resource Perspective		

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Accomplishments

Major life safety and CRR accomplishments in 2018 include the following:

- **Home Safety Surveys:** Developed a Home Safety Survey Standard Operating Guideline and trained all Division staff to conduct home safety surveys. 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 5B Public Education Programs (5B.1 Program Analysis and Targeted Delivery, 5B.4 Large Loss Potential and High-Risk Audiences).
- **Targeted Home Safety Survey Program:** In 2017 District received a \$23,734 Fire Prevention and Safety Grant from the Department of Homeland Security, Federal Emergency Management to provide home safety surveys to target homes constructed prior to 1984 (when hard wired smoke alarms became required by code) that are in the 25th percentile of assessed value for improvements (buildings) as a proxy measure for income. The District implemented this focused home safety survey project in 2018 in collaboration with the American Red Cross. 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 5B Public Education Programs (5B.1 Program Analysis and Targeted Delivery, 5B.4 Large Loss Potential and High-Risk Audiences).
- **Fire Investigation:** Develop internal capacity for fire investigation by qualifying one member as a fire investigation technician. Work remains to be done in establishing Interlocal agreements with Island County, Town of Coupeville, and member agencies of the Region 3 Arson Task Force (Whatcom, San Juan, Skagit, and Island Counties) to clarify and formalize role and responsibility for fire investigation within the District and mutual support in this discipline. This project addressed the District's strategic goal to reduce incident frequency and severity, and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI Accreditation Criteria 5C Fire Investigation on a comprehensive basis.
- **Preplanning:** This program includes water supply, long driveway, and target hazard preplanning. Prepared a long driveway homeowner informational package regarding the impact of long driveways on incident operations and conducted a focus group with key stakeholders to gather input on the long driveway program and its implementation. In addition, the District defined workflow and methodology for development of GIS based target hazard preplans. 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).

Projects

Major projects in 2019 include:

- **Preplanning:** Integrate development of GIS based target hazard preplans for major target hazards within the District into normal shift workflow. Begin physical inventory and inspection of long driveways and integrate an inventory of long private roads (serving multiple homes). Develop water supply preplans for all major response routes. This project addresses the District's strategic goal to reduce incident frequency and severity, and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI Accreditation Criteria 2B All Hazard Risk Assessment and Response Strategies (2B.1 Risk Classification Methodology)
- **Fire Inspection Records Management System:** Implementation of the Fire Inspection Records Management system with 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.
- **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).

2019 Division Budget

Table 24 outlines the CRR Division Budget.

Table 24. Community Risk Reduction Division Budget

CRR Salaries, Wages, & Stipends					2017 Actual	2018 Amended	2019 Adopted
522	30	10	01	Full-Time FF/LT	\$469,928	\$469,961	\$453,905
522	30	10	03	PT FF Salary (CRR)	\$0	\$0	\$363
522	30	10	04	Volunteer Stipend (CRR)	\$0	\$0	\$2,400
522	30	11	01	Fully Qualified Incentive	\$685	\$1,619	\$2,006
522	30	12	01	Shift Coverage Overtime	\$29,513	\$22,867	\$21,251
522	30	13	01	Project Overtime	\$4,854	\$6,705	\$10,457
522	30	15	01	Education Incentive	\$5,550	\$6,404	\$6,052
522	30	16	01	FF/LT Holiday Pay	\$20,066	\$21,057	\$20,632
522	30	17	01	FT FF/LT AIC Pay	\$1,993	\$2,836	\$3,248
522	30	18	01	FT FF/LT Deferred Compensation	\$18,878	\$18,808	\$18,156
522	30	19	01	Longevity	\$10,681	\$11,274	\$11,189
Sub Total					\$562,148	\$561,531	\$549,660
CRR Benefits							
522	30	21	01	FT FF/LT (Medicare)	\$7,989	\$7,709	\$7,707
522	30	21	03	PT FF (FICA/Medicare) (CRR)	\$0	\$0	\$28
522	30	21	04	Volunteer (FICA/Medicare) (CRR)	\$0	\$0	\$184
522	30	22	01	FT FF/LT (L&I)	\$19,677	\$27,567	\$28,191
522	30	22	03	PT FF L&I (CRR)	\$0	\$0	\$41
522	30	23	01	FT FF/LT (Medical & Dental)	\$101,049	\$102,388	\$110,865
522	30	24	01	FT FF/LT (LEOFF)	\$30,008	\$29,753	\$29,696
522	30	24	03	PT FF (PERS) (CRR)	\$0	\$0	\$47
Sub Total					\$158,723	\$167,417	\$176,759
CRR Office & Operating Supplies							
522	30	31	01	Office Supplies	\$0	\$240	\$250
522	30	31	02	Fire Prevention	\$2,748	\$3,803	\$3,120
522	30	31	03	Fire Public Education	\$2,759	\$1,465	\$1,930
522	30	31	04	EMS Public Education Supplies	\$792	\$3,830	\$3,090
522	30	31	05	Fire Investigation Supplies	\$0	\$0	\$500
522	30	31	06	Pre-Incident Supplies	\$1,549	\$2,500	\$2,400
522	30	31	07	Books & Publications	\$0	\$689	\$300
522	30	31	08	Computer Software	\$435	\$2,500	\$3,200
522	30	31	09	Uniforms	\$2,007	\$2,400	\$3,600
Sub Total					\$10,289	\$17,427	\$18,390

Table 24. Community Risk Reduction Division Budget (Continued)

CRR Small Equipment & Tools (<\$5,000)					2017 Actual	2018 Amended	2019 Adopted
522	30	35	01	Computer Hardware	\$0	\$0	\$0
522	30	35	02	Office Equipment	\$0	\$0	\$100
522	30	35	03	Pre-Incident Equipment (CRR)	\$0	\$400	\$0
Sub Total					\$0	\$400	\$100
CRR Professional Services							
522	30	41	01	Legal	\$0	\$0	\$0
522	30	41	02	Plans Review	\$0	\$0	\$0
522	30	41	03	Life Safety Consulting	\$0	\$0	\$0
Sub Total					\$0	\$0	\$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	Equipment R&M (Miscellaneous)	\$585	\$500	\$200
Sub Total					\$585	\$500	\$200
CRR Miscellaneous Services							
522	30	49	01	Professional Memberships	\$180	\$574	\$700
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					\$180	\$574	\$700

Total CRR Division Budget**\$731,925****\$747,849****\$745,809*****Major Expenditures/Changes***

The Adopted Community Risk Reduction (CRR) Division decreased 0.28%. However, this does not reflect anticipated increases in compensation for full-time employees represented by Local 4299 International Association of Firefighters. The current collective bargaining agreement expires December 31, 2018 and negotiations are pending.

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 (Marine, Technical Rescue, and Hazmat) Training
- Apparatus Operator Training
- Officer Development Training and Professional Development
- Human Resources/Occupational Safety Training
- Best Practice Research

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.

Strategic Goals

The following Strategic Goals are of 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.

Performance Measures

Table 25 identifies the Training/Recruitment Division's Strategic Performance Measures. Performance measure shaded light yellow are proposed (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the District's performance management processes.

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Table 25. Training/Recruitment Division Performance Measures

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
The Training/Recruitment Division has no Performance Measures in the Community Perspective					
Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
The Training/Recruitment Division has no Performance Measures in the Fiscal Stewardship Perspective					
Internal Process Perspective					
Strategic Goal	Outcome Measure	District Performance			
Identify and apply best practice to achieve continuous improvement to maximize effectiveness, efficiency, and value	Case examples of best practice implementation [QUALITATIVE]	The District continued participation 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.			
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	Year	2015	2016	2017
	<ul style="list-style-type: none">Full-Time Lieutenant→Full-Time CaptainFull-Time Firefighter→Full-Time LieutenantPart-Time Firefighter→Full-Time FirefighterVolunteer Firefighter→Full-Time FirefighterVolunteer Firefighter→Part-Time FirefighterVolunteer Firefighter→Volunteer Lieutenant	Full-Time CAPT	0.00%	0.00%	0.00%
		Full-Time LT	33.00%	33%	33.00%
		PT to Full-Time FF	100.00%	60.00%	100.00%
		Vol to Full-Time FF	17.64%	17.64%	16.00%
		Vol PT Firefighter	17.64%	17.64%	16.00%
		Volunteer LT	17.64%	17.64%	12.00%
		Discussion: The District anticipates that one Full-Time Lieutenant will qualify for promotion to Captain and one additional Full-time Firefighter will qualify for promotion to Lieutenant in 2019. Qualification of Volunteer Firefighters for Part-Time or Full-Time positions is largely based on increased experience and skill qualification (which will increase over the next 12 months). Work continues on qualification of Volunteer Firefighters for promotion to the position of Volunteer Lieutenant.			

Table 25. Training/Recruitment Division Performance Measures (Continued)

Resource Perspective					
Ensure adequate staffing	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	2015	2016	2017
		CFO/MIFireE	14.3%	14.3%	14.3%
		CEMSO	14.3%	14.3%	14.3%
		FO/GIFireE	14.3%	14.3%	14.3%
		Total % Designees	42.8%	42.8%	42.8%
		Chief Hartin holds CFO designation and Fellow Grade (FIFireE) within the IFE (higher level designation than MIFireE).			
Ensure adequate staffing	Percentage of members meeting individual performance standards.	Proposed performance measure.			
Ensure adequate staffing	Percentage of companies meeting performance standards.	Proposed performance measure.			

Accomplishments

Major training and recruitment accomplishments in 2018 include the following:

- **Training Plan:** 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 training plan Identified training, certification, and qualification requirements 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 and provided a foundation for a modular professional development program (entry level through senior officer ranks). This accomplishment also 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:** Developed a Standard Operating Guideline (SOG) for the District's Individual and Company Standards Program. This accomplishment addressed 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).
- **Wildland Firefighting Training & Certification:** Delivered on-line and hands on training program meeting the didactic requirements for qualification at the Wildland Firefighter 2 level. This project addressed the District's Strategic Goal of ensuring adequate staffing. In addition, the project began the process of addressing Commission on Fire Accreditation International (CFAI) Accreditation Criteria 5K Wildland Fire Services (5K.4 Training and Certification).

2019 Projects

The following three projects were identified as new for 2018 but were extended or moved to 2019:

- **Probationary Member Program:** Develop a standard orientation process to ensure new members (volunteer, part-time, and full time) receive adequate orientation and introduction upon entry and throughout their probationary period. 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 7B.6 Probationary Period).
- **Technical Rescue:** Expand the District's technical rescue training to include collapse, confined space, and trench rescue at the awareness level for all members within the 2018 calendar year and begin a multi-year project to train sufficient personnel (minimum of six) to the Collapse Rescue Operations level (NFPA, 2013c; NFPA 2014) to staff a Type III Collapse Rescue Squad meeting the guidelines specified in the Puget Sound Region Structural Collapse Rescue Annex (WA DEM, 2014) by the end of 2019. This project focuses on the District's strategic goal to

reduce incident frequency and severity. In addition, it addresses CFAI Accreditation Criteria 5C Fire Investigation (5G.2 Technical Rescue Training & Operational Standards).

- **Fire Investigation:** Provide the training necessary for one member to gain qualification as a fire investigator and provide basic fire investigation awareness training to all members who may be involved in fire suppression operations. This project focuses on the District's strategic goal to reduce incident frequency and severity, and to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, it addresses CFAI Accreditation Criteria 5C Fire Investigation (5C.3 Staffing).

2019 Division Budget

Table 26 outlines the Training/Recruitment Division Budget.

Table 26. Training/Recruitment Division Budget

Training Salaries & Wages					2017 Actual	2018 Amended	2019 Adopted
522	45	11	01	FT CAPT	\$82,913	\$85,151	\$85,151
522	45	12	01	Training Overtime	\$568	\$9,972	\$2,333
522	45	13	01	Training Education Incentive	\$1,658	\$1,703	\$1,703
522	45	14	01	Project Overtime (Captain)	\$0	\$1,166	\$1,166
522	45	15	01	Fully Qualified Incentive	\$0	\$0	\$0
522	45	16	01	Longevity	\$2,487	\$2,555	\$2,555
522	45	17	01	AIC Differential	\$0	\$0	\$0
522	45	19	01	FT CAPT Deferred Compensation	\$3,317	\$3,406	\$3,406
Sub Total					\$90,943	\$103,953	\$96,314
Training Benefits							
522	45	21	01	FT CAPT (Medicare Only)	\$1,235	\$1,467	\$1,267
522	45	22	01	FT CAPT (L&I)	\$2,385	\$4,504	\$3,810
522	45	23	01	FT CAPT (Medical/Dental)	\$14,241	\$14,970	\$16,743
522	45	24	01	FT CAPT (LEOFF)	\$5,622	\$5,739	\$5,103
Sub Total					\$23,482	\$26,680	\$26,923
Training Office & Operating Supplies							
522	45	31	01	Office Supplies	\$0	\$97	\$50
522	45	31	02	Fire Training-Supplies	\$609	\$1,507	\$300
522	45	31	03	EMS Training -Supplies	\$0	\$350	\$754
522	45	31	04	Special 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	\$125	\$0
522	45	31	07	Computer Software	\$0	\$1,945	\$350
522	45	31	08	Books & Publications	\$1,344	\$684	\$1,026
522	45	31	09	Uniforms - Training	\$205	\$400	\$500
522	45	31	10	CRR Training-Supplies	\$0	\$0	\$0
Sub Total					\$2,159	\$5,108	\$2,980

Table 26. Training/Recruitment Division Budget (Continued)

Training Fuel					2017 Actual	2018 Amended	2019 Adopted
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	\$1,730	\$380	\$1,200
522	45	35	02	EMS Training - Small Tools & Equipment	\$0	\$5,510	\$375
522	45	35	03	Special Ops Training	\$0	\$0	\$0
522	45	35	04	Officer Development	\$0	\$0	\$0
522	45	35	05	Computer Hardware	\$82	\$0	\$0
522	45	35	06	Safety Equipment	\$0	\$0	\$0
522	45	35	07	Station Furniture	\$0	\$0	\$450
522	45	35	08	CRR Training-Small Tools & Equipment	\$0	\$0	\$0
Sub Total					\$1,812	\$5,890	\$2,025
Training Services & Pass-Through Payments							
522	45	40	01	Permits	\$0	\$100	\$0
Sub Total					\$0	\$100	\$0
Training Professional Services							
522	45	41	01	Consulting Services	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Training Travel, Lodging, & Meals (TLM)							
522	45	43	01	Fire Training (TLM)	\$156	\$2,100	\$3,600
522	45	43	02	EMS Training (TLM)	\$0	\$550	\$1,270
522	45	43	03	Special Ops Training (TLM)	\$0	\$3,090	\$2,000
522	45	43	04	Officer Develop Training (TLM)	\$664	\$4,500	\$7,660
522	45	43	05	Other Training (TLM)	\$4,097	\$5,620	\$5,704
522	45	43	06	Commissioner Training (TLM)	\$7,608	\$9,100	\$7,884
522	45	43	07	CRR Training (TLM)	\$0	\$0	\$755
522	45	43	08	Vision Training (TLM)	\$0	\$0	\$2,000
Sub Total					\$12,526	\$24,960	\$30,873
Advertising							
522	45	44	01	Recruitment Advertising	\$323	\$1,000	\$1,000
Sub Total					\$323	\$1,000	\$1,000
Operating Rentals & Leases							
522	45	45	01	Learning Management System	\$5,845	\$6,000	\$9,680
522	45	45	02	Equipment Rental	\$0	\$0	\$0
Sub Total					\$5,845	\$6,000	\$9,680
Training Repair & Maintenance (R&M)							
522	45	48	01	Equipment R&M (Miscellaneous)	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0

Table 26. Training/Recruitment Division Budget (Continued)

Training Miscellaneous					2017 Actual	2018 Amended	2019 Adopted
522	45	49	01	Fire Training-Registrations	\$4,602	\$3,600	\$5,000
522	45	49	02	EMS Training-Registrations	\$1,765	\$3,360	\$4,490
522	45	49	03	Special Ops Training-Registrations	\$0	\$2,950	\$1,800
522	45	49	04	Officer Develop Training -Registrations	\$5,629	\$5,445	\$8,020
522	45	49	05	Other Training-Registrations	\$4,175	\$4,650	\$4,473
522	45	49	06	Commissioner Training-Registrations	\$3,040	\$3,885	\$2,795
522	45	49	07	Tuition	\$567	\$5,000	\$5,000
522	45	49	08	Professional Memberships	\$120	\$120	\$120
522	45	49	09	Subscriptions	\$0	\$0	\$0
522	45	49	10	Vision Training	\$0	\$3,000	\$1,000
522	45	49	11	CRR Training Registrations	\$0	\$0	\$1,250
Sub Total					\$19,898	\$32,010	\$33,948

Total Training Division Budget

\$156,988

\$206,101

\$204,143

Major Expenditures/Changes

Overall, the Adopted Training/Recruitment Division Budget decreased 0.95% from the 2018 Adjusted Budget. However, this does not reflect anticipated increases in compensation for the Training & Recruitment Captain represented by Local 4299 International Association of Firefighters. The current collective bargaining agreement expires December 31, 2018 and negotiations are pending.

Facilities Division

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

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

- Facilities maintenance
- Energy efficiency
- Facilities planning

Personnel Summary

While separate from a functional and budgetary perspective, the Facilities Division is entirely staffed by personnel from the Community Risk Reduction 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).

Strategic Goals

The following Strategic Goals are of 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 District's Strategic Goal to be fiscally responsible and operate with transparency.

Performance Measures

Table 27 identifies the Facilities Division's Strategic Performance Measures. Performance measure shaded light yellow are proposed (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the District's performance management processes.

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Table 27. Facilities Division Performance Measures

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
The Facilities Division has no Performance Measures in the Community Perspective					
Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
The Facilities Division has no Performance Measures in the Fiscal Stewardship Perspective					
Internal Process Perspective					
Strategic Goal	Outcome Measure	District Performance			
Identify and apply best practice to achieve continuous improvement, maximize effectiveness, efficiency, and value	Case examples of best practice implementation [QUALITATIVE]	In 2017, Facilities Division developed a maintenance plan reflecting best practices for maintaining the District’s facilities and related systems. This plan is inclusive of ongoing preventative maintenance and capital maintenance projects.			
Resource Perspective					
Strategic Goal	Performance Driver	District Performance			
	Repair/Preventative Maintenance Expenditure	Year	2015	2016	2017
		Repair Expense	57.82 %	68.30%	81.00%
Maintain adequate infrastructure to support operations	Percentage of repair work orders closed within 30 days of receipt.	Year	2015	2016	2017
		PM Completion	No Data	50.00%	25.00%%
Maintain adequate infrastructure to support operations	Facilities codes and standards compliance [QUALITATIVE]	All district facilities are compliant with code requirements at the time that they were constructed. The most significant deficiency related to compliance with current codes includes provision of diesel exhaust extraction systems at all three stations. These capital facilities projects are addressed in the District’s Capital Projects Plan.			

Table 27. Facilities Division Performance Measures

Resource Perspective		
Strategic Goal	Performance Driver	District Performance
Maintain adequate infrastructure to support operations	Percentage of preventative maintenance (PM) completed within the quarter in which it was scheduled.	Proposed Performance Indicator
	Discussion: The Facilities Maintenance Division developed a maintenance plan in 2017 and PM performance will be reported in subsequent budget years.	

Accomplishments

Major facilities accomplishments in 2018 included the following:

- **Renovation and Expansion of Station 53:** Carletti Architects was selected to develop a final building design, development of plans and specifications, and a bid process to select a contractor for this major facilities project. This project focuses on the District's Strategic Goal to maintain adequate infrastructure to support operations. In addition, it addresses Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6B: Fixed Facilities on a comprehensive basis.
- **Station 51 Exterior Maintenance:** Exterior trim was inspected, caulking repaired, and the trim repainted to preserve the exterior of the station. This project focuses on the District's Strategic Goal to maintain adequate infrastructure to support operations. In addition, it addresses Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6B: Fixed Facilities (6B.2 Buildings and Grounds). Cost for this maintenance activity will be shared between CWIFR and Whidbey Health (determination of cost share methodology is pending).
- **Roof Inspection/Repair:** Preventative maintenance including moss removal, gutter cleaning, and inspection was completed at all stations. This initiative will move the District forward towards Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6B Fixed Facilities (6B.2 Buildings and Grounds).

Projects

Major projects in 2019 include the following:

- **Renovation and Expansion of Station 53:** Architectural and engineering plans will be completed, the project put to bid, and bid awarded with anticipated start of construction in the second quarter of 2019. This project focuses on the District's Strategic Goal to maintain adequate infrastructure to support operations. In addition, it addresses Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6B: Fixed Facilities on a comprehensive basis.
- **Station 51 Generator:** A generator will be added to station 51 to provide emergency backup power to both the district and Whidbey Health EMS offices. This project focuses on the District's Strategic Goal to maintain adequate infrastructure to support operations. In addition, it addresses Commission on Fire Accreditation International (CFAI) Accreditation Criteria 6B: Fixed Facilities (6B.2 Buildings and Grounds). Cost for this capital project will be shared between CWIFR and Whidbey Health (determination of cost share methodology is pending). This capital project was planned to be completed in 2019. Please see the CWIFR Capital Projects Plan.

2018 Division Budget

Table 28 outlines the Facilities Division Budget.

Table 28. Facilities Division Budget

Facilities Intergovernmental Payments					2017 Actual	2018 Amended	2019 Adopted
522	50	20	01	Property Tax (Forest Protection)	\$135	\$155	\$155
Sub Total					\$135	\$155	\$155
Facilities Salaries & Wages							
522	50	30	01	Project Overtime	\$0	\$0	\$987
Sub Total					\$0	\$0	\$987
Facilities Office & Operating Supplies							
522	50	31	01	Janitorial Supplies	\$575	\$2,200	\$2,000
522	50	31	02	Station 51 (Operating Supplies)	\$607	\$950	\$900
522	50	31	03	Station 52 (Operating Supplies)	\$40	\$200	\$200
522	50	31	04	Station 53 (Operating Supplies)	\$1,942	\$2,500	\$2,400
522	50	31	05	Station 54 (Operating Supplies)	\$295	\$600	\$600
522	50	31	06	Training Center	\$0	\$0	\$0
Sub Total					\$3,458	\$6,450	\$6,100
Facilities Fuel							
522	50	32	01	Training Propane	\$77	\$0	\$0
522	50	32	03	Station 51 Propane	\$4,222	\$8,000	\$10,000
522	50	32	07	Station 52 Propane	\$0	\$500	\$500
522	50	32	10	Station 53 Propane	\$3,282	\$6,000	\$4,000
522	50	32	13	Station 54 Propane	\$4,237	\$7,000	\$5,000
Sub Total					\$11,818	\$21,500	\$19,500
Facilities Small Tools & Equipment							
522	50	35	01	Facilities Furniture	\$834	\$0	\$900
522	50	35	02	Facilities Equipment & Tools	\$314	\$800	\$3,140
522	50	35	03	Grounds Equipment	\$450	\$1,000	\$1,000
522	50	35	04	Fitness Equipment	\$923	\$900	\$1,500
Sub Total					\$2,521	\$2,700	\$6,540
Intergovernmental Professional Services							
522	50	40	01	Station 51 Water Heater Inspection	\$0	\$138	\$138
522	50	40	02	Station 53 Water Heater Inspection	\$67	\$275	\$0
522	50	40	03	Station 54 Water Heater Inspection	\$0	\$138	\$138
Sub Total					\$67	\$551	\$276
Facilities Professional Services							
522	50	41	01	Burn Building Inspection	\$0	\$0	\$0
522	50	41	02	Generator Testing & Maintenance	\$1,180	\$1,400	\$1,500
522	50	41	04	Fire & Security Systems	\$3,302	\$3,200	\$4,000
522	50	41	05	Fire Extinguishing Inspection	\$558	\$600	\$600
522	50	41	06	Pest Control Services	\$361	\$1,080	\$2,100
Sub Total					\$5,400	\$6,280	\$8,200

Table 28. Facilities Division Budget (Continued)

Facilities Operating Rentals & Leases					2017 Actual	2018 Amended	2019 Adopted
522	50	45	01	Equipment Rental	\$0	\$0	\$300
Sub Total					\$0	\$0	\$300
Facilities Utilities							
522	50	47	01	Station 51 Electric	\$3,604	\$4,500	\$5,200
522	50	47	02	Station 51 Garbage	\$307	\$375	\$2,100
522	50	47	03	Station 51 Water	\$575	\$825	\$1,000
522	50	47	04	Station 52 Electric	\$285	\$350	\$350
522	50	47	05	Station 52 Garbage	\$0	\$0	\$0
522	50	47	06	Station 53 Electric	\$9,350	\$10,000	\$5,000
522	50	47	07	Station 53 Garbage	\$2,967	\$3,800	\$1,900
522	50	47	08	Station 54 Electric	\$1,772	\$2,200	\$3,600
522	50	47	09	Station 54 Garbage	\$0	\$0	\$0
522	50	47	10	Training Center Electric	\$955	\$1,400	\$1,200
522	50	47	11	Landfill Fees	\$675	\$2,100	\$2,000
522	50	47	12	Station 53 Water	\$1,588	\$2,025	\$1,800
522	50	47	13	Station 54 Water	\$480	\$480	\$480
Sub Total					\$22,558	\$28,055	\$24,630
Facilities Repair & Maintenance (R&M)							
522	50	48	01	Station 51 (R&M)	\$4,039	\$11,499	\$8,200
522	50	48	02	Station 52 (R&M)	\$0	\$500	\$500
522	50	48	03	Station 53 (R&M)	\$6,808	\$14,200	\$4,000
522	50	48	04	Station 54 (R&M)	\$5,049	\$7,000	\$6,200
522	50	48	05	Training Center (R&M)	\$0	\$2,000	\$2,000
Sub Total					\$15,896	\$35,199	\$20,900

Total Facilities Division Budget**\$61,853****\$100,890****\$87,588*****Major Expenditures/Changes***

Facilities Division expenditures in the 2018 Adopted Facilities Division Budget decreased 13.19% from the expenditures in the 2018 Adjusted Budget. This decrease is largely due to partial year occupancy of Station 53 prior to demolition and start of new facility construction which is anticipated to extend from 2019 midway through 2020.

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Fleet Maintenance Division

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

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

Personnel Summary

The Fleet 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.

Strategic Goals

The following Strategic Goals are of significance to the Fleet 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 Fleet Maintenance Division directly supports the District's Strategic Goal to be fiscally responsible and operate with transparency.

Performance Measures

Table 29 identifies the Fleet Maintenance Division's Strategic Performance Measures. Performance measure shaded light yellow are proposed (data collection strategies under development or data may not yet be available). These performance measures are included to show future directions and continued development of the District's performance management processes.

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Table 29. Fleet Maintenance Division Performance Measures

Community Perspective						
Strategic Goal	Outcome Measure		District Performance			
The Facilities Division has no Performance Measures in the Community Perspective						
Fiscal Stewardship Perspective						
Strategic Goal	Outcome Measure		District Performance			
The Facilities Division has no Performance Measures in the Fiscal Stewardship Perspective						
Internal Process Perspective						
Strategic Goal	Outcome Measure		District Performance			
Identify and apply best practice to achieve continuous improvement, maximize effectiveness, efficiency, and value	Case examples of best practice implementation [QUALITATIVE]		CWIFR’s Fleet Maintenance Division Manager maintains qualification as a Master Emergency Vehicle Technician (EVT) for Fire Apparatus and Ambulances. As such he is only one of 84 EVTs in Washington State and 504 nationwide with this qualification.			
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	2015	2016	2017
			Type 1 Engines	96%	93%	96%
			Type 1 Tenders	99%	99%	99%
			Type 6 Engines	98%	99%	98%
	Discussion: Apparatus in-service times are maintained or improved by following <i>National Fire Protection Association (NFPA) 1911 Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus</i> (NFPA, 2017) and manufacturers recommended maintenance schedules.					

Table 29. Fleet Maintenance Division Performance Measures (Continued)

Resource Perspective (Continued)		
Strategic Goal	Performance Driver	District Performance
Maintain adequate infrastructure to support operations	Total apparatus maintenance cost/replacement cost (Fleet Condition Index)	Proposed Performance Measure.
Maintain adequate infrastructure to support operations	Planned fleet maintenance cost/unplanned repair cost.	Proposed Performance Measure
Maintain adequate infrastructure to support operations	Fleet codes and standards compliance. [QUALITATIVE]	Proposed Performance Measure

Accomplishments

Major Fleet Maintenance Division accomplishments in 2018 included:

- **Parts Inventory System:** A specific location was established and the necessary infrastructure was installed. This will begin the process of having a systematic, accountable location to store parts for maintenance and repair of vehicles and apparatus. 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 6D (6D.1 Apparatus Maintenance Program).
- **Type 6 Engines:** Develop specifications and manage the procurement of two Type 6 Engines scheduled for replacement in 2018 as specified in the District's Capital Projects Plan (CWIFR, 2018c). Manage surplus and sale of the District's two existing Type 6 Engine apparatus. This project focuses on the District's Strategic Goals to maintain adequate infrastructure to support operations and be fiscally responsible and operate with transparency. This project also addresses CFAI Accreditation Criteria 6C Apparatus and Vehicles on a comprehensive basis.
- **Type 1 Engines:** Gather information from full time, part time and volunteer staff of the likes and dislikes of the newest Type 1 engine in preparation of developing the specifications for new apparatus. This project focuses on the District's Strategic Goals to maintain adequate infrastructure to support operations and be fiscally responsible and operate with transparency. This project also addresses CFAI Accreditation Criteria 6C Apparatus and Vehicles on a comprehensive basis.

Projects

Major Projects in 2019 include the following:

- **Parts Inventory System:** Complete the creation of a physical system for part inventory by creating numeric bins and locations 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 6D (6D.1 Apparatus Maintenance Program).
- **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 Staffing and 6D.4 Supervision).

- **Type 1 Engines:** Development of the specifications for procurement of three Type 1 Engines, scheduled in the Districts Capital Projects Plan (CWIFR, 2028c) for replacement in 2020. This project focuses on the District's Strategic Goals to maintain adequate infrastructure to support operations and be fiscally responsible and operate with transparency. This project also addresses CFAI Accreditation Criteria 6C Apparatus and Vehicles on a comprehensive basis.

2018 Division Budget

Table 30 outlines the Fleet Maintenance Division Budget.

Table 30. Fleet Maintenance Division Budget

Fleet Maintenance Salaries & Wages					2017 Actual	2018 Amended	2019 Adopted
522	60	11	01	FT FF Mechanic	\$76,803	\$80,929	\$80,929
522	60	12	01	FT FF Mechanic (Vehicle Maintenance O/T)	\$0	\$840	\$1,109
522	60	13	01	FT FF Mechanic (Educational Incentive)	\$1,536	\$1,619	\$1,619
522	60	14	01	FT FF Mechanic (Other Overtime)	\$108	\$0	\$0
522	60	15	01	Fully Qualified Incentive	\$0	\$0	\$0
522	60	16	01	Longevity	\$0	\$0	\$0
522	60	19	01	FT FF Mechanic Deferred Compensation	\$3,072	\$3,237	\$3,237
Sub Total					\$81,519	\$86,625	\$86,893
Fleet Maintenance Benefits							
522	60	21	01	FT FF Mechanic (Medicare Only)	\$1,134	\$1,244	\$1,203
522	60	22	01	FT FF Mechanic (L&I)	\$2,422	\$4,504	\$3,742
522	60	23	01	FT FF Mechanic (Medical & Dental)	\$20,227	\$21,230	\$23,942
522	60	24	01	FT FF Mechanic (LEOFF)	\$4,339	\$4,658	\$4,718
Sub Total					\$28,122	\$31,636	\$33,605
Fleet Maintenance Office and Operating Supplies							
522	60	31	01	Apparatus R&M Supplies	\$2,047	\$3,238	\$2,312
522	60	31	02	Computer Software	\$823	\$900	\$1,000
522	60	31	03	Computer Hardware	\$0	\$210	\$0
522	60	31	04	Uniforms - Mechanic	\$298	\$400	\$500
522	60	31	05	Office Supplies	\$0	\$500	\$300
Sub Total					\$3,168	\$5,248	\$4,112
Fleet Maintenance Small Tools & Minor Equipment							
522	60	35	01	Personal Protective Equipment	\$137	\$225	\$165
522	60	35	02	Vehicle Maintenance Tools	\$3,394	\$4,400	\$3,000
522	60	35	03	Computer Equipment	\$0	\$0	\$0
Sub Total					\$3,531	\$4,625	\$3,165
Fleet Maintenance Travel, Lodging, & Meals							
522	60	43	01	Vehicle Maintenance Meetings	\$0	\$250	\$250
Sub Total					\$0	\$250	\$250

Table 30. Fleet Maintenance Division Budget (Continued)

Fleet Maintenance Operating Rentals & Leases							
522	60	45	01	Equipment Rental	\$0	\$500	\$500
Sub Total					\$0	\$500	\$500
Fleet Repair & Maintenance (R&M)							
522	60	48	01	Apparatus R&M	\$26,568	\$31,500	\$31,000
Sub Total					\$26,568	\$31,500	\$31,000
Fleet Maintenance Miscellaneous							
522	60	49	01	Miscellaneous	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0

Total Fleet Maintenance Division Budget	\$142,907	\$160,384	\$159,525
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Major Expenditures/Changes

The Fleet Maintenance Division Budget decreased 0.54%. However, this does not reflect anticipated increases in compensation for the Firefighter/Mechanic represented by Local 4299 International Association of Firefighters. The current collective bargaining agreement expires December 31, 2018 and negotiations are pending.

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General Fund Contingency

Contingency is a set aside within the General Fund. The purpose of Contingency 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 Contingency Fund 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), Contingency is reported as part of the General Fund.

Since establishment of Contingency 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.

No transfers were made from Contingency in 2017 or 2018.

As the Contingency is within the General Fund, a separate budget is not presented. The only expenditure expected from Contingency in 2019 will be the expense of compensation increases related to renegotiation of the collective bargaining agreement with Local 4299 International Association of Firefighters.

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Capital Projects Fund

Capital Projects Plan

Capital assets are items having a cost greater than \$5,000 and a service life of greater than one year (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.

There are many benefits that result from an effective capital planning process. The process of prioritizing capital investments can make sure key assets are repaired or replaced before their end of service life or critical failure. In addition, a sound capital projects plan allows us to engage our community in understanding the costs and benefits of maintaining capital infrastructure.

Integrated Comprehensive Plan

Planning for capital projects is a component of the District's *Integrated Comprehensive Plan* (ICP). Volume 6 of the ICP (CWIFR, 2018c) establishes a long term, prioritized schedule of capital investments to ensure that the District has sufficient resources to fulfill its mission and critical assets are refurbished or replaced before they reach their end of useful life. This plan identifies capital projects scheduled over the next ten years. The Capital Projects Plan supports the District's strategic goals to:

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

The capital projects plan is updated on an annual basis, to extend the timeline one additional year and eliminate completed projects. The Capital Projects Plan provides a basis for development of the District's annual Capital Budget.

For several years Central Whidbey Island Fire & Rescue deferred significant capital projects pending completion of the District's strategic plan and clarification of financial strategies. Based on direction provided by the Board of Fire Commissioners to replace equipment when required and achieve sufficient funding for planned capital projects, the following approach was taken in developing the District's capital projects plan:

- 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 or would soon reach 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

Download CWIFR *Integrated Comprehensive Plan (ICP) Volume 6-Capital Projects* or review the plan online at the District's web site (www.cwfire.org).

Capital Planning Calendar and Work Flow

As specified in *Standard Operating Guideline (SOG) 1.4.1 Integrated Comprehensive Planning* (2018x) and *Standard Operating Guideline 1.4.7 Capital Projects* (CWIFR, 2017q), capital planning is an ongoing process in which the District's capital plan is reviewed and updated on an annual basis. Annual review and extension of the capital plan ensures that it remains current, continues to address critical needs of the District, and maintains a 10-year planning horizon.

As illustrated in Table 31, the annual capital plan review and revision process is completed between January and May.

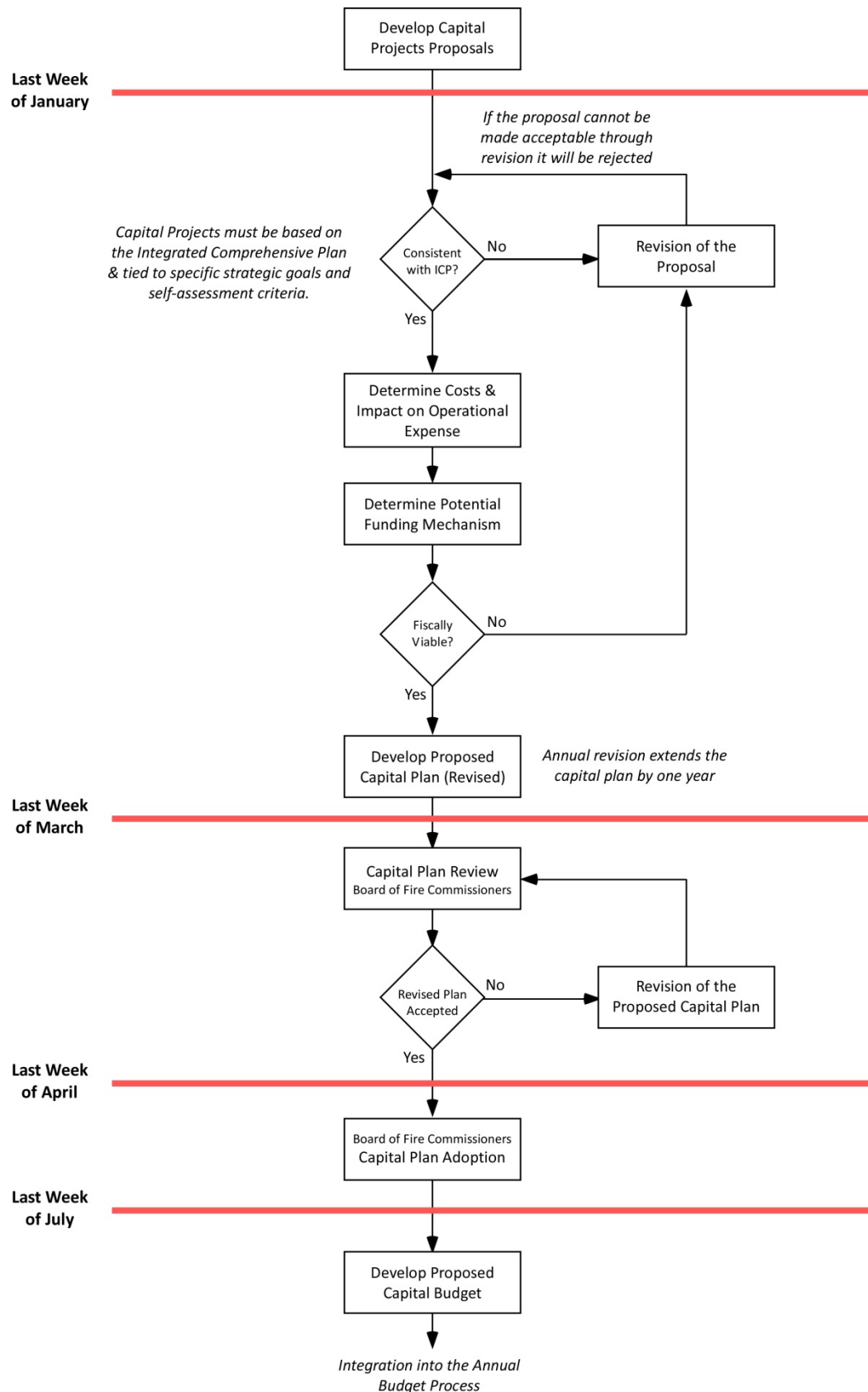
Table 31. Capital Planning Calendar

Month	Activity
January	Submittal of New Capital Projects (Annual/As Needed)
February	Review & Assess Proposed New or Revised Capital Projects based on Strategic Goals, Initiatives, FESSAM, & Fiscal Viability Develop Revised Capital Plan
March	
April	Board of Fire Commissioners Review of Revised Capital Plan Revision of the Capital Plan Based on Board Direction
May	Adoption of the Capital Plan by Resolution

Capital projects identified for the current budget year in the *Integrated Comprehensive Plan (ICP)-Volume 6 Capital Projects Plan* (CWIFR, 2018c) form the basis for the District's Capital Projects Fund Budget.

The process for addition of capital projects as well as review and revision of the existing capital projects plan is illustrated in Figure 23.

Figure 23. Capital Planning Process



Overview of the Capital Projects Fund

The Capital Projects Fund was established in 2012 to accumulate assets for future capital purchases and for current capital expenditures. Prior to establishing the Capital Projects Fund, 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 District established the Capital Projects Fund (and other funds separate from the General Fund) to increase transparency and accountability regarding use of fiscal resources.

Prior to 2018, the Capital Projects Fund did not include funding for major facilities capital projects. However, passage of an Unlimited Tax General Obligation (UTGO) bond by the District's voters in November of 2017 funded renovation and expansion of Station 53 and purchase of three Type 1 Fire Engines (which previously would have been purchased from the Capital Projects Fund). Based on these changes in funding, the Capital Projects Fund is currently fully funded (117% of required funds based on straight line amortization of capital apparatus and equipment) and includes funds for limited capital facilities improvements.

The District has previously maintained an extremely conservative philosophy regarding funding for apparatus and equipment purchases by operating on a pay as you go basis. Using this approach, apparatus and equipment are amortized on a straight-line basis and funds are accumulated in the Capital Projects Fund in anticipation of future purchases and cash is paid at the time of purchase. However, the District implemented a policy that debt may be considered for major capital purchases of apparatus and equipment (as was done for the current renovation and expansion of Station 53 and purchase of three Type 1 Fire Engines)

The Capital Projects Plan presented in Table 32 is based on transfer of sufficient funds to the Capital Projects Fund in future years to provide a sufficient balance to fund future purchases of apparatus and capital equipment inclusive of inflation in the cost of Capital Projects. The District's *Integrated Comprehensive Plan Volume 6-Capital Projects Plan* (CWIFR, 2028c) provides additional detail on the schedule of capital expenditures.

Considerations

Use of voter approved debt to fund major capital projects, inclusive of expansion and remodel of 53 as well as upgrade of Engines 51, 54, and 512 as they reach their 25-year service life will allow 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 (these projects have been moved to the Bond Fund). Reduction in the amount of funds transferred from the General Fund to the Capital Projects Fund will allow the District to maintain current service levels through 2025. Note that this scenario removes the three Type 1 Engines (Engines 51, 54, and 512) from the District's pay as you go strategy for apparatus and equipment. The option exists to modify this action and return one, two, or all three of these apparatus to pay as you go funding following a future increase in revenue.

The Bottom Line

Use of a voter approved bond has provided 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/\$1000 assessed valuation (statutory maximum levy rate for fire districts), providing a buffer should the District experience another period in which assessed value (AV) is reduced below current levels.

2019-2029 Capital Projects Plan

Table 32 outlines projects included in the District's current capital projects that are funded by the Capital Projects Fund. Projects funded by the Bond Fund are addressed in the Bond Fund section of the budget document. Additional detail on funding for major capital projects is provided in the District's Long Term Financial Plan (summary of which is provided in Appendix D).

Table 32. 2019-2029 Capital Projects Schedule

Apparatus		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
594 22 64 20	Replace Apparatus 0703 (A53) with R53	\$70,000											
594 22 64 34	Replace Apparatus 0601 & 0602 (B53 & B54)		\$315,000										
594 22 64 40	Apparatus 1502 (M5) Cabin Seating Replacement		\$27,000										
574 22 64 02	Replace Apparatus 1301 (\$591)				\$17,500								
594 22 64 16	Replace Apparatus 9501 (\$593 Fleet Services)				\$120,000								
594 22 64 15	Replace Apparatus 9402 (R51)					\$106,206							
574 22 64 36	Replace Apparatus 1201 (R53)											\$89,516	
594 22 64 37	Replace Apparatus 1501 (C505)												
594 22 64 12	Replace Apparatus 1402 (C502)							\$46,500					
Equipment													
594 22 64 14	Hose & Appliances	\$14,872	\$9,135	\$9,272	\$9,411	\$9,552	\$9,696	\$9,841	\$9,989	\$10,138	\$10,291	\$10,445	\$10,602
594 22 64 35	Marine 5 Electronics Upgrade												
594 22 64 39	Patient Simulator	\$8,918											
594 22 64 31	Extrication Equipment Replacement			\$45,000									
594 22 64 21	SCBA/Cylinder Replacement			\$299,500									
594 22 64 05	Replace/Upgrade AEDs					\$29,931							
594 22 64 19	Thermal Imager (TI) Replacement										\$36,000		
594 22 64 32	Rescue Equipment Replacement												
Technology Infrastructure													
594 22 64 33	Radio Communications System ⁶												
594 22 64 11	Server Replacement	\$22,000					\$25,000					\$27,000	
594 22 64 38	Firewall Replacement	\$6,000											
594 22 64 24	IT Infrastructure Improvements ⁷												
594 22 64 41	Telephone System Replacement		\$20,000										
594 22 64 42	Access, Fire & Security System Replacement		\$10,000										
Facilities													
594 22 63 08	Station 51 Backup Power Generator		\$45,000										
594 22 63 09	Station 51 Exhaust Removal System				\$80,500								
594 22 63 10	Station 54 Exhaust Removal System				\$80,500								
594 22 63 07	Replace Roof Covering Burn Building/Tower				\$6,000								
Not Scheduled	Station 51 Renovation & Expansion												
Not Scheduled	Station 54 Renovation & Expansion												
Total Expenditures		\$51,790	\$426,135	\$353,772	\$313,911	\$145,689	\$34,696	\$56,341	\$9,989	\$10,138	\$46,291	\$126,961	\$10,602

⁶ Radio system improvements are funded at \$10,000/year with specific projects to be identified.⁷ IT infrastructure improvements are funded at \$4,000/year with specific projects to be identified in the District's Technology Plan (under development)

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Capital Projects Budget

Table 33 illustrates the 2019 capital projects budget.

Table 33. 2019 Capital Projects Budget

Apparatus		2017 Actual	2018 Adjusted	2019 Adopted
594 22 64 20	Replace Apparatus 0703 (A53) with R53		\$70,000	
594 22 64 34	Replace Apparatus 0601 & 0602 (B53 & B54)			\$315,000
594 22 64 40	Apparatus 1502 (M5) Cabin Seating Replacement			\$27,000
Equipment				
594 22 64 14	Hose & Appliances	\$23,200	\$14,900	\$9,135
594 22 64 35	Marine 5 Electronics Upgrade	\$13,000		
594 22 64 39	Patient Simulator		\$9,100	
Technology Infrastructure				
594 22 64 11	Server Replacement		\$22,000	
594 22 64 38	Firewall Replacement		\$6,000	
594 22 64 41	Telephone System Replacement			\$20,000
594 22 64 42	Access, Fire & Security System Replacement			\$10,000
Facilities				
594 22 63 08	Station 51 Backup Power Generator			\$45,000
Total Expenditures		\$36,200	\$122,000	\$426,135

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.

594 22 64 34 Replace Apparatus 0601 and 0602 (B53 and B54)

Description: Replace Apparatus 0601 and 0602 currently assigned as Brush 53 and Brush 54 with new Type 6 Engines before the end of their useful life. The current apparatus would be declared surplus and sold at market value. A National Incident Management System (NIMS)/National Wildfire Coordinating Group (NWCG) Type 6 Engine has a minimum pump capacity of 50 gpm with pump and roll capability, 150 gallon water tank, 300' of 1.50" hose, and 300' of 1.00" hose, and wildland firefighting equipment on an apparatus with a maximum GVWR of 19,500 lbs. CWIFR's tactical needs dictate a pumping capacity of not less than 300 gpm pump, 300 gallon water tank, and carry self-contained breathing apparatus to provide limited structural firefighting capability in areas of the community having limited access. In addition, this apparatus would be configured to provide the capability of carrying the equipment necessary to be licensed as an aid vehicle by the Washington State Department of Public Health. This apparatus would be constructed on a diesel powered, four-wheel drive chassis with a GVWR of 19,500 lbs. (e.g., Dodge Tradesman 5500) like that in Figure 24.

Figure 24. Type 6 Engine (Similar Vehicle Operated by Washington Department of Natural Resources)



Priority: High

Purpose & Justification: The primary impetus to replace these two vehicles earlier than originally planned is the ongoing and increasing maintenance cost related to their Ford 6.0-liter diesel engines. A secondary consideration is to improve the tactical capability of these apparatus in response to wildland and wildland/urban interface incidents while preserving capability for this apparatus to serve in a multi-role capability.

Since their purchase in 2006, the District has spent \$28,683 on repair of these two apparatus in comparison to \$5,672 on preventative maintenance. This presents a high ratio of repair to maintenance, usually indicative that a vehicle is aging or being pushed to its operational limits and in need of replacement. In the case of these two apparatus, they have not yet reached their anticipated useful life and do not have a high level of operational use. The choice of power (Ford 6.0-liter diesel) and design of the apparatus (particularly the pump system) have resulted in repeated mechanical failures and substantial repair cost. Replacement of these apparatus will minimize the ongoing economic impact and impact on the District's fleet maintenance program (time spent working on repair of these vehicles negatively impacts availability of staff time for other maintenance activity).

Strategic Goal and Initiative: This project supports the District's Strategic goal to maintain adequate infrastructure to support operations [Resources] and the related initiative to maintain the District's apparatus and equipment to minimize operational cost over their lifecycle. In addition, this project supports the District's strategic goal to reduce incident frequency and severity [Community] and the related initiative to improve operational capability to address community risks.

CFAI Performance Indicator: This project supports the following two CFAI performance indicators: 6C.1 (Critical Criteria) Apparatus types are appropriate for the functions served (e.g., operations, staff support services, specialized services, and administration). 6C.2 A current replacement schedule exists for all apparatus and support vehicles based on current federal and state/provincial recognized standards, vehicle condition, department needs, and requirements.

Table 34. Funding for Capital Project 594 22 64 34

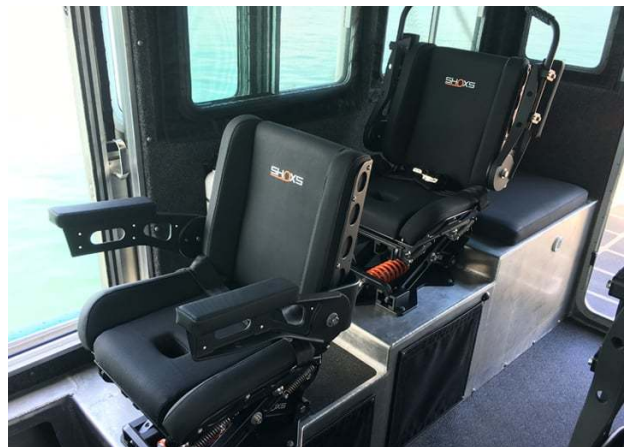
Funding Source	Amount
Debt	
General Capital Projects Fund	\$315,000
Grant Funding (Specify)	
Other (Estimated Surplus Value of Apparatus 0601 and 0602))	-\$70,000
Total	\$245,000

Estimated Change in Operational Expense: As noted previously, these vehicles have incurred considerable, recurrent maintenance costs with potential for major failure, resulting in considerable expense beyond routine preventative maintenance. It is anticipated that this project will significantly reduce repair cost, likely limiting vehicle expense to that required for routine preventative maintenance.

594 22 64 40 Apparatus 1502 (M5) Cabin Seating Replacement

Description: This project provides for replacement of the following four seats in Marine 5: Coxswain, Captain/Navigator, Port Crew, and Starboard Crew. Rescue boat seating is highly specialized and designed to provide shock absorption to minimize risk of injury when operating in heavy seas and high wind conditions (see Figure 25). The SHOX 2000 series seating specified is purpose built for use on the United States Coast Guard (USCG) Response Boat-Small (the same vessel as Marine 5). See <https://shoxs.com/products/seats/shoxs-2000>. This specific seat is recommended by Safeboat (vessel manufacturer) for rescue boat applications.

Figure 25. SHOX 2000 Series Seating



Purpose & Justification: The vessel currently in service as Marine 5 was manufactured in 2006 and initially saw service with the USCG. After purchase by CWIFR, members performed basic maintenance on

vessel seating to address wear and corrosion. Despite ongoing maintenance, cabin seating for the Helmsperson, Captain/Navigator, and two Crew Members has reached or is reaching its end of life. Wear and loss of shock absorbing capacity presents risk of injury when operating in heavy seas and high wind. Replacement of cabin seating will improve the ability of boat crew to operate under adverse conditions and increase their safety.

Strategic Goal & Initiative: This project supports the District’s Strategic goal to maintain adequate infrastructure to support operations [Resources] and the related initiative to maintain the District’s apparatus and equipment to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project supports the following CFAI performance indicator: 6D.1 (Critical Criteria) An apparatus maintenance program is established. Apparatus maintenance, preventative maintenance, inspection, testing, and emergency repair is conducted by trained and certified technicians in accordance with the manufacturer’s recommendations, and federal and/or State/provincial regulations. *Attention is given to the safety, health, and security aspects of equipment operation and maintenance* [emphasis added].

Table 35. Funding for Capital Project 594 22 64 34

Funding Source	Amount
Debt	
General Capital Projects Fund	\$27,000
Grant Funding (Specify)	
Other	
Total	\$27,000

Estimated Change in Operational Expense: There will be limited change in direct operational expense, but time spent maintaining and repairing existing cabin seating will be substantially reduced (indirect cost).

594 22 64 14 Hose and Appliances

Description: In 2013, the District implemented a hose replacement plan to provide adequate tactical water supply capability, ensure fireground water supply reliability, improve fire control efficiency and maximize Washington and Survey Rating Bureau (WSRB) credit for the District’s hose inventory. The objectives of this plan are to 1) maximize the District’s tactical water supply and firefighting capability and 2) to maximize the credit received from the WSRB related to fire hose and appliances. This necessitates limiting the service life of fire hose to 15 years and minimizing the average age of fire hose within this lifespan.

In 2019, this project focuses on replacement of small diameter hose (1” through 3”) that has reached or exceeded its useful lifespan, maintaining adequate inventory of wildland hose, and addition of 1” high pressure hose and appliances to increase tactical effectiveness and efficiency. Additional detail is provided in the Hose Replacement Plan.

Figure 26. Small Diameter Hose (representative of hose purchased in this project).



Priority: High

Purpose & Justification: Approximately 25% of the District has fire hydrants and the remaining 75% does not. Water supply operations involve hose lays between a fire hydrant and the fire, water tender shuttles, or a combination of these two water supply methods. Application of water for fire control requires the use of hoselines stretched from fire apparatus. The standard hose inventory carried on engines and water tenders is based on assessment of water supplies, needed fire flow, and tactical requirements based on these two factors.

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.

See Appendix B of the Capital Projects Plan (CWIFR 2018x) for additional detail on this project.

Strategic Goal and Initiative: This project supports the District's Strategic goal to maintain adequate infrastructure to support operations [Resources] and the related initiative to maintain the District's apparatus and equipment to minimize operational cost over their lifecycle. In addition, this project supports the District's strategic goal to reduce incident frequency and severity [Community] and the related initiative to improve operational capability to address community risks.

CFAI Performance Indicator: This project supports CFAI performance indicator 6E.2 Tools and equipment replacement is scheduled, budgeted, implemented, and is adequate to meet the agency's needs.

Table 36. Funding Capital Project 594 22 64 14

Funding Source	Amount
Debt	
General Capital Projects Fund	\$9,135
Grant Funding (Specify)	
Other	
Total	\$9,135

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

594 22 63 08 Station 51 Emergency Power Generator

Description: Station 51, was constructed in 2004 as a joint venture with Whidbey Island Hospital District (dba WhidbeyHealth). Due to cost constraints, this facility was built without an emergency power generator, but plans included adding a generator in Phase II construction of an expanded facility (which has not happened to date). A generator pad, propane tank, and electrical conduit were installed in anticipation of adding an emergency power generator. While originally identified as a need in 2004 when the station was constructed, installation of an emergency power generator was restated as a priority in the District's Capital Facilities Plan (Rice Fergus Miller, 2015).

This project would provide an adequately sized emergency power generator to serve current and future needs and be installed in compliance with the *International Building Code (IBC) (2015)*, *International Fire Code (IFC)(2015)* and current standards such as *National Fire Protection Association (NFPA) 70 National Electrical Code (2017)*, *NFPA 110 Standard for Emergency and Standby Power Systems (2016)* and *FPA 111 Standard on stored electrical energy emergency and standby power systems*.

At the present time, there is no specific provision in the Interlocal Agreement between Central Whidbey Island Fire & Rescue (CWIFR) and WhidbeyHealth that addresses cost share arrangements between the agencies for capital improvements or maintenance. The agencies own the land on which this facility is built on a 50%/50% basis and the building on a 66.66% CWIFR/33.33% WhidbeyHealth based on each agencies proportional cost of constructing the original facility. Work is ongoing to address how capital improvement, maintenance, and adjustments in ownership and cost share will be approached subsequent to expansion of this facility by one, the other, or both agencies. At present it is assumed that the cost share for the emergency power generator project would be on a 66.66%/33.33% basis consistent with current share of building ownership.

Figure 27. Emergency Power Generator



Priority: High

Purpose & Justification: Central Whidbey Island experiences frequent power outages during fall and winter wind storms and has significant potential for extended power outages in the event of a seismic event. As such critical facilities such as fire and rescue stations must have reliable sources of sustained electrical power to maintain operations. The Federal Emergency Management Agency (FEMA) identifies fire, rescue, ambulance, and police stations, and emergency vehicle garages as critical facilities (Applied Technology Council, 2014).

Island County Multi-Jurisdiction Hazard Mitigation Plan 2015 Update Volume 1: Planning-Area-Wide Elements (Bridgeview Consulting, 2015) and *Island County Multi-Jurisdiction Hazard Mitigation Plan 2015 Update Volume 2: Planning Partner Annexes* (Bridgeview Consulting, 2015) identify earthquake and severe storms as two of the top three hazards facing the community. Volume 2 of this plan also identifies ensuring emergency power at all fire stations as a priority initiative for hazard mitigation.

In addition, The Washington Survey and Rating Bureau (WSRB) Community Protection Class Grading Schedule (WSRB, 2013) assesses a 10% penalty for fire stations not equipped with a backup power supply.

Strategic Goal & Initiative: This project supports the District's strategic goal to maintain adequate infrastructure to support operations and the related initiative to maintain District facilities to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project supports CFAI Performance Indicator 6A.1 The development, construction, or purchase of physical resources is consistent with the agencies goals and strategic plan.

Table 37. Funding Capital Project 594 22 63 08

Funding Source	Amount
Debt	
General Capital Projects Fund	\$45,000
Grant Funding (Specify)	
Other	
Total	\$45,000

Estimated Change in Operational Expense: It is estimated that operational expenses would increase by \$600 for the cost of annual inspection and testing of the generator and an additional \$200 for propane to fuel the generator weekly tests and limited power outages (undetermined duration on an annual basis, but are commonly limited to a period of several hours per occurrence).

594 22 64 41 District Telephone System Replacement

Description: This project would replace the District's current telephone system at Station 53 and individual telephone lines at Stations 51 and 54 with an integrated Voice Over Internet Protocol (VoIP) hybrid system that will provide multi-line capability, inter station paging, voice mail, voice mail to text, and conference calling capabilities. The District is currently in the process of developing detailed specifications for this system.

Figure 28. VoIP Hybrid Telephone System (only the server is illustrated)



Priority: High

Purpose & Justification: The District's current telephone system is technologically obsolescent and does not provide the capability that will be needed for the new Station 53 and cannot be expanded to provide interconnected telephone service to the District's other facilities. Implementation of a VoIP hybrid system will provide improved communications capability and the ability to upgrade the system on a modular basis to meet the District's needs now and in the future.

Strategic Goal & Initiative: This project supports the District's strategic goal to maintain adequate infrastructure to support operations and the related initiative to maintain District facilities to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project supports CFAI Performance Indicator 6A.1 The development, construction, or purchase of physical resources is consistent with the agencies goals and strategic plan.

Table 38. Funding Capital Project 594 22 64 41

Funding Source	Amount
Debt	
General Capital Projects Fund	\$20,000
Grant Funding (Specify)	
Other	
Total	\$20,000

Estimated Change in Operational Expense: It is anticipated that there will be a slight increase in operational expense due to an annual maintenance agreement, but this expense will likely offset the cost of maintaining the existing obsolescent system.

594 22 64 42 Access, Security, and Fire Alarm System Replacement

Description: This project would replace the District's existing access control, security, and fire alarm systems at Stations 51, 52, 53, And 54. The new system would provide internet enabled control of building access (providing, limiting, or preventing access remotely using a web based interface). In addition, this system would provide improved capabilities for monitoring building fire and security systems.

Figure 29. Access, Security, and Fire Alarm System Replacement (Access Components Illustrated)



Priority: High

Purpose & Justification: The District’s existing access control, security, and fire alarm system is technologically obsolescent and no longer supported by the District’s alarm company. The District is currently in the process of developing specifications for a replacement system.

Strategic Goal & Initiative: This project supports the District’s strategic goal to maintain adequate infrastructure to support operations and the related initiative to maintain District facilities to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project supports CFAI Performance Indicator 6A.1 The development, construction, or purchase of physical resources is consistent with the agencies goals and strategic plan.

Table 39. Funding Capital Project 594 22 64 42

Funding Source	Amount
Debt	
General Capital Projects Fund	\$10,000
Grant Funding (Specify)	
Other	
Total	\$10,000

Estimated Change in Operational Expense: No change in operational expense is expected.

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Bond Fund

Overview of the Bond Fund

The Bond Fund was previously established to account for revenues and expenditures related to the District's previous Limited Tax General Obligation (LTGO) bond that was retired in 2011. This fund was designated for bond proceeds from the Unlimited Tax General Obligation (UTGO) bond approved by the voters in the November 2017 General Election for specific capital projects and related expenditures. Use of a separate fund to account for bond revenues and expenditures facilitates accounting and compliance reporting.

2018-2020 Bond Capital Projects Plan

Table 40 outlines the District's current capital projects that are funded from the Bond Fund. While the Station 53 renovation and expansion shows funds expended in 2019, this project will likely extend into 2020. Distribution of this expenditure by year will be identified following bid award and scheduling of specific work activity on this project. Additional detail on funding for major capital projects is provided in the District's Long-Term Financial Plan (summary provided in Appendix D).

Table 40. 2018-2020 Bond Capital Projects Schedule

Apparatus		2018	2019	2020
594 22 64 22	Apparatus 9401 (E51) Replacement			\$652,925
594 22 64 28	Apparatus 9601 (E512) Replacement			\$652,925
594 22 64 29	Apparatus 9602 (E54) Replacement			\$652,925
Facilities				
594 22 61 03	Station 53 Architectural & Engineering	\$283,927		
594 22 62 01	Permits & Fees		TBD	
594 22 63 11	Station 53 Land Work		\$754,701	
594 22 63 05	Station 53 Renovation & Expansion		\$4,094,677	
Other Expenses				
594 22 61 01	Legal Services	\$32,200		
594 22 61 02	Consulting	\$15,500		
Total Expenditures		\$330,127	\$5,133,305	\$1,958,775

Bond Capital Projects & Justification

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

594 63 22 05 Station 53 Renovation and Expansion

Description: This building was originally constructed in 1992 to replace smaller stations in Admirals Cove and LedgeWood. In 2000 the three additional apparatus bays were added, and a single wide manufactured home was located behind the Station to provide limited living quarters for on-duty personnel. This project involves construction and renovation of facilities at Station 53 to accomplish the following:

Response Time Improvement

- Moving the living quarters and sleep rooms from the singlewide manufactured home behind the station into the main fire station and closer to apparatus (improving turnout time)
- Increasing the number of sleeping rooms to provide six beds (an increase from the current three) to accommodate on-duty volunteers as well as full-time and part-time staffing.

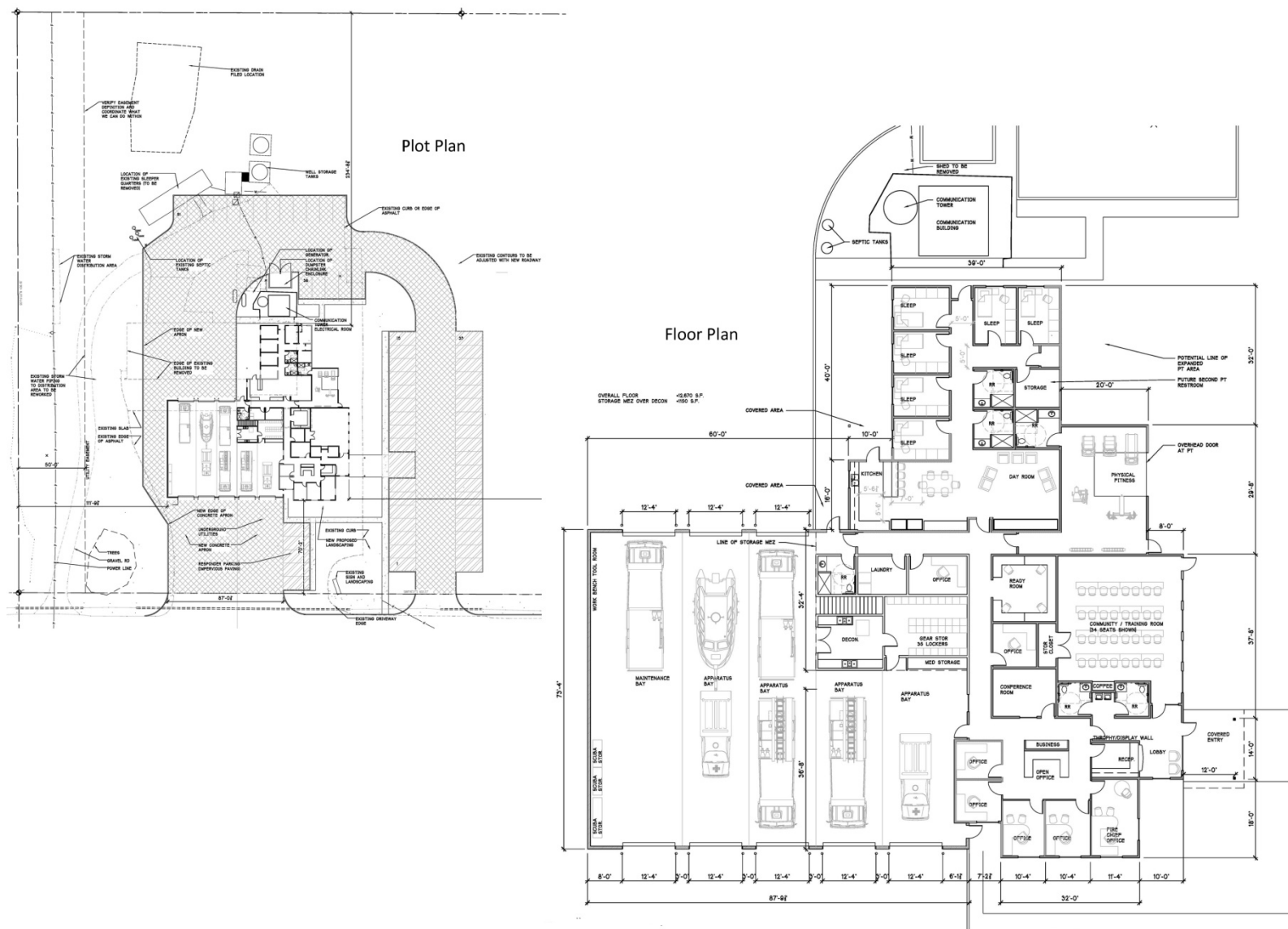
Operational Upgrades

- Increasing the floor area of the station from approximately 5000 square feet to 10,000 square feet to provide adequate space for operational needs, living quarters, and administration.
- Increased classroom facilities for on-site firefighter training and community use.
- Improved mechanical systems with lower maintenance and operating costs.
- Environmental improvements including lead paint removal and improve septic and storm water systems.
- Sufficient ceiling height in the apparatus maintenance area to permit use of an apparatus lift.

Health and Safety Improvements

- Diesel exhaust removal system
- Decontamination facilities meeting current standards
- Personal protective equipment storage
- Adequate clearance around apparatus
- Fire suppression (sprinkler) system to protect personnel and the taxpayer investment

Figure 30. Station 53 Renovation and Expansion



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Priority: High

Purpose & Justification: Over time staffing and operational demands have outgrown the current facility. As identified in the description of this project, renovation and expansion addresses three key needs, improvement in response time (first unit and effective response force), upgrade of operational capability including provision of adequate space and upgrade of mechanical and environmental systems, and improvements in health and safety.

Additional detail on assessment of the condition of this facility as well as operational limitations and programmatic requirements is provided in the District's Facilities Plan (Rice Fergus Miller, 2015).

Strategic Goal and Initiative: Maintain adequate infrastructure to support operations. [Resources] and related initiatives to maintain District facilities to minimize operational cost over their lifecycle and Maintain the District's apparatus and equipment to minimize operational cost over their lifecycle (by providing adequate space to support the fleet maintenance function).

CFAI Performance Indicator: This project addresses the following three CFAI Performance Indicators: 6A.1 The development, construction, or purchase of physical resources is consistent with the agency's goals and strategic plan. 6B.1 each function or program has adequate facilities and storage space. (e.g., operations, community risk reduction, training, support services and administration). 6B.3 (Critical Criteria) Facilities comply with federal, state/provincial, and local codes and regulations at the time of construction, required upgrades for safety are identified, and where resources allow, addressed. For those items that warrant further attention, a plan for implementation is identified in the agency's long-term capital improvement plan (i.e. fire alarm systems, sprinkler system, seismic, vehicle exhaust system, asbestos abatement, etc.).

This project is comprised of multiple sub-projects due to the varied categories of expense (e.g. Architectural & Engineering Professional Services, Intergovernmental Professional Services (Permits & Fees), and Capital Construction Projects.

Table 41. Funding for Capital Projects 594 22 61 05, 594 22 62 01, 594 22 63 01 & 02

Funding Source	Amount
Debt	\$5,417,372
General Capital Projects Fund (Multi-Year 2018-2020)	
Grant Funding (Specify)	
Other	
Total	\$5,417,372

Estimated Change in Operational Expense: While the station area is being doubled, it is anticipated that the expense of fuel for heating and electrical expense will not increase substantially due to increases in efficiency in electrical and heating, ventilation, and air conditioning (HVAC) systems. Maintenance expenses are anticipated to increase slightly due to increased building floor area. However, much of this

floor area increase is in the apparatus room and other work areas, which have relatively minor maintenance requirements in comparison to living quarters, classrooms, and administrative space.

Bond Fund Budget

Table 42 illustrates the 2018 Bond Fund budget.

Table 42. Bond Fund Budget

Professional Services					2017 Actual	2018 Adjusted	2019 Adopted
594	22	61	01	Legal Services	\$0	\$32,200	\$0
594	22	61	02	Consulting		\$15,500	\$0
594	22	61	03	Station 53 Architectural & Engineering	\$0	\$283,927	\$0
Sub Total					\$0	\$331,627	\$0
Intergovernmental Professional Services							
594	22	62	01	Permits & Fees	\$0	\$0	TBD
Sub Total					\$0	\$0	\$0
Capital Projects							
594	22	63	01	Station 53 Land Work	\$0	\$0	\$754,701
594	22	63	02	Station 53 Construction	\$0	\$0	\$4,094,677
Sub Total					\$0	\$0	\$5,133,305
Total Bond Fund Budget					\$0	\$331,627	\$5,133,305

Debt Service Fund

Overview of the Debt Services Fund

The Debt Service Fund was established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. 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 Service Fund Revenue & Expenditures

This fund was zero-funded following retirement of the District's Long Term General Obligation (LTGO) Bond (non-voted debt) in 2011. Beginning in 2018, revenue from the Unlimited Tax General Obligation (UTGO) Bond approved by the District's voters in November 2017 will be deposited in the Debt Service Fund and debt service payments made from the same fund.

The District's UTGO Bond is structured to provide a relatively stable levy rate over a 20-year period. This assumes a 3.5% increase in assessed valuation (AV) on an annual basis. This is a conservative estimate of increase in AV as historically assessed value has annually increased at an average of 7.59%. If AV increases greater than 3.5%, the levy rate will be reduced slightly over time. If AV increases at less than 3.5%, the bond levy rate will increase slightly over time. Table 43 illustrates the debt service schedule for the District's 20-Year UTGO Bond.

Table 43. UTGO Bond Debt Service Schedule

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Anticipated Levy Rate
6/1/2018			\$109,169	\$109,169		
12/1/2018	\$125,000	2.00%	\$127,600	\$252,600	\$361,769	\$0.22
6/1/2019			\$126,350	\$126,350		
12/1/2019	\$120,000	2.00%	\$126,350	\$246,350	\$372,700	\$0.22
6/1/2020			\$125,150	\$125,150		
12/1/2020	\$135,000	3.00%	\$125,150	\$260,150	\$385,300	\$0.22
6/1/2021			\$123,125	\$123,125		
12/1/2021	\$155,000	3.00%	\$123,125	\$278,125	\$401,250	\$0.22
6/1/2022			\$120,800	\$120,800		
12/1/2022	\$170,000	3.00%	\$120,800	\$290,800	\$411,600	\$0.22
6/1/2023			\$118,250	\$118,250		
12/1/2023	\$190,000	3.00%	\$118,250	\$308,250	\$426,500	\$0.22
6/1/2024			\$115,400	\$115,400		
12/1/2024	\$210,000	3.00%	\$115,400	\$325,400	\$440,800	\$0.22
6/1/2025			\$111,200	\$111,200		
12/1/2025	\$235,000	4.00%	\$111,200	\$346,200	\$457,400	\$0.22

Table 43. UTGO Bond Debt Schedule (Continued)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Anticipated Levy Rate
6/1/2026			\$106,500	\$106,500		
12/1/2026	\$260,000	4.00%	\$106,500	\$366,500	\$473,000	\$0.22
6/1/2027			\$101,300	\$101,300		
12/1/2027	\$290,000	4.00%	\$101,300	\$391,300	\$492,600	\$0.22
6/1/2028			\$95,500	\$95,500		
12/1/2028	\$315,000	4.00%	\$95,500	\$410,500	\$506,000	\$0.22
6/1/2029			\$89,200	\$89,200		
12/1/2029	\$345,000	4.00%	\$89,200	\$434,200	\$523,400	\$0.22
6/1/2030			\$82,300	\$82,300		
12/1/2030	\$380,000	4.00%	\$82,300	\$462,300	\$544,600	\$0.22
6/1/2031			\$74,700	\$74,700		
12/1/2031	\$415,000	4.00%	\$74,700	\$489,700	\$564,400	\$0.22
6/1/2031			\$66,400	\$66,400		
12/1/2031	\$450,000	4.00%	\$66,400	\$516,400	\$582,800	\$0.22
6/1/2032			\$57,100	\$57,100		
12/1/2032	\$490,000	4.00%	\$57,100	\$547,100	\$604,200	\$0.22
6/1/2033			\$47,600	\$47,600		
12/1/2033	\$530,000	4.00%	\$47,600	\$577,600	\$625,200	\$0.22
6/1/2034			\$37,000	\$37,000		
12/1/2034	\$570,000	4.00%	\$37,000	\$607,000	\$644,000	\$0.22
6/1/2035			\$25,600	\$25,600		
12/1/2035	\$615,000	4.00%	\$25,600	\$640,600	\$666,200	\$0.22
6/1/2036			\$13,300	\$13,300		
12/1/2036	\$665,000	4.00%	\$13,300	\$678,300	\$691,600	\$0.22

Debt Service Fund Budget

The Debt Service Fund will be fully funded through a property tax bond levy. The Debt Service Fund Budget is displayed in Table 43.

Table 44. Debt Service Fund Budget

Expenditures		2017 Actual	2018 Budgeted	2018 Adopted
591 22 70 01	UTGO Debt Service		\$361,769	\$372,700
Total Expenditures			\$361,769	\$372,700

Compensated Absences Fund

Overview of the Compensated Absences Fund

This fund is used to account for assets held by the District for payment to employees for compensated absences on separation from the District. Compensated absences include:

- Buyback of a specified and limited amount of unused long term sick leave (a benefit currently available only to the District's Executive Staff)
- Payment for unused Executive Staff paid time off (PTO). PTO is provided in lieu of time off for holidays, vacation, and sick leave.
- Payment for unused annual leave (vacation) provided to the District's full time employees (other than Executive Staff).

Compensated Absences Revenue & Expenditures

The Compensated Absence Fund is funded through transfers from the General Fund; \$1,814 was transferred in 2017 and \$1,431 was transferred in 2018. The rate of transfer to the Compensated Absences Fund will be increased beginning in 2019 to meet current and future liabilities with a transfer of \$35,360. There were no expenditures from the Compensated Absence Fund in 2017.

The District's Finance Officer is projected to retire in August of 2019, resulting in payment for unused long-term sick leave and paid time off as outlined in the 2019 Compensated Absences Fund Budget.

Current Compensated Absences Liabilities

The Compensated Absences Fund has historically been funded to meet the District's liability for Executive Staff Long Term Sick leave (buyback of a of 240 hours or the bank balance, whichever is less). However, the District also pays full-time employees for unused Paid Time Off (e.g., used by Executive Staff for annual leave, short term sick leave, and holidays) or Vacation (used by other full-time employees). If a position remains vacant for some period of time, the expense resulting from payment for unused PTO or vacation may be offset to some extent by a reduction in wages, health care and retirement expense until the position was filled. However, for firefighters and officer on shift work, vacancy results in increased overtime expense to maintain staffing levels. In addition, the District's current Succession Plan (CWIFR, Under Development) anticipated hiring replacements for key employees in advance of planned retirements to ensure a smooth and effective transition of duties, thus eliminating any savings due to vacancy and adding the cost of overlapping staffing during the transition period.

Table 45. Maximum Potential Compensated Absences Liability

	Hours					Average Pay Rate	Subtotal
	Long Term Sick	100% PTO Carryover	PTO Accrual Less Use	90% Vacation Carryover	Vacation Accrual Less Use		
Executive Staff	729	840	731.76	n/a	n/a	\$46.81	\$107,285
IAFF Members				4956.60	206.16	\$30.97	\$158,691
Total Paid Time off Liability							\$265,975

The current balance in the Compensated Absences Fund is \$30,357, covering 11.41% of the current potential compensated absences. The gap between the current balance in this fund and anticipated requirements will be addressed incrementally between the current year and anticipated employee retirement dates. Kavanagh(2018), identifies, incrementally addressing unfunded liabilities as a sound and achievable approach to progressing towards fiscal sustainability. As the District's workforce is relatively far from retirement (with the exception of the Executive Staff), this approach will allow the District to address this issue and limit impact on service delivery levels.

Compensated Absences Budget

In order to meet the total potential compensated absences liability at potential time of retirement (for each incumbent and their subsequent replacements at current pay rates), \$35,360 will need to be transferred from the General Fund to the Compensated Absences Fund in 2019. Table 42 illustrates the 2018 Bond Fund budget.

Table 46. Compensated Absences Fund Budget

Administration Salaries and Wages					2017 Actual	2018 Adjusted	2018 Adopted
594	10	11	01	Fire Chief Salary	\$0	\$0	\$0
594	10	11	02	Deputy Chief Salary	\$0	\$0	\$0
594	10	11	03	Finance Officer Salary	\$0	\$0	\$22,360
Sub Total					\$0	\$0	\$22,360
CRR Salaries, Wages & Stipends							
594	30	11	01	Full-Time FF/LT	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Training Salaries & Wages							
594	45	11	01	Full-Time FF/LT	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Fleet Maintenance Salaries & Wages							
594	60	11	01	FT FF Mechanic	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Total Compensated Absences Fund Budget					\$0	\$0	\$22,360

Grants Management Fund

Overview of the 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.

Grants Management Revenue & Expenditures

The District did not receive any grant funds in 2016. In 2017, the District received a Fire Prevention and Safety Grant from the Department of Homeland Security, Federal Emergency Management Agency in the amount of \$23,734 with a \$1,186 match by the District. This grant provides funding for Home Safety Surveys and installation of smoke and carbon monoxide alarms in homes built prior to 1984 (when hard wired smoke alarms became required by code).

Grants Management Budget

The Grants Management Fund Budget is displayed in Table 45.

Table 47. Grants Management Budget

Salaries & Wages					2017 Actual	2018 Adjusted	2019 Adopted
522	30	10	03	PT FF (CRR Grant) Salary	\$0	\$3,900	\$0
522	30	10	04	Volunteer (CRR Grant) Stipend	\$0	\$2,400	\$0
Sub Total					\$0	\$6,300	\$0
Benefits							
522	30	21	03	PT FF (CRR Grant) FICA/Medicare	\$0	\$298	\$0
522	30	21	04	Volunteer (CRR Grant) FICA/Medicare	\$0	\$35	\$0
522	30	22	03	PT FF (CRR Grant) L&I	\$0	\$371	\$0
522	30	24	03	PT FF (CRR Grant) (PERS)	\$0	\$495	\$0
Sub Total					\$0	\$1,199	\$0
Office & Operating Supplies							
522	30	31	10	Supplies (CRR Grant)	\$0	\$16,520	\$0
Sub Total					\$0	\$16,520	\$0
Small Equipment & Tools (<\$5,000)							
522	30	35	04	Equipment (Grant CRR)	\$0	\$900	\$0
522	45	35	08	Training Equipment (IAFC Grant)	\$0	\$20,500	\$0
522	45	35	09	Computer Hardware (IAFC Grant)	\$0	\$4,500	\$0
Sub Total					\$0	25,000	\$0
Total Grants Management Budget					\$0	\$49,920	\$0

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Appendix A - Tax Increase and Budget Adoption

Levy Certification



Levy Certification

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

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

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

the Island County 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 2019 as provided in the district's
(Year of Collection)

budget, which was adopted following a public hearing held on 11/08/18:
(Date of Public Hearing)

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

Excess Levy: \$413,300.00
(State the **total** dollar amount to be levied)

Refund Levy: \$5,369.74 General
\$ 190.94 Bond
\$5,560.68 Total
(State the **total** dollar amount to be levied)

Signature: 

Date: 11/08/18

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Tax Increase Resolution



Ordinance / Resolution No. 18-04
RCW 84.55.120

WHEREAS, the Board of Commissioners of Central Whidbey Island Fire has met and considered
 its budget for the calendar year 2019; and,
(Governing body of the taxing district) (Name of the taxing district)

WHEREAS, the districts actual levy amount from the previous year was \$ 2,296,826.16; 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 2019 tax year.
(Year of collection)

The dollar amount of the increase over the actual levy amount from the previous year shall be \$ 22,968.26
 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 8 day of November, 2018.

Paul Messner
Cheryl Engle
Steve Robinson

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 2019

)
)

Resolution 18-05

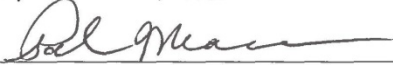
WHEREAS: The Fire Commissioners of Central Whidbey Island Fire & Rescue have made certification of the taxes to be levied to the Island County Council;

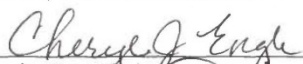
WHEREAS: The Fire Commissioners of Central Whidbey Island Fire & Rescue establishes an official budget each year to provide operating funds and capital funds.

IT IS HEREBY RESOLVED AS FOLLOWS:

1. That the attached 2019 Budget be hereby adopted as the official budget of Central Whidbey Island Fire & Rescue for calendar year 2019.
2. That the honorable Island County Council be and hereby requested to make a Regular levy for 2019 for Central Whidbey Island Fire & Rescue of \$3,000,000.00.
3. That the Island County Treasurer be and is hereby authorized and directed to deposit and sequester the moneys received from the collection of the tax levy specified in section 2 above in the amount and fund specified below:
 - a. \$3,000,000. Regular Levy into the General Fund of Central Whidbey Island Fire & Rescue
 - b. \$413,300. Excess Levy in the Bond Fund of Central Whidbey Island Fire & Rescue
 - c. \$5,560.68 Refund Levy into the General Fund of Central Whidbey Island Fire & Rescue.
4. That one copy of this resolution together with the 2019 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 8th Day of November, 2018.


Paul Messner, Chairman of the Board


Cheryl Engle, Commissioner


Steve Hutchinson, Commissioner

Attest: 
Kim Harpe, District Secretary



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)
Amending the 2019 Budget)
To Correct the General Fund)
Expenditure Balance)

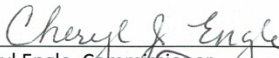
Resolution 19-01

1. WHEREAS: The Fire Commissioners of Central Whidbey Island Fire & Rescue adopted the official budget of Central Whidbey Island Fire & Rescue for calendar year 2019.
2. WHEREAS: The General Fund total expenditures did not include lines: 522-10-20-03 (\$3,738), 522-20-35-09 (\$3,265) & 522-30-24-03 (\$47);
3. WHEREAS: The District has adequate unappropriated balance in the General Fund;

IT IS HEREBY RESOLVED that the General Fund total be amended to \$2,358,855 to include these expenditures.

ADOPTED at the regular meeting of the Central Whidbey Island Fire & Rescue Board of Commissioners, this 10th Day of January, 2019.


Paul Messner, Chairman of the Board


Cheryl Engle, Commissioner


Steve Hutchinson, Commissioner

Attest: 
Kim Harpe, District Secretary

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.

Accrual Basis Accounting: An accounting method under which revenues are recognized on the income statement when they are earned (rather than when the cash is received) and expenses are recognized when incurred (rather than when cash is paid).

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 fairly present 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.

BIAS Finance and Accounting System: The financing and accounting software suite used by the District. This system provides BARS accounting, budgeting, accounts payable, bank reconciliation, and payroll functions.

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 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 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 relating to general purpose external financial reporting. Budgetary reporting is required regarding 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.

CAD: See Computer Aided Dispatch System

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 one year.

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 one year.

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.

CAPT: See Captain

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 accrued annual leave and for executive staff, a specified percentage of unused long-term sick leave from the time of employee separation from the district (e.g., retirement).

Computer Aided Dispatch System: Computer database system used by the dispatch center to track, manage, and document resource assignments for emergency incidents.

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, 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.

Contingency: A budgetary reserve set aside within the General Fund for emergencies or unforeseen expenditures not otherwise budgeted. For the purposes of budgetary reporting within the context of the Budgeting, Accounting, and Reporting System (BARS), Contingency is rolled up into the General Fund

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.

Coupon: The annual interest rate paid on a bond, expressed as a percentage of the face value. Coupon is also referred to as the coupon rate, coupon percent rate, and nominal yield.

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.

Federal Insurance Contributions Act: A United States federal payroll (or employment) contribution directed towards both employees and employers to fund Social Security and Medicare.

FF: See Firefighter.

FICA: See Federal Insurance Contributions Act.

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 (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: Acronym for Full-time Equivalent. See Full Time Equivalent.

Full Time Equivalent: 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 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. 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.

Governmental Fund: A fund used to account for most of a government's activities, including those that are tax-supported. (also see Fund)

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.

ICOM or I-COM: See Island County Emergency Communications Center.

Island County Emergency Communications Center: A special purpose, non-proprietary district that provides law enforcement, fire, and medical dispatch services to 10 member agencies and the public within Island County, Washington. ICOM was formed under a cooperative Interlocal Agreement to provide emergency dispatch services for all the law enforcement, fire, and emergency medical agencies that serve Island County (both Whidbey and Camano Islands).

Information Technology: Systems (especially computers and telecommunications) for storing, retrieving, and sending information.

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.

IT: See Information Technology.

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 *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 EMTs.

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.

LT: See Lieutenant.

LTGO: See Limited Tax General Obligation Bond.

MDC: See Mobile Data Computer.

Mobile Data Computer: A laptop or other computer connected to the Computer Aided Dispatch System (CAD) through a cellular connection used to send and receive data between the dispatch center (ICOM) and the field.

MDT: See Mobile Data Tablet

Mobile Data Tablet: A tablet computer connected to the Computer Aided Dispatch System (CAD) through a cellular connection used to send and receive data between the dispatch center (ICOM) and the field.

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 except for 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 Executive Staff (Fire Chief, Deputy Chief, and Finance Officer) 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 or less 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.

PERS: Acronym for Public Employees Retirement System. See Public Employees Retirement System.

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

Represented Employees: 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.

SCBA: See Self-Contained Breathing Apparatus.

Self-Contained Breathing Apparatus: Respiratory protective equipment used to provide self-contained air when working in hazardous atmospheres such as those encountered in fires and hazardous materials incidents.

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 to finance services performed for the common benefit. This term does not include specific charges made against 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 for 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 for this type.

Type 5 or 6 Engine: A small fire engine designed for vegetation (brush) fires that meets the National Incident Management System (NIMS) performance and equipment requirements for these types.

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

VFIS: See Volunteer Fireman's Insurance Services, Inc.

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 (if they meet the District's minimum activity standard).

Volunteer Fireman's Insurance Services, Inc.: A company providing insurance services for volunteer firefighters.

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 *Revised Code of Washington RCW 84.52.056*. Voter approved debt is referred to as an Unlimited Tax General Obligation Bond (UTGO).

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

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

Appendix C - Financial Policies

The District has adopted comprehensive Standard Operating Guidelines to guide budgeting and financial management. These guidelines include policies integrated into the District's Integrated Comprehensive Plan Volume 5-Long-Term Financial Plan (CWIFR, 2018b)

Policy Adoption and Review

In 2012, Central Whidbey Island Fire & Rescue's Board of Fire Commissioners recognized the need for well-defined and clearly stated Board Policies and established the Board of Fire Commissioners Policy Manual (CWIFR, 2018a). This manual clearly defined that the Board adopts policy as a guide to decision making by formal action (RCW 52.114.100) and reviews key policies annually.

The *Board of Fire Commissioners Policy Manual* identifies the Long-Term Financial Plan (incorporating financial policies) as an important policy document (CWIFR 2018a, p. 2). In addition, the manual states "The Board will review the District's Strategic Goals, Capital Projects Plan, and other major policies in April of each year and shall provide policy direction to the Fire Chief in advance of the District's budget development process" (CWIFR, 2018a, p. 19).

Financial Standard Operating Guidelines

The District revised its Financial Policies in 2017 to ensure compliance with state and federal law and to reflect best practices identified by the Government Finance Officers Association (GFOA). These updated policies were adopted by the Board of Fire Commissioners on August 10, 2017 (CWIFR, 2017a). These policies were integrated into the District's *Integrated Comprehensive Plan Volume 5-Long Term Financial Plan* (CWIFR, 2018b) by Resolution 17-07 on September 9, 2017.

The District's Standard Operating Guidelines include a statement of purpose, scope, and policies. The District's SOGs addressing financial policy include:

- SOG 1.1.13 Public Records and Retention
- SOG 1.3.1 Budget
- SOG 1.3.2 Procurement
- SOG 1.3.3 Finance and Accounting
- SOG 1.3.4 Travel and Expense Reimbursement
- SOG 1.3.5 Asset Management
- SOG 1.3.6 Use of District Resources
- SOG 1.3.7 Revenue
- SOG 1.3.8 Investment
- SOG 1.3.9 Financial Reserves
- SOG 1.3.11 Debt

- SOG 1.3.12 Grants and Grant Management
- SOG 1.3.13 Financial Risk Management
- SOG 1.3.14 Transparency and Accountability
- SOG 1.3.15 General Financial Guidance
- SOG 1.4.7 Capital Projects Plan

Public Records and Retention

While not limited to the District's financial records, the following policies established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.1.13 Public Records and Retention* (CWIFR, 2018d) impact directly on financial policy:

- Provide full access to the public records applicable to the Fire District's common management functions in accordance with *Revised Code of Washington (RCW) 40.14*, *RCW 42.56* and *Washington Administrative Code (WAC) 40.14*.
- Provide for inspection and copying of requested public records as provided in this (SOG), unless such records are exempt from disclosure under *RCW 42.56* or other laws under which disclosure is regulated.
- Assist requestors including timely action on requests, while protecting public records from damage and preventing "excessive interference with other essential agency functions."
- Ensure disclosure of public records is managed in a manner that protects against the invasion of an individual's right to privacy and restrict access to its records that are exempt from public disclosure in accordance with *RCW 42.56.100*.
- Ensure protection of District records and prevent improper disclosure of confidential records.
- Destroy records at the end of the retention period specified on the retention schedule.

Budget

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.1 Budget* (CWIFR, 2017d):

- 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 follow applicable laws and regulations and achieves results that are in the best interest of the District and its taxpayers.
- Conduct the budgeting and financial reporting process in a manner that is transparent and easy for taxpayers to understand.
- Ensure that the District's budgeting process has a direct and strong connection with the Strategic Plan adopted by the Board of Fire Commissioners.

- Avoid budget decisions or procedures that provide for current operational cost at the expense of future needs.
- Use the Washington State Auditors Budgeting and Reporting System (BARS) codes in budget development and fiscal reporting.
- Maintain a balanced budget, defined as funds total resources comprised of beginning fund balance, revenues, and other funds are equal to the total of expenditures, other fund use, and the funds ending balance.
- Maintain a balanced budget at the Division level (Administration, Operations, Life Safety & Community Risk Reduction, Training, Facilities, & Vehicle Maintenance).
- The District shall clearly set forth transfers between funds (e.g., General Fund and General Capital Projects Fund) in the District's annual budget or adjustments.
- Require approval of the Board of Fire Commissioners for transfers between Funds, Divisions, or between line items within a Division.
- Post the Proposed and Adopted District Budgets and any mid-year Budget Adjustments on the District's web site in a timely manner to provide public access.

Procurement

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.2 Procurement* (CWIFR, 2017e):

- 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.
- It is the policy of CWIFR that sole source procurements shall be fully justified based on the provisions of *RCW 39.04.280* and documented according to the provisions of this SOG. Sole source procurements not exceeding \$10,000 may be approved by the Fire Chief. All other sole source purchases must be authorized by Resolution of the Board of Fire Commissioners.
- 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 (SOG) 1.3.3 Finance & Accounting* (CWIFR, 2017f):

- Financial and accounting duties and responsibilities shall be separated to the greatest extent possible so that no staff member has sole control over cash receipts, payroll, bank reconciliations, accounts payable, or other accounting functions.
- Finance and accounting policies and procedures shall be consistent with the requirements of the Washington State Auditor's Budgeting and Reporting System (BARS) for entities using cash basis accounting and the best practices recommended by the Government Finance Officers Association (GFOA).
- Access to computer or on-line 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 Expense and Reimbursement

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 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 (SOG) 1.3.5 Asset Management* (CWIFR, 2017g):

- 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 efficient and appropriate process compliant 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 (SOG) 1.3.6 Use of District Resources* (CWIFR, 2017h):

- Be a good steward of public funds and ensure that use of District resources complies with applicable laws and regulations and achieves results that are in the best interest of the District and its taxpayers.
- With the limited exceptions provided in this guideline, members may not use District resources for personal benefit or gain or for the benefit or gain of other individuals or outside organizations.
- The District reserves the right to monitor members' use of district resources including telecommunications and information technology infrastructure and services. Members have no expectation of privacy when using District resources.

Revenue

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.7 Revenue* (CWIFR, 2017i):

- 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 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.
- 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.

- 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.

Investment

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.8 Investment* (CWIFR, 2017j):

- 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 *Revised Code of Washington (RCW) 52.16.010* the Island County Treasurer serves as the financial agent for the District. As such, the Island County Treasurer receives and disburses district revenues, and invests financial assets as directed by the District's Finance Officer (CWIFR, 1986, 2009).
- Pursuant to the provisions of *Revised Code of Washington (RCW) Chapter 36.29.020*, if the Board of Fire Commissioners determines the necessity 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.
- The District's Finance Officer will review the Island County Investment Policy (Island County Treasurer, 2017) whenever the County makes policy changes (but in any case, no less than annually) and shall determine if changes in this Standard Operating Guideline are necessary.

Financial Reserves

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.9 Financial Reserves* (CWIFR, 2017k).

- The Board of Fire Commissioners shall be responsible for establishing and managing all District Fund accounts and minimum fund set-asides and minimum balances. Changes to set-asides and fund balances require action by the Board of Fire Commissioners.
- The District shall strive to maintain adequate fund balances and reserves to provide cash flows to meet operating and capital expenses, while also providing the financial ability to address economic downturn and system emergencies. Operating expenditures shall include salaries, benefits, supplies, services, intergovernmental and interfund expenses, capital outlays and transfers.

- CWIFR will maintain a beginning General Fund balance of at least 33% of budgeted maintenance and operations expenditures to provide funds for operation prior to receipt of subsequent year's tax revenue.
- CWIFR will maintain a Contingency beginning balance in the amount of 10% of budgeted maintenance and operations expenditures. Contingency will be used for unanticipated or exceptional unbudgeted expenditures only with the approval of the Board of Fire Commissioners.
- An adequate balance will be maintained in the Capital Projects Fund to provide for the scheduled replacement of District vehicles and capital equipment at the end of their useful lives.
- At each fiscal year end the remaining dollars left in each fund that are undesignated and unencumbered constitute available reserves of the District. These fund balances will be included in the annual budget.

Debt

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.11 Debt* (CWIFR, 2017I):

- 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.
- Long-term debt or bond financing shall not be used to finance current operating expenditures.
- Central Whidbey Island Fire & Rescue may consider issuance of debt consistent with the provisions of the *Revised Code of Washington (RCW) 52.16.080* for major capital projects as defined in SOG 1.3.10 Capital Projects.
- The District may contract indebtedness as provided by the Revised Code of Washington (RCW) 52.16 and Article VIII of the Washington State Constitution. Bonds evidencing indebtedness shall be issued and sold in accordance with Chapter 39.46. Refunding bonds shall be issued in accordance with *RCW 39.53*.
- The District shall issue and manage debt in accordance with the limitations and constraints imposed by federal rules and regulations including the Internal Revenue Code of 1986, as amended; the Treasury Department regulations there under; and the *Securities Acts of 1933 and 1934*.
- The District shall seek to maintain and improve its current bond rating through sound financial management, long range financial planning, continuous improvement and adoption of best practices in financial management.

Grants and Grant Management

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.12 Grants and Grant Management* (CWIFR, 2017m):

- Consider grant funding that may be used to leverage existing funding for programs or projects which address the District's current priorities and policy objectives.
- As a one-time funding source, grants shall not be used to support ongoing programs.
- If the outcome of a grant will incur an ongoing expense (e.g., purchase of equipment requiring maintenance), the ongoing expense must be considered in evaluating if the grant is an appropriate source of revenue for the program or project.
- All grants and other federal and state funds shall be managed to comply with the laws, regulations, and guidance of the grantor.

Financial Risk Management

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.13 Financial Risk Management* (CWIFR, 2017n):

- The District will identify and analyze its potential financial risks and determine the most appropriate way to mitigate or transfer these risks to an insurer.
- Financial policies and related SOGs shall be grounded in best practice to minimize the District's risk of financial loss.
- The District will maintain an adequate umbrella insurance policy covering district vehicles, general liability, commercial property, and crime and fidelity. Coverage on capital assets will be consistent with the annual inventory of capital and small and attractive assets.
- The District shall maintain a Surety Bond for Commissioners, District Secretary, Fire Chief, Deputy Chief, & Office Manager in an amount equivalent to approximately two months of the District's maintenance and operations expense.

Transparency and Accountability

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.14 Transparency and Accountability* (CWIFR, 2017o):

- Be open and transparent in decision-making, complying with both the letter and intent of *RCW 42.30 The Washington Open Public Meetings Act* and best practices in local government transparency
- Provide timely and easily accessible on-line information to our constituents, tax payers, and other members of our community or stakeholders

General Financial Guidelines

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.3.15 General Financial Guidance* (CWIFR, 2017p):

- Develop comprehensive financial policies to assure the financial strength and accountability of the District. These policies shall be adopted by the Board of Fire Commissioners and integrated into the development of financial SOGs to provide guidance for policy implementation and administrative procedures.
- Each of the District's Divisions (Administration, Operations, Community Risk Reduction, Training & Recruitment, Facilities, and Fleet Maintenance) shares in the responsibility of meeting policy goals and long-term financial health.
- Financial affairs and physical infrastructure will be diligently managed in an efficient and effective manner to ensure the District's long-term financial health and provision of essential public services
- Proposed service plans and programs shall be developed to reflect current financial policies, projected resources, and future service delivery requirements.
- Service delivery will be analyzed on a periodic basis to ensure that quality services are provided to the community at the most competitive and economical cost. Emphasis will be placed on improving individual and work group productivity.
- Compensation planning and collective bargaining will focus on the total costs of compensation which includes direct salary, health care benefits, pension contributions, and other benefits which are a cost to the District. Total cost of compensation and specific operational, legal or other compulsory items must be identified and discussed before ratification of collective bargaining agreements or personal services contracts by the Board of Commissioners.

Capital Projects Plan

The following financial policies have been established by the Board of Fire Commissioners and are delineated in *Standard Operating Guideline (SOG) 1.4.7 Capital Projects Plan* (CWIFR, 2017r):

- The threshold used in determining if a given asset qualifies for capitalization is \$5,000 per item with a useful life of over one year.
- 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 ten-year plan for capital projects, inclusive of capital maintenance projects that are in alignment with the District's Integrated Comprehensive Plan (Strategic Plan Standard of Coverage, Fire and Emergency Services Self-Assessment, and Long-Term Financial Plan), update it annually and make capital improvements in accordance with the plan.

- The Capital Projects Plan shall include details on each capital project plan including estimated costs, sources of financing, impact on operational expense, and a full description of the project.
- The Capital Projects Plan will be updated annually and presented to the Board of Fire Commissioners for adoption by resolution in advance of the annual operating and capital budget development process.
- The District will endeavor to transfer adequate 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 20 years or less (e.g., fire apparatus, other vehicles, and equipment) with current revenue.
- The District will consider issuance of debt for large capital projects having a useful life over 20 years.
- 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.

Analysis of Financial Policies

The District's financial policies provide comprehensive guidance for the District's fiscal management. Analysis of these policies identifies several common themes central to long term financial planning. These include:

- Maintaining a conservative fiscal philosophy
- Fiscal responsibility and accountability to the District's residents and taxpayers.
- Make financial decisions in the best interests of the District's taxpayers
- Use of current revenues to fund current expenditures
- Avoiding use of one-time funds for ongoing expenses
- Maintaining adequate reserves and avoiding depletion of reserves for ongoing expenses
- Careful and considered use of debt to address major capital projects

Appendix D – Long-Term Financial Plan Summary

Introduction

The District's Long-Term Financial Plan (CWIFR, 2018b) is closely coupled with the other elements of the component of the District's Integrated Comprehensive Plan as previously illustrated in Figure 14 of this Budget Document. The District's Integrated Comprehensive Planning Process (CWIFR, 2018e) ensures alignment between the District's strategic goals and other plan components inclusive of the Long-Term Financial Plan, Capital Projects Plan, and Annual Operating and Capital Budgets.

This Appendix to Central Whidbey Island Fire & Rescue's 2019 Adopted Budget summarizes key elements of Long-Term Financial Plan. The District's Integrated Comprehensive Plan Volume 5-Long Term Financial Plan provides a detailed picture of fiscal position, options to maintain or improve current service delivery levels, financial strategy, and plan to allow the District to continue to meet our community's needs for fire and rescue services. Refer to the complete Long Term Financial Plan for detailed explanation and justification supporting this summary.

Download the complete [CWIFR Integrated Comprehensive Plan Volume 5-Long Term Financial Plan](#).

Long Term Financial Planning

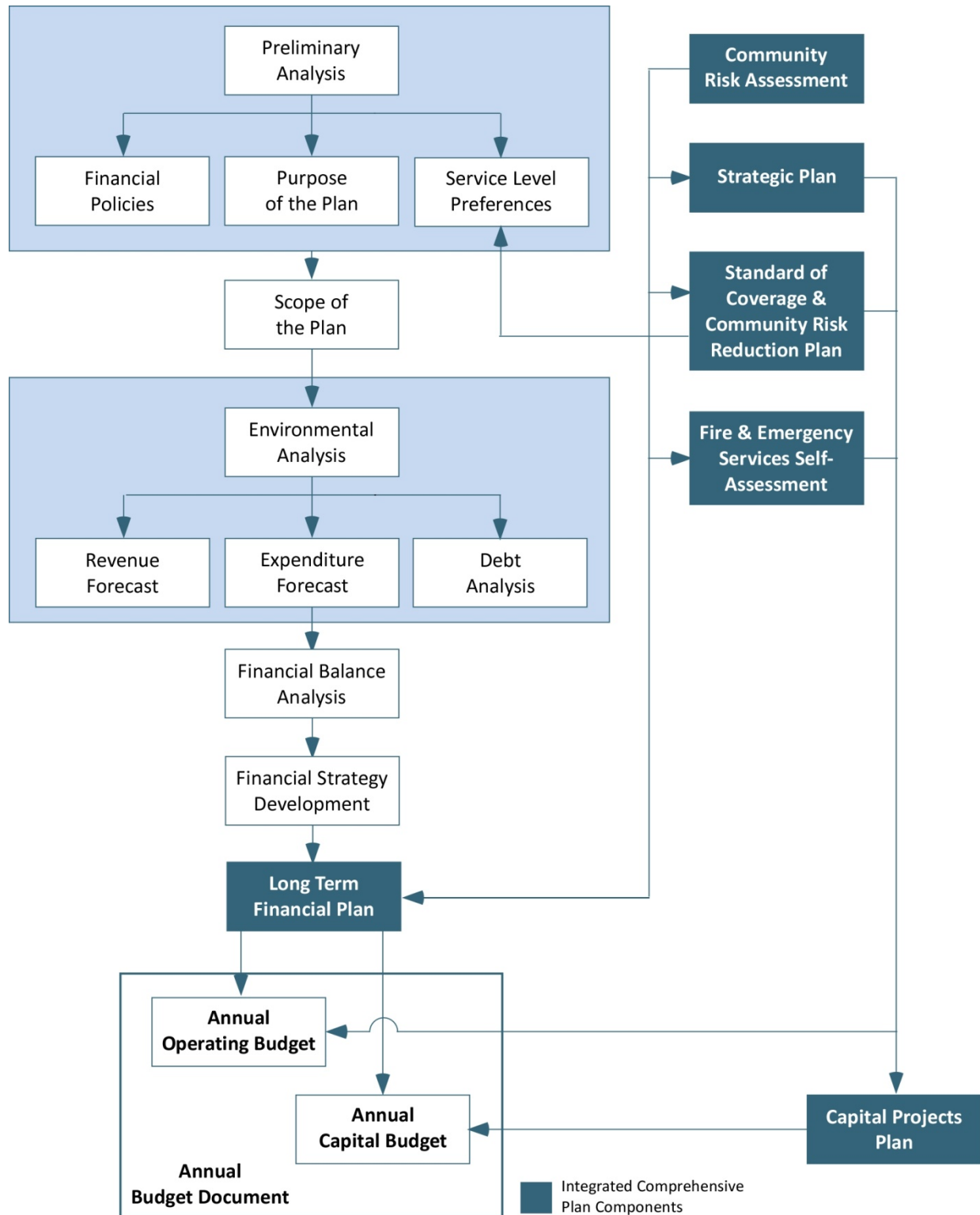
Long term financial planning involves resource and requirements forecasting and strategizing how to meet both current and future needs of the community. This process requires developing a financial forecast projecting revenues and expenditures over a long-term period, using assumptions about economic conditions, future spending scenarios, and other salient variables.

Financial Planning Process

As with all municipal corporations in Washington State, the District has an ongoing struggle with the gap between increasing expense and constitutionally limited increases in tax revenue. To address these ongoing fiscal challenges, the District has adapted Fiscal Environment Analysis (FEA) (Kavanagh, 2007) as a method for measuring and evaluating fiscal condition and to provide comprehensive long-term fiscal planning consistent with the best practices advocated by the Government Finance Officers Association (GFOA, 2008). Since 2010, Central Whidbey Island Fire & Rescue has used scenario based financial planning to address fiscal challenges and chart a course for the future. Subsequently, long term financial planning has been established as an integral component of the District's Integrated Comprehensive Plan (CWIFR, 2018e). Figure 2, illustrates the relationship between long term financial planning the other elements of the Integrated Comprehensive Plan, and the District's Annual Operating and Capital Budgets.

The District's Long-Term Financial Plan is reviewed annually as part of the annual budget process and updated at the end of the fourth quarter on a two-year cycle (CWIFR 2018e). Revisions to the Long-Term Financial Plan are re-adopted by the Board of Fire Commissioners by resolution.

Figure 31. 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 community's desired level of service on a fiscally sustainable basis.

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 Trust Fund
- Bond Fund
- Debt Service Fund

While the District's Long-Term Financial Plan has a 10-year planning horizon, the plan is reviewed on an annual basis as part of the budget process and is revised on a two-year cycle (or more frequently if necessary) to ensure currency with anticipated changes in economic conditions. For example, the 2017 Long Term Financial Plan was revised in 2018 (rather than 2019) due to passage of a voter approved bond measure that allowed the District to achieve the financial goals previously established in the plan.

Current Fiscal Position

Since development of the Districts first Long-Term Financial Plan (separate from its strategic plan) in 2015, Central Whidbey Island Fire & Rescue has achieved the fiscal goals established in that plan and significantly improved its financial position.

- Revenue from the general levy and interlocal agreements is adequate for current operations.
- The District's current (2018) general levy rate is \$1.31/\$1000.
- The District's general levy rate is anticipated to be reduced to \$1.23/\$1000 in 2019 based on increased assessed valuation and new construction.
- In 2019, the General Fund beginning balance is anticipated to be approximately 124% of budgeted expenses, exceeding the minimum set aside of 43% (33% plus 10% Contingency) established by the Board of Fire Commissioners.
- In 2020 the General Fund beginning balance will decrease annually (absent an increase in revenue). This change was anticipated based on constitutional limitations in property tax increases and is addressed in this Long-Term Financial Plan.
- Adequate funding is available in the Capital Projects Fund and Bond Fund for programmed capital projects (the Capital Projects Fund is 100% funded for apparatus and equipment)

- The Capital Projects Fund beginning balance will fluctuate considerably over the next several years based on the schedule of capital projects.
- Proceeds from an Unlimited Tax General Obligation Bond approved by the voters in November 2017 were deposited prior to the end of 2017 providing a beginning balance of \$7,424,544 in 2018. This balance will be drawn down as capital projects funded by the bond (Station 53 renovation and three Type 1 Engines) are completed between 2018 and 2020.
- Debt service on the District's Unlimited Tax General Obligation (UTGO) bond is funded through a separate, voter approved bond levy.
- The District's current (2018) bond levy rate is \$0.22/\$1000.
- The District has a AAA Bond Rating with Standard and Poor's.

While the District is financially healthy, it faces several fiscal pressures that will impact on financial position in the mid to long term.

- Constitutional and statutory limitations on revenue continue to provide a challenge to maintaining service levels in the face of rising expenses and increased demand for service.
- Increases in the state minimum wage have and continue to directly and indirectly impact personal services expense.
- Level funding of the District's largest interlocal agreement to staff a Basic Life Support (BLS) ambulance for the Whidbey Island Hospital District (dba WhidbeyHealth) has shifted a greater percentage of the cost of providing this service to the District. Negotiations are underway to address this issue.
- The District does not have enough revenue to fund identified capital facilities needs beyond those currently programmed.
- The District has a potential liability for compensated absences for full-time employees that exceed current funding in the compensated absences fund. The District's Compensated Absences Fund is funded at 100% of the liability for Executive Staff Long Term Sick Leave Buyback but is not currently funded for the potential liability for unused Executive Staff Paid Time Off (PTO) or International Association of Firefighters (IAFF) members annual leave (vacation).

This long-term financial plan identifies strategies to address maintaining a solid fiscal position and to address these challenges.

Financial Planning Assumptions

The District's Annual Maintenance and Operations and Capital Budgets (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.

General Economic Assumptions

There are several assumptions about the economy of the United States, Washington State, Island County, and the local community that must be considered in both the short- and long-term.

Assumption G1: A recession is likely to begin in late 2019 or 2020 and is anticipated to last less than 12 months (although this may be impacted by the volatility of the political environment).

Assumption G2: A recession impacting the United States economy will by default impact on Washington State, Island County, and the local economy. It is likely that recovery will be slower in Island County than in the remainder of the state.

Assumption G3: Real estate values will be negatively impacted by a recession, but unlike the great recession of 2008, a recession in late 2019 or 2020 will not be significantly impacted and real estate will likely be a leading influence on economic recovery with resumption of more normal growth in real estate value in 2021 and 2022.

These assumptions are supported by analysis of the Economic Outlook presented in CWIFR's *Integrated Comprehensive Plan Volume 5 – Long-Term Financial Plan* (CWIFR, 2018b, Pages 39-59).

Revenue Assumptions

CWIFR's Long Term Financial Plan is based on three constitutional and statutory limitations and nine assumptions regarding 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 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).

Washington House Bill (HB) 1764 considered in the 2017 legislative session proposed replacement of the 1% property tax limitation with a limitation tied to cost drivers such as inflation and increases in population and a cap of 5%. This bill did not pass but indicates that there is awareness in the legislature of the negative impacts of the 1% limitation on the ability of local governments to meet the service delivery requirements of their respective communities.

Statutory Limitation-Fire Districts: The *Revised Code of Washington (RCW)* limits fire districts to a maximum regular property tax rate of \$1.50/\$1000 of assessed value (RCW 52.16.130, 140, 160).

Statutory Limitation Emergency Medical Services (EMS): The *RCW* allows an EMS levy to a maximum regular property tax rate of \$0.50/\$1000 of assessed value (RCW

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

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

Assumption R1: Growth in the District's revenue will be slow, but stable over the duration of this plan with a levy rate below the statutory maximum of \$1.50 for the general levy. Provided that the District's general levy rate is below \$1.50/\$1000 assessed valuation (AV), revenue will not decrease even if AV decreases. Revenue from the District's unlimited tax general obligation (UTGO) bond levy is not impacted by fluctuations in AV.

Assumption R2: The District's Assessed Valuation (AV) will increase between 5% and 10% per year over the next two years, reducing the District's levy rate while maintaining a maximum 1% increase in the District's maximum tax levy.

Assumption R3: Growth in the District's AV will lag changes in real estate prices due to recession by approximately two years, slowing in 2021 or 2022 and resuming normal growth in 2024 and 2025.

Assumption R4: In the long term, average annual increase in AV will be close to the historic level of 7% (an average annual increase of 5% is used in this plan).

Assumption R5: In the long term, the average annual increase in AV due to new construction will be between \$7,000,000 and \$15,000,000 (this is included in Assumption R4).

Assumption R6: In the long term, the District will collect 100% of property taxes in the year in which they are levied (based on historical data for tax collection within the District).

Assumption R7: Revenue generated through the interlocal agreement between the District and Whidbey Island Hospital District (d.b.a. WhidbeyHealth) to staff a Basic Life Support Ambulance will continue and increase moderately in the near term.

Assumption R8: Revenue generated through interlocal agreements with the Town of Coupeville and Island County for Fire Prevention Inspections will continue at their current level in the near term.

Assumption R9: Future increases in revenue generated through the interlocal agreements with WhidbeyHealth, The Town of Coupeville, and Island County are unknown but challenged by the similar economic factors and constraints impacting all special districts in Washington State.

These assumptions are supported by analysis of the Economic Outlook presented in CWIFR's *Integrated Comprehensive Plan Volume 5 – Long-Term Financial Plan* (CWIFR, 2018b, Pages 39-59).

Expenditure Assumptions

Expenditure assumptions are influenced by inflation in the long term. As discussed in examination of the national and regional economic outlook, there are multiple measures of inflation, but all follow the same general trend, with cost increasing over time.

CWIFR's Long Term Financial Plan is based on one statutory impact and five assumptions regarding expenditures.

Minimum Wage Statute: Initiative 1433 passed by Washington state voters in 2016 and *Revised Code of Washington (RCW) 49.46.020* resulted in a 42.55% increase in the minimum wage over four years (2017-2020). Beyond 2020, the minimum wage will be adjusted based on the CPI-W.

This statutory impact on the minimum wage has a direct impact on the District's part-time staff and indirect impact on all personal services expenses due to upward pressure on wages across the board. Minimum wage increases also have the potential to impact other expenses for locally sources goods and services.

Assumption E1: The CPI-U and CPI-W are likely to increase between 1.5% and 3% per year over the next several years.

Assumption E2: The cost of equipment and services not included in the CPI-U or CPI-W are also likely to increase between 1.5% and 3% per year over the next several years.

Assumption E3: The State's minimum wage is likely to increase between 1.5% and 3% based on increases in the CPI-W. The state's minimum wage statute (RCW 49.46.020) will have direct impact on personal services expense for the District's part-time staff as compensation will need to be increased to keep pace with increases to the minimum wage. This change may also have an indirect impact on full-time staff due to compression between the lower and higher pay grades.

Assumption E4: The District has maintained a total compensation position in the labor market at or near the median of comparable agencies for the District's full-time employees represented by the International Association of Firefighters (IAFF) Local

4299. While not specifically tied to the CPI, it is likely that this median will increase at approximately the same rate as the CPI-U and CPI-W.

These assumptions are supported by analysis of the Economic Outlook presented in CWIFR's *Integrated Comprehensive Plan Volume 5 – Long-Term Financial Plan* (CWIFR, 2018b, Pages 39-59). The District uses the national Consumer Price Index-All Urban Consumers (CPI-U) as recommended by the Bureau of Labor Statistics (MRSC, 2018c & BLS, 2018) as a basis for anticipating increases in personal service. In the short term, expenditures are also impacted by statutory changes to the Washington state minimum wage, which is driven by statute in 2019-2020 and the Consumer Price Index- Urban Wage Earners and Clerical Workers (CPI-W) in subsequent years.

Based on Board of Fire Commissioners policy direction, the District has maintained a total compensation position in the labor market at or near the median of comparable agencies. Total compensation studies are completed by Central Whidbey Island Fire & Rescue on a two-year (executive and part-time staff) cycle or on the duration of the collective bargaining agreement for represented employees.

Debt Assumptions

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 may be issued by governmental entities in Washington is limited by Article VIII Section 6 of the State Constitution and by individual statutes pertaining to the specific type of governmental entity.

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

Statutory Debt Limitations: In accordance with the provisions of the *Revised Code of Washington (RCW) 52.16.061 General obligation bonds – Issuance – Limitations*, the District is limited to an amount equal to 0.375 percent of assessed valuation for non-voted debt and 1.25 percent of assessed valuation for voted debt. Any non-voted debt issued counts as part of the overall 1.25 percent limit.

Debt capacity is determined based on the following factors:

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

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

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

Non-voted debt is issued without a vote of the taxpayers. The debt service on non-voted debt is paid out of general government revenues. Voted debt is authorized by the taxpayers at an election. The debt service on voted debt is paid from excess property tax levies under *RCW 84.52.056*.

The District's voters approved a \$7,424,543, 20-year bank qualified unlimited tax general obligation (UTGO) bond in November 2017 for renovation and expansion of Fire Station 53 and acquisition of three Type 1 Fire Engines. After passage of this bond measure, the District received the highest bond rating grade of AAA from Standard and Poor's (2017). The AAA bond rating grade was based on the following key factors: 1) Demonstrated track record of very strong fund balances in the General Fund; 2) Strength of the local economy; 3) Growth in assessed value; 4) Financial management practices and policies; and 5) Experienced management in operating the District in an efficient manner

CWIFR's long term financial plan reflects the following given and three assumptions regarding debt:

Current Debt: In 2017, the District issued \$7,424,543 in Unlimited Tax General Obligation (UTGO) bonds. The District's voter approved bond levy generates revenue required for debt service on these bonds and the bond levy rate will decrease as assessed value increases.

Assumptions related to debt reflect the District's capital projects plan and financial policies.

Assumption D1: The District does not currently have and does not anticipate any limited tax general obligation (LTGO) debt.

Assumption D2: The District does not anticipate addition of any additional unlimited tax general obligation (UTGO) debt within the duration of this plan.

Assumption D3: The District anticipates maintaining its AAA bond rating.

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

Consistent with the Board of Fire Commissioner's conservative fiscal philosophy, 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:

- Adequate beginning balance in the General Fund to meet current expense in advance of receipt of tax revenue in April (estimated as 33% of the maintenance and operations budget)
- Contingency 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.

Use of voter approved, Unlimited Tax General Obligation (UTGO) bonds with a related bond levy (separate from the District's general levy) has allowed the District to address several major capital projects, while maintaining current service levels.

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. With consideration of a range of possible futures, decisions are better informed, and a strategy based on this deeper insight is more likely to succeed.

Potential financial strategies in the District's Long-Term Financial Plan are based on examination of two basic scenarios. The first, a baseline scenario examines fiscal conditions without any action to increase general levy revenue to address capital projects and/or maintain current service delivery levels. The second scenario examines use of a lid lift 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 adequate Funding and Cash Flow in the Capital Projects Fund to meet capital apparatus and equipment needs and to meet programmed Capital Facility needs.

Overview of Scenarios

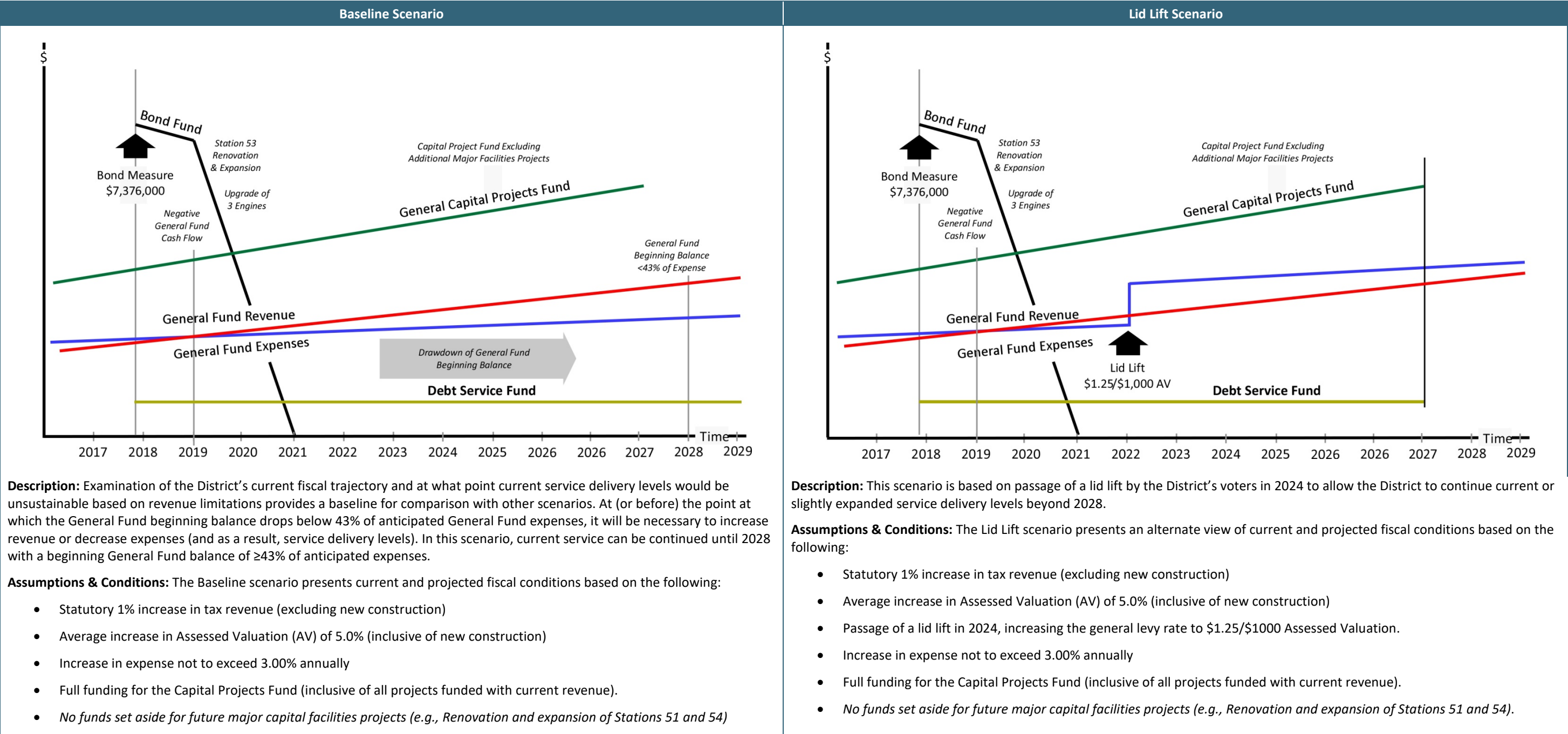
Table 8 provides an overview of the two scenarios examined in the Long-Term Financial Plan; Baseline and Lid Lift. Graphs are provided in this table to provide a conceptual picture of the scenarios and outcomes. It is important to note that these graphs are not drawn to exact scale but are configured to provide a clear illustration of the concepts involved in limited space.

This summary provides detailed financial analysis of the Lid Lift Scenario (supporting the District's financial strategy as discussed in the subsequent section of this Appendix). Detailed financial analysis is of the Baseline Scenario provided in Integrated Comprehensive Plan Volume 5 – Long-Term Financial Plan (CWIFR, 2018b).

Note: The Lid Lift Scenario is based on a 3% increase in General Fund expense in 2019 (not the 2.2% increase reflected in the 2019 Adopted District Budget). As such, the District will have a positive cash flow in 2019 (based on the proposed budget), but a negative cash flow in 2019 in the Lid Lift Scenario. As the amount of the negative cash flow is relatively small in relation to the total General Fund Budget, this does not materially impact the Districts long term financial strategy.

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Table 48. Fiscal Scenario Overview



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Lid Lift Scenario

The District will enter a negative cash flow condition in 2019 without an increase in revenue from services provided (i.e., Whidbey Island Hospital District Interlocal Agreement for staffing of a basic life support (BLS) ambulance). Given a moderate increase in revenue for services provided, the District will avoid a negative cash flow until approximately 2022. Under present fiscal conditions, the District will be able to maintain current service delivery levels until 2028. Absent an increase in revenue prior to that time, the District would need to reduce service delivery levels related expenses to maintain a balanced budget. A modest increase in tax revenue will allow the District to maintain or improve service delivery levels well past the term of this long-term financial plan. The Lid Lift scenario is based on a voter approved increase in the levy rate to \$1.25/\$1000 in 2025 (lid lift) and presents an alternate view of current and projected fiscal conditions given the following assumptions:

- Statutory 1% increase in tax revenue (excluding new construction)
- Average increase in Assessed Valuation (AV) of 5.0%
- 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 funds from the General Fund to the Capital Projects Fund to maintain adequate cash flow to meet capital apparatus and equipment needs and percentage of full at approximately 50% in a near to mid-term timeframe.
- No funds set aside for capital facilities projects.
- Passage of a lid lift increasing the District's general levy rate from \$1.04/\$1000 Assessed Valuation (AV) to \$1.25/\$1000 AV (an increase of \$0.21)

As illustrated in Table 12, this lid lift would permit the District to sustain current service delivery levels well past 2029 based on the policy to maintain a beginning General Fund Balance of 43% of budgeted expenditures (10% Contingency and 33% for expenditures prior to receipt of current year tax revenue).

Note: The prospective cash flow in the Lid Lift Scenario reflects a 3% increase in General Fund Expenses in 2019 (rather than the 2.2% increase reflected in the Adopted District Budget). With a 3% increase, the District would have a negative cash flow in 2019 (rather than 2020).

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Table 49. Lid Lift Long Term Cash Flow Projection (Revision 9.0)

General Fund	Actual	Adjusted	Adopted	Projected									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning General Fund Balance	\$2,628,225	\$2,775,233	\$2,823,853	\$2,809,203	\$2,731,909	\$2,659,780	\$2,553,167	\$2,405,834	\$2,218,584	\$2,520,965	\$2,785,304	\$3,009,137	\$3,190,705
Contingency (10% of Regular Budgeted M&O Expenditure)	\$227,519	\$230,532	\$237,448	\$244,571	\$251,908	\$259,465	\$267,249	\$275,267	\$283,525	\$292,031	\$300,792	\$309,815	\$319,110
Beginning GF Balance (Less Contingency)	\$2,400,706	\$2,544,701	\$2,586,405	\$2,564,632	\$2,480,001	\$2,400,315	\$2,285,917	\$2,130,567	\$1,935,059	\$2,228,934	\$2,484,512	\$2,699,322	\$2,871,595
Revenue													
Taxes	\$2,262,039	\$2,305,765	\$2,344,800	\$2,384,225	\$2,424,044	\$2,464,262	\$2,504,882	\$2,545,908	\$3,115,274	\$3,162,404	\$3,210,005	\$3,258,083	\$3,306,641
State Generated Revenue	\$3,897	\$14,476	\$14,476	\$14,476	\$14,476	\$14,476	\$14,476	\$14,476	\$14,476	\$14,476	\$14,476	\$14,476	\$14,476
Charges for Service	\$214,150	\$219,575	\$219,515	\$219,515	\$219,515	\$219,515	\$219,515	\$219,515	\$219,515	\$219,515	\$219,515	\$219,515	\$219,515
Miscellaneous Revenue	\$26,181	\$16,784	\$13,599	\$13,588	\$13,687	\$13,897	\$14,220	\$14,663	\$15,230	\$15,926	\$16,755	\$17,723	\$18,834
Other Revenue	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Investment Interest	\$16,259	\$2,500	\$5,701	\$5,712	\$5,613	\$5,403	\$5,080	\$4,637	\$4,070	\$3,374	\$2,545	\$1,577	\$466
Total Operating Revenues	\$2,522,526	\$2,561,600	\$2,600,591	\$2,640,016	\$2,679,835	\$2,720,053	\$2,760,673	\$2,801,699	\$3,371,065	\$3,418,195	\$3,465,796	\$3,513,874	\$3,562,432
Expenditures													
Regular Budgeted Expenditures (M&O General Fund)	\$2,023,385	\$2,305,317	\$2,374,477	\$2,445,711	\$2,519,082	\$2,594,655	\$2,672,494	\$2,752,669	\$2,835,249	\$2,920,307	\$3,007,916	\$3,098,153	\$3,191,098
Contingency Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Fee	\$1,319	\$1,300	\$285	\$286	\$281	\$270	\$254	\$232	\$203	\$169	\$127	\$79	\$23
Total Expenditures	\$2,024,704	\$2,306,617	\$2,374,762	\$2,445,996	\$2,519,363	\$2,594,925	\$2,672,748	\$2,752,901	\$2,835,453	\$2,920,475	\$3,008,043	\$3,098,232	\$3,191,121
Interfund Transfers													
To General Capital Projects Fund	\$349,000	\$203,746	\$205,119	\$205,596	\$205,735	\$205,876	\$208,391	\$209,183	\$209,331	\$209,480	\$210,019	\$210,173	\$211,359
To Compensated Absences Fund	\$1,814	\$1,431	\$35,360	\$65,717	\$26,866	\$25,866	\$26,866	\$26,866	\$23,901	\$23,901	\$23,901	\$23,901	\$23,901
To Grants Management Fund	\$0	\$1,186	\$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	\$350,814	\$206,363	\$240,479	\$271,314	\$232,601	\$231,742	\$235,257	\$236,049	\$233,232	\$233,381	\$233,920	\$234,074	\$235,260
Ending General Fund Balance													
Contingency Ending Balance	\$227,519	\$230,532	\$237,448	\$244,571	\$251,908	\$259,465	\$267,249	\$275,267	\$283,525	\$292,031	\$300,792	\$309,815	\$319,110
Ending GF Balance (Less Contingency)	\$2,547,714	\$2,593,321	\$2,571,755	\$2,487,338	\$2,407,872	\$2,293,701	\$2,138,585	\$1,943,317	\$2,237,440	\$2,493,273	\$2,708,346	\$2,880,890	\$3,007,646
Total Ending General Fund Balance	\$2,775,233	\$2,823,853	\$2,809,203	\$2,731,909	\$2,659,780	\$2,553,167	\$2,405,834	\$2,218,584	\$2,520,965	\$2,785,304	\$3,009,137	\$3,190,705	\$3,326,756
Capital Projects Fund	Actual	Adjusted	Adopted	Projected									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Capital Projects Fund Balance	\$1,331,031	\$1,664,918	\$1,749,488	\$1,531,668	\$1,386,777	\$1,281,584	\$1,344,535	\$1,521,414	\$1,677,805	\$1,881,020	\$2,084,657	\$2,253,035	\$2,341,246
Revenue													
Investment Interest	\$7,888	\$2,972	\$3,364	\$3,458	\$3,140	\$2,910	\$3,350	\$3,736	\$4,078	\$4,522	\$4,894	\$5,262	\$5,474
Interfund Transfers													
From General Fund	\$349,000	\$203,746	\$205,119	\$205,596	\$205,735	\$205,876	\$208,391	\$209,183	\$209,331	\$209,480	\$210,019	\$210,173	\$211,359
Expenditures													
Investment Fee	\$129	\$149	\$168	\$173	\$157	\$145	\$168	\$187	\$204	\$226	\$245	\$263	\$274
Vouchers (Capital Projects Fund)	\$22,872	\$122,000	\$426,135	\$353,772	\$313,911	\$145,689	\$34,696	\$56,341	\$9,989	\$10,138	\$46,291	\$126,961	\$10,602
Ending Capital Projects Fund Balance	\$1,664,918	\$1,749,488	\$1,531,668	\$1,386,777	\$1,281,584	\$1,344,535	\$1,521,414	\$1,677,805	\$1,881,020	\$2,084,657	\$2,253,035	\$2,341,246	\$2,547,204

Table 49. Lid Lift Long Term Cash Flow Projection (Revision 9.0) Continued

Bond Fund	Actual	Adjusted	Adopted	Projected									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Bond Fund Balance	\$7	\$7,424,544	\$7,175,205	\$2,098,900	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125
Revenue													
Bond Revenue	\$7,424,537	\$361,769	\$372,700	\$385,300	\$401,250	\$411,600	\$426,500	\$440,800	\$457,400	\$473,000	\$492,600	\$506,000	\$523,400
Investment Interest	\$0	\$87,500	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers													
To Debt Service Fund		\$364,106	\$372,700	\$385,300	\$401,250	\$411,600	\$426,500	\$440,800	\$457,400	\$473,000	\$492,600	\$506,000	\$523,400
Expenditures													
Investment Fee	\$0	\$4,375	\$3,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vouchers (Bond Fund)	\$0	\$330,127	\$5,133,305	\$1,958,775		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Bond Fund Balance	\$7,424,544	\$7,175,205	\$2,098,900	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125	\$140,125
Debt Service Fund	Actual	Adjusted	Adopted	Projected									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Debt Service Balance	\$0	\$0	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337
Interfund Transfers													
From Bond Fund	\$0	\$364,106	\$372,700	\$385,300	\$401,250	\$411,600	\$426,500	\$440,800	\$457,400	\$473,000	\$492,600	\$506,000	\$523,400
Expenditures													
Vouchers (Debt Service)	\$0	\$361,769	\$372,700	\$385,300	\$401,250	\$411,600	\$426,500	\$440,800	\$457,400	\$473,000	\$492,600	\$506,000	\$523,400
Ending Debt Service Balance	\$0	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337	\$2,337
Compensated Absences Trust Fund	Actual	Adjusted	Adopted	Projected									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Compensated Absences Balance	\$27,169	\$29,161	\$30,583	\$43,629	\$74,919	\$102,027	\$128,190	\$155,411	\$141,932	\$166,301	\$190,720	\$215,189	\$239,709
Revenue													
Investment Interest	\$182		\$71	\$135	\$266	\$323	\$379	\$436	\$492	\$543	\$593	\$644	\$695
Interfund Transfers													
From General Fund	\$1,814	\$1,431	\$35,360	\$65,717	\$26,866	\$25,866	\$26,866	\$26,866	\$23,901	\$23,901	\$23,901	\$23,901	\$23,901
Expenditures													
Investment Fee	\$4	\$8	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25
Vouchers (Compensated Absences)	\$0	\$0	\$22,360	\$34,537	\$0	\$0	\$0	\$40,755	\$0	\$0	\$0	\$0	\$0
Ending Compensated Absences Balance	\$29,161	\$30,583	\$43,629	\$74,919	\$102,027	\$128,190	\$155,411	\$141,932	\$166,301	\$190,720	\$215,189	\$239,709	\$264,280

Table 49. Lid Lift Long Term Cash Flow Projection (Revision 9.0) Continued

Grants Management Fund	Actual	Adjusted	Adopted	Projected									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Beginning Grants Management Balance	\$0	\$24,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue													
Grants	\$23,734	\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers													
From General Fund	\$1,186	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures													
Vouchers (Grants Management)	\$0	\$49,920	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Grants Management Balance	\$24,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Funds	Actual	Adjusted	Adopted	Projected									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Total Ending Balance (All Funds)	\$11,918,776	\$11,781,466	\$6,485,737	\$4,336,068	\$4,185,854	\$4,168,355	\$4,225,121	\$4,180,783	\$4,710,748	\$5,203,143	\$5,619,824	\$5,914,122	\$6,280,701

Fiscal Performance Measures	2017	2018	2019	Projected									
				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Fiscal Responsibility													
General Fund Revenue-General Fund Expense	\$147,008	\$48,620	-\$14,650	-\$77,294	-\$72,129	-\$106,614	-\$147,332	-\$187,250	\$302,381	\$264,339	\$223,833	\$181,568	\$136,051
Expenditure/Capita	\$244.68	\$275.99	\$281.33	\$286.90	\$292.57	\$298.37	\$304.27	\$310.29	\$316.43	\$322.70	\$329.08	\$335.59	\$342.23
% Change in General Fund Balance	5.59%	1.75%	-0.52%	-2.75%	-2.64%	-4.01%	-5.77%	-7.78%	13.63%	10.49%	8.04%	6.03%	4.26%
% Change in Capital Projects Fund Balance	25.08%	5.08%	-12.45%	-9.46%	-7.59%	4.91%	13.16%	10.28%	12.11%	10.83%	8.08%	3.92%	8.80%
% Change in Compensated Absences Fund Balance	7.33%	4.88%	42.66%	71.72%	36.18%	25.64%	21.23%	-8.67%	17.17%	14.68%	12.83%	11.39%	10.25%
General Fund Cash Flow/General Fund Revenue	19.74%	9.95%	8.68%	7.35%	5.99%	4.60%	3.18%	1.74%	15.89%	14.56%	13.21%	11.83%	10.42%
General Fund Ending Balance/General Fund Revenue	110.02%	110.24%	108.02%	103.48%	99.25%	93.86%	87.15%	79.19%	74.78%	81.48%	86.82%	90.80%	93.38%
Long Term Debt/Assessed Value	n/a	n/a	0.35%	0.32%	0.30%	0.28%	0.26%	0.24%	0.22%	0.20%	0.18%	0.16%	0.14%
Debt Service/Operating Revenue	n/a	n/a	14.33%	14.12%	13.91%	13.70%	13.50%	13.30%	11.06%	10.90%	10.75%	10.61%	10.46%
% Full Funding of Contingency	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%
% Full Funding of Capital Projects Fund	44.47%	123.14%	147.52%	114.14%	84.22%	105.11%	101.57%	100.34%	103.03%	102.94%	103.71%	111.18%	105.78%
% Full Funding of Compensated Absences Fund	11.31%	11.86%	16.94%	29.10%	39.58%	49.67%	60.15%	54.73%	64.06%	73.38%	82.70%	92.03%	101.35%
Adequacy & Sustainability of Funding													
General Fund Balance as a % of GF Expense	129.81%	120.32%	118.91%	114.85%	108.44%	102.50%	95.53%	87.39%	78.24%	86.32%	92.60%	97.12%	99.99%
Revenue/Capita	\$304.84	\$306.49	\$311.16	\$309.65	\$311.21	\$312.75	\$314.28	\$315.79	\$376.21	\$377.69	\$379.16	\$380.61	\$382.05
Intergovernmental Revenues/Total Revenues	8.49%	8.57%	8.44%	8.31%	8.19%	8.07%	7.95%	7.84%	6.51%	6.42%	6.33%	6.25%	6.16%
Property Tax/Total Revenues	89.67%	90.01%	90.16%	90.31%	90.45%	90.60%	90.73%	90.87%	92.41%	92.52%	92.62%	92.72%	92.82%
General Levy Rate	\$1.35	\$1.30	\$1.27	\$1.23	\$1.19	\$1.15	\$1.11	\$1.08	\$1.26	\$1.21	\$1.17	\$1.14	\$1.10
General Levy Rate/Maximum Levy Rate (\$1.50)	89.73%	87.07%	84.47%	81.80%	79.21%	76.69%	74.24%	71.87%	83.76%	80.98%	78.29%	75.68%	73.15%
Bond Levy Rate		0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Total Levy (General Levy + Bond Levy)	\$1.35	\$1.52	\$1.49	\$1.45	\$1.41	\$1.37	\$1.33	\$1.30	\$1.48	\$1.43	\$1.39	\$1.36	\$1.32

Note: Per capita values are based on an estimated 1% annual increase in population.

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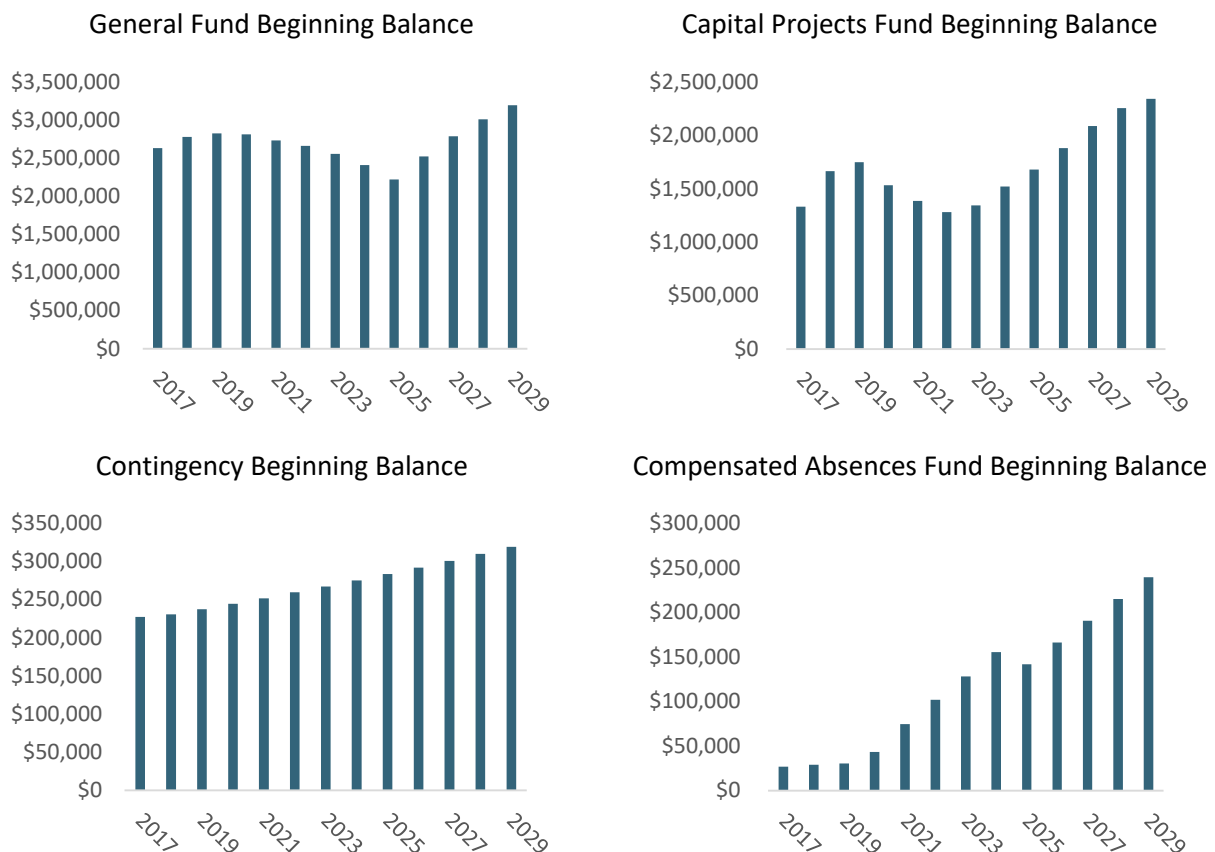
General Fund Cash Flow

As illustrated in Table 12, the District experiences a negative cash flow (Revenue minus General Fund Expense and transfers to other funds) in 2019 through 2024. Passage of a lid lift in 2024 returns the district to a positive cash flow and maintains an adequate General Fund beginning balance (greater than 43% of anticipated expenses) beyond 2029.

Beginning Fund Balance Trends

As in the Baseline Scenario, the General Fund beginning balance began a continual decline in 2020. However, passage of a lid lift in 2024 will reverse this trend with positive cash flow continuing beyond the end of this long-term financial plan in 2029. The Contingency beginning balance will remain consistent at 10% of anticipated annual General Fund expenditures. The Capital Projects Fund beginning balance fluctuates because of the timing of capital projects. The beginning balance of the Compensated Absences Fund is anticipated to increase over the next ten years to meet current and anticipated liability for compensated absences. Each of these funds is dependent on transfers from the General Fund and will potentially be impacted as the General Fund beginning balance decreases.

Figure 32. Beginning Balance Trends



The Bond Fund beginning balance is anticipated to decrease between 2019 and 2021 as capital projects funded by the District's voter approved, Unlimited Tax General Obligation (UTGO) Bond are completed. Subsequently, the beginning balance both the Bond and Debt Service Funds are anticipated to fluctuate

throughout the year due to receipt of tax revenue, interfund transfers, and payment of debt service, but to be stable on a year-to-year basis.

Adequacy of the General Fund Beginning Balance

The General Fund Beginning Balance must be adequate 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 12, given a lid lift raising the levy rate to \$1.24/\$1000 assessed valuation (AV) in 2024 the District will maintain a General Fund Beginning Balance above this minimum well beyond 2029 while maintaining adequate Contingency and transfer to reserves for Capital and Compensated Absences.

Capital Projects Fund

There is no change in the capital projects fund or programmed capital projects as presented in the 2019 Adopted District Budget within the Lid Lift Scenario. However, increased property tax revenue in 2024 will allow continuation of service delivery levels and transfer of adequate funding to the Capital Projects Fund to allow the District to maintain 100% funding for all programmed projects well beyond 2029.

Considerations

Increasing revenue through use of a lid lift will allow the District to continue to provide service at current levels beyond 2028. While it would be possible to extend current service further by increasing the levy rate above \$1.24, this would erode the flexibility to absorb increases in levy rate that will occur if assessed valuation decreases. It is also possible to increase the regular levy rate less than \$1.25. However, this would reduce the amount of time that the District could continue its current service delivery levels.

As this scenario places the lid lift several years prior to reaching the minimum beginning balance in the General Fund (43% of anticipated expenses), there is flexibility in scheduling placement of the lid lift on the ballot based on overall economic conditions in the nation, region, and locally.

The Bottom Line

Use of a lid lift is a viable option to maintain current service delivery term as increased revenue provided by a lid lift is adequate to meet operational and capital requirements for apparatus and equipment. However, as defined, this option does not provide revenue to future major capital facility needs (e.g. renovation and expansion of Stations 51 and 54).

Long Term Financial Plan

Fundamental Considerations

As discussed in earlier sections of this plan, Central Whidbey Island Fire & Rescue is funded predominantly through property taxes. Constitutional and statutory property tax limitations provide a reasonably predictable, but severely constrained tax revenue stream. As the 1% maximum annual increase in the lawful property tax levy does not keep pace with historical levels of inflation, it is necessary from time to time to present the District's voters with an option to increase the general levy to maintain or improve service delivery levels. Similarly, tax limitations make it difficult if not impossible for the District to address major capital projects such as fire station renovation or expansion without additional revenue such as received through a voter approved bond measure such as passed by the District's voters in 2017. Barring a change in the property tax structure within Washington State, this will continue to be a normal part of the District's fiscal planning and operations.

Fiscal Goals

The District strives to provide quality service in an efficient and affordable manner. The Long-Term Financial plan serves to address the District's strategic goals of ensuring adequate and sustainable funding as well as being fiscally responsible and operating with transparency. As outlined in this document, the District's fiscal strategy needs to address funding for capital projects as well as maintenance and operations expenses.

Current State

The District is financially healthy but will begin to experience a negative cash flow and resulting decrease in General Fund beginning balance within the next several years. The current General Fund balance should allow the District to sustain current service delivery levels through 2028, but will require an increase in revenue or decrease in expenses prior to then to maintain a balanced budget.

Action Plan

Central Whidbey Island Fire & Rescue's financial action plan focuses on the revenue and expense sides of the fiscal equation.

Revenue: The District has taken preliminary steps to renegotiate the financial element of its interlocal agreement with Whidbey Island Hospital District (dba WhidbeyHealth). Payment for staffing a BLS ambulance should maintain equity in cost share based on the proportionate benefit to the hospital and the fire district. In addition, payment should consider the scope and demand (call volume) of services provided. The target date for implementation of a new agreement is first quarter of 2019.

The District's fire prevention interlocal agreements with the Town of Coupeville and Island County have remained level funded (fee based on square footage of the occupancies inspected) since their inception. As this program is funded by user fees set by the Town and County respectively there is a degree of political complexity in adjusting payment for services. However, the District will explore this option with the parties to these agreements. In addition, there is a possibility to expand the scope of services provided to the Town of Coupeville in which the District would serve as the Fire Code Official for the

Town. This would increase workload to some extent but would also provide revenue for this work along with additional revenue for work currently being performed.

Central Whidbey Island Fire & Rescue will also continue to explore interlocal agreements for shared services which may generate revenue or limit cost.

While there is some potential to increase revenue through interlocal agreements providing fees for service, proportionately this is a small percentage of the District's total revenue. Any long-term revenue strategy must also consider property taxes and the District's levy rate. As previously noted, the 1% constitutional limitation on increases in property tax revenue (exclusive of new construction) ensures that expenses will exceed revenue at some point in the future. The District anticipates presenting a lid lift to the voters in 2024 as outlined in the Lid Lift Scenario. However, the exact timing of the lid lift ballot measure will depend on the District's future fiscal performance (e.g., assessed valuation, increase in revenue, and expenses).

Expenses: The District's long prospective cash flow analysis in the lid lift scenario is based on a maximum expense increase of 3% annually. However, the District will endeavor to hold below this maximum when possible to do so while meeting current service delivery levels and the communities demand for service.