

Central Whidbey Island Fire-Rescue



2023 Proposed District Budget

Professionalism • Integrity • Compassion • Excellence

The Government Finance Officers Association of the United States and Canada (GFOA) presented a eighth consecutive Distinguished Budget Presentation Award to Central Whidbey Island Fire & Rescue for its annual budget for the fiscal year beginning January 1, 2022. 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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PRESENTED TO

**Central Whidbey Island Fire & Rescue
Washington**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morill

Executive Director

The district also received special recognition in the performance measures category (outstanding scores from all three raters evaluating the district's budget document).

CWIFR's 2023 budget conforms to GFOA distinguished budget presentation award guidelines and the district will submit the adopted budget for review by the GFOA for the Distinguished Budget Presentation Award.

2023 Proposed District Budget

Prepared for the citizens of our district and the Central Whidbey Island Fire & Rescue board of fire commissioners:

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

District Staff:

- Fire Chief Ed Hartin, MS, EFO, FIFireE, CFO
- Deputy Chief Jerry Helm
- Finance Officer Cathy Niiro
- Division Chief Jim Mirabile professional development division manager
- Lieutenant/EMT Jen Porter, community risk reduction division manager
- Lieutenant/EMT James Meek, operations division manager
- Lieutenant/EMT Jim Huff, facilities maintenance division manager
- Firefighter/Mechanic Mike Matros, fleet maintenance division manager
- Firefighter/EMT Jeffery Rhodes
- Firefighter/EMT John Lloyd
- Firefighter/EMT Kolton Kellison
- Firefighter/EMT Justin Burnett

Editorial Review:

Linda Sue Hartin

Citizen Review:

Jackie Henderson

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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 *2023 Budget in Brief* and *2023 Proposed Budget* may be downloaded in portable document format (PDF) from the district's website (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 (CWIFR), the cost of those services, and the policies 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 finance officer.

Budget Summary

This section of the budget document provides 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 2020, budgeted revenue and expenses for 2021, and the adopted budget for 2022 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 *CWIFR 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, 2022a), and *Volume 6-Capital Projects Plan* (CWIFR, 2022b). 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 integrated comprehensive plan 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.

Financial Assumptions Used in the Budget Process

Budgets are based on assumptions about revenue and expense. This section of the budget document outlines the assumptions underlying development of the district's 2023 proposed budget. Additional detail and supporting documentation are provided in the district's long-term financial plan which is summarized in Appendix C.

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 C.

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 2022. In addition, this section of the budget document provides an overview of the general fund contingency line 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. Download the complete *Integrated Comprehensive Plan Volume 6-Capital Projects Plan* (CWIFR 2022b) in portable document format (PDF).

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 purchase of three type one (structural) fire engines (completed in 2021) and expansion of facilities Station 53 (currently underway). In addition, this section of the budget addresses the anticipated use of a limited tax general obligation (LTGO) bond to fund the additional cost of the Station 53 construction project.

Bond Redemption Fund

The debt services fund budget section of the document outlines fund transfers and debt service payments based on the district's UTGO and anticipated LTGO bonds.

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 are included in Appendix A.

Financial Policies

Appendix B provides a consolidated view of the district’s financial policies.

Long Term Financial Plan

A summary of the district’s long-term financial plan and mid-term updates is provided in Appendix C. The district’s long-term financial plan is on cycle for comprehensive revision in even years and as such was updated and resided in 2022. Download the complete *Integrated Comprehensive Plan Volume 5-Long Term Financial Plan* (CWIFR, 2022a) in portable document format (PDF).

Glossary of Terms

A glossary of terms is provided in Appendix D.

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Budget Message

From the Fire Chief

Thank you for supporting Central Whidbey Island Fire & Rescue (CWIFR)! The district provides fire and rescue services and partners with Whidbey Health in delivery of emergency medical service. We serve approximately 9,000 residents plus visitors to Central Whidbey Island.

The district operates under a balanced budget, has passed all independent financial and accountability audits, and maintains a AAA bond rating from Standard and Poor's. CWIFR has also received the Distinguished Budget Presentation Award from the Government Finance Officers Association for nine consecutive years.

The 2022 adopted district budget increased general fund expenditures by 4.66%. This increase is larger than anticipated. However, we had fewer expenses in 2022 and higher than anticipated revenue from new construction. As a result, the district is consistent with its long-term financial plan.

Based on preliminary data from the Island County Assessor, assessed valuations (AVs) increased 21.84%. It's important to note that the district is limited to a 1% revenue increase per year by law. This means that increase in your property's value does not equal an increase in revenue for the district.

Higher AVs are projected to lower the general levy rate to \$0.86/\$1000 and the bond levy rate to \$0.15/\$1000. The actual increase in AVs and impacts to levy rates will not be determined by the assessor's office until after January 1, 2023.

Progress

With your support, the district continues to make progress in improving service to the community.

In 2017, voters passed a bond measure to fund two important capital projects: renovating and expanding Station 53 on Race Road and the purchase of three type one fire engines to replace others that had reached the end of their usable lives.

The pandemic caused delays, but we finally received the engines last year. Thank you!

Work is finally underway on the station, too, but not without challenges. In summary, it's costing our taxpayers less to take the station down and build new on the same site than trying to renovate it.

We were working to secure the necessary permits when three things happened: COVID hit, supply chains for building materials dried up and there was significant turnover in the County's planning department. These issues caused delays and project costs have increased since then.

We have a plan to cover these costs and reduce impacts to taxpayers. This includes securing grants and borrowing money to cover the difference.

Challenges

CWIFR faces several operational and fiscal challenges. The district continues to see a substantial increase in demand for service delivery, experiencing a 50.84% increase in emergency calls in the past 10 years.

In addition to increased emergency calls, the number of concurrent calls (where multiple emergencies occur at the same time) has increased by over 100%, impacting 61.92% of all incidents.

Similar to other fire districts, CWIFR continues to struggle to find volunteer staffing. This is causing a need for additional full- and part-time firefighters, which we plan to address in a fire levy lid lift sometime in 2023.

In addition to staffing, we would use a portion of the lid lift to fund costs associated with the fire station on Race Road in Coupeville. Permitting delays, the pandemic and on-going supply chain issues have increased the cost of the project. We're going after grants and low interest loans to finance the cost overruns.

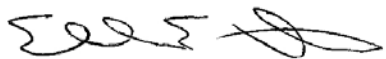
Fiscal Sustainability

The district first developed a long-term financial plan in 2011 to provide a roadmap for ensuring fiscal sustainability and funding service delivery necessary to meet the increasing emergency service needs of our community. This plan has been revised multiple times to reflect changing economic conditions and other factors impacting the district's finances. This approach has proved to be successful in helping the district plan for over a decade.

The district's long-term financial plan was revised in 2022 and a summary is provided in Appendix C of this budget document. One key component of this plan is recognizing that support from the community is key to fund the level and quality of service our community needs. The district is considering a fire levy lid lift in 2023 to meet the needs outlined above.

CWIFR welcomes feedback on our budget document. Please contact at ehartin@cwfire.org or (360) 678-3602. I also welcome your visits at 3253 Day Road in Greenbank. Thank you!

Sincerely,



Chief Ed Hartin, MS, EFO, FIFireE, CFO

From the Finance Officer

The 2023 proposed 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, 2021) and *Standard Operating Guideline 1.3.1 Budget* (CWIFR, 2017c).

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 regularly scheduled financial and accountability audits.

In 2022 the Washington state auditor's office (SAO) completed a financial and accountability audit of financial reports and records for 2019 and 2020 with no adverse findings, management letters, or recommendations. 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, 2019a, 2019b). The district is on a two-year schedule for financial and accountability audits.

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). However, 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 website (<https://cwfire.org/about-us/finance/audit-report-archive/>) or through the state auditor's Financial Intelligence Tool (FIT) (<https://portal.sao.wa.gov/FIT/>). (See Island County Fire Protection District 5)

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 (BARS) 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, with funds established to aid in management functions are combined within the general fund as illustrated in Table 1.

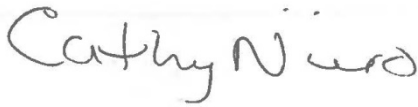
Table 1. Fund Reporting

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
Bond Redemption Fund	Bond Redemption Fund

Bond Rating

In 2022, 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.

Sincerely,



Finance Officer Cathy Niiro

Budget Summary

This summary provides an overview of CWIFR's adopted district 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 district's *2023 Proposed Budget in Brief* is available for download from the district's web site.

Budget by Fund and Fiscal Performance Measures

Table 2 provides a summary of actual district revenues and expenditures for 2021-2023.

Table 2. 2021-2023 Cash Basis Financial Summary

General Fund	Actual 2021	Adjusted 2022	Proposed 2023
Beginning General Fund Balance	\$3,486,831	\$3,850,578	\$3,773,183
Revenue			
Taxes-General Levy	\$2,439,524	\$2,502,242	\$2,555,248
Intergovernmental Revenue	\$7,934	\$8,450	\$8,250
Charges for Service	\$370,133	\$467,600	\$475,130
Miscellaneous Revenue	\$66,952	\$107,892	\$42,809
Other Revenue	\$0	\$336,370	\$2,500
Transfer In from Contingency	\$0	\$0	\$0
Transfer in from Capital Projects Fund	\$0	\$0	\$0
Transfer In from Compensated Absences Fund	\$0	\$0	\$0
Total Operating Revenues	\$2,884,543	\$3,422,554	\$3,083,937
Expenditures			
Budgeted Expenditures	\$2,506,858	\$2,835,852	\$2,961,971
Non-Expenditures			
Total Non-Expenditures	\$0	\$2,000	\$2,060
Interfund Transfers (Out)			
Transfer to Contingency	\$0	\$114,788	\$10,825
Transfer to Capital Projects Fund	\$0	\$630,259	\$271,449
Transfer to Capital Bond Fund	\$0	\$0	\$0
Transfer to Bond Redemption Fund	\$0	\$0	\$200,000
Transfer to Compensated Absences Fund	\$0	\$31,837	\$24,009
Transfer to Grants Management Fund	\$13,937	\$0	\$0
Total Transfers From General Fund	\$13,937	\$662,096	\$495,458
General Fund Ending Balance	\$3,850,578	\$3,773,183	\$3,397,631

Table 2. 2021-2023 Cash Basis Financial Summary (Continued)

General Fund Contingency	Actual 2021	Adjusted 2022	Proposed 2023
Beginning Administrative Contingency Balance	\$168,797	\$168,797	\$283,585
Revenue			
Transfer in from General Fund	\$0	\$114,788	\$10,825
Miscellaneous Revenue	\$0	\$0	\$1,787
Total Contingency Revenue	\$0	\$114,788	\$12,612
Expenditures			
Budgeted Expenditures (Maintenance & Operations)	\$0	\$0	\$50
Interfund Transfers (Out)			
Transfer to General Fund	\$0	\$0	\$0
Transfer to Capital Projects Fund	\$0	\$0	\$0
Transfer to Capital Bond Fund	\$0	\$0	\$0
Transfer to Compensated Absences Fund	\$0	\$0	\$0
Transfer to Grants Management Fund	\$0	\$0	\$0
Total Transfers From General Fund Contingency	\$0	\$0	\$0
General Fund Contingency Ending Balance	\$168,797	\$283,585	\$296,147
Capital Projects Fund	Actual 2021	Adjusted 2022	Proposed 2023
Beginning Capital Projects Fund Balance	\$1,789,160	\$1,463,003	\$2,015,179
Revenue			
Transfer in from General Fund	\$630,259	\$271,449	\$270,335
Transfer in from Contingency	\$0	\$0	\$0
Miscellaneous Revenue (Investment Interest)	\$20,218	\$12,696	\$10,236
Total Capital Projects Fund Revenue	\$650,477	\$284,145	\$280,571
Expenditures			
Budgeted Expenditures (Capital)	\$15,444	\$736,917	\$371,917
Total Capital Projects Fund Expenditures	\$15,444	\$736,917	\$371,917
Interfund Transfers (Out)			
Transfer to General Fund	\$0	\$0	\$0
Transfer to Capital Bond Fund	\$0	\$0	\$0
Transfer to Grants Management Fund	\$82,857	\$0	\$0
Total Transfers from Capital Projects Fund	\$82,857	\$0	\$0
Ending Capital Projects Fund Balance	\$1,463,003	\$2,015,179	\$1,562,407

Table 2. 2021-2023 Cash Basis Financial Summary (Continued)

Capital Bond Fund	Actual 2021	Adjusted 2022	Proposed 2023
Beginning Capital Bond Fund Balance	\$7,426,934	\$5,427,297	\$4,091,888
Revenue			
Taxes-Bond Levy	\$411,600	\$426,500	\$426,500
Other Revenue (Councilmanic Bond)	\$0	\$2,650,000	\$2,650,000
Miscellaneous Revenue (Investment Interest)	\$93,218	\$30,000	\$35,000
Transfer In from General Fund	\$0	\$0	\$0
Transfer in from Contingency	\$0	\$0	\$0
Transfer in from Capital Projects Fund	\$0	\$0	\$0
Total Bond Fund Revenue	\$504,818	\$3,106,500	\$3,111,500
Expenditures			
Regular Budgeted Expenditures (Bond)	\$1,428,627	\$6,753,700	\$6,753,700
Total Capital Bond Fund Expenditures	\$1,428,627	\$6,753,700	\$6,753,700
Interfund Transfers (Out)			
Transfer to Bond Redemption Fund	\$411,600	\$426,500	\$426,500
Ending Capital Bond Fund Balance	\$5,427,297	\$4,091,888	\$18,188
Bond Redemption Fund	Actual 2021	Adjusted 2022	Proposed 2023
Beginning Bond Redemption Fund Balance	\$127,493	\$4,368	\$4,368
Revenue			
Transfer in from Bond Fund (UTGO Debt Service)	\$278,125	\$411,600	\$426,500
Transfer in from General Fund (LTGO Debt Service)	\$0	\$0	\$200,000
Total Bond Redemption Fund Revenue	\$278,125	\$411,600	\$626,500
Expenditures			
Regular Budgeted Expenditures (Bond Redemption)	\$401,250	\$411,600	\$626,500
Ending Debt Service Balance	\$4,368	\$4,368	\$4,368

Table 2. 2021-2023 Cash Basis Financial Summary (Continued)

Compensated Absences Fund	Actual 2021	Adjusted 2022	Proposed 2023
Beginning Compensated Absences Fund Balance	\$72,238	\$72,475	\$105,816
Revenue			
Miscellaneous Revenue (Investment Interest)	\$237	\$1,504	\$667
Transfer in from General Fund	\$0	\$31,837	\$24,009
Total Compensated Absences Fund Revenue	\$237	\$33,341	\$24,676
Expenditures			
Budgeted Expenditures (Compensated Absences)	\$0	\$0	\$50
Interfund Transfers (Out)			
Transfer to General Fund	\$0	\$0	\$0
Ending Compensated Absences Balance	\$72,475	\$105,816	\$130,491
Grants Management Fund	Actual 2021	Adjusted 2022	Proposed 2023
Beginning Grants Management Fund Balance	\$0	\$0	\$0
Revenue			
Intergovernmental Revenue	\$0	\$0	\$0
Transfer in from General Fund (Grants and Match)	\$0	\$0	\$0
Transfer in from Capital Projects Fund (Match)	\$82,857	\$0	\$0
Total Grants Management Fund Revenue	\$82,857	\$0	\$0
Expenditures			
Budgeted Expenditures (Grants Management)	\$82,857	\$0	\$0
Ending Grants Management Balance	\$0	\$0	\$0
All Funds	Actual 2021	Adjusted 2022	Proposed 2023
Total Ending Balance (All Funds)	\$10,986,518	\$10,274,019	\$5,409,233

Additional detail is provided in the fund specific sections of this budget document.

Table 2. 2021-2023 Cash Basis Financial Summary (Continued)

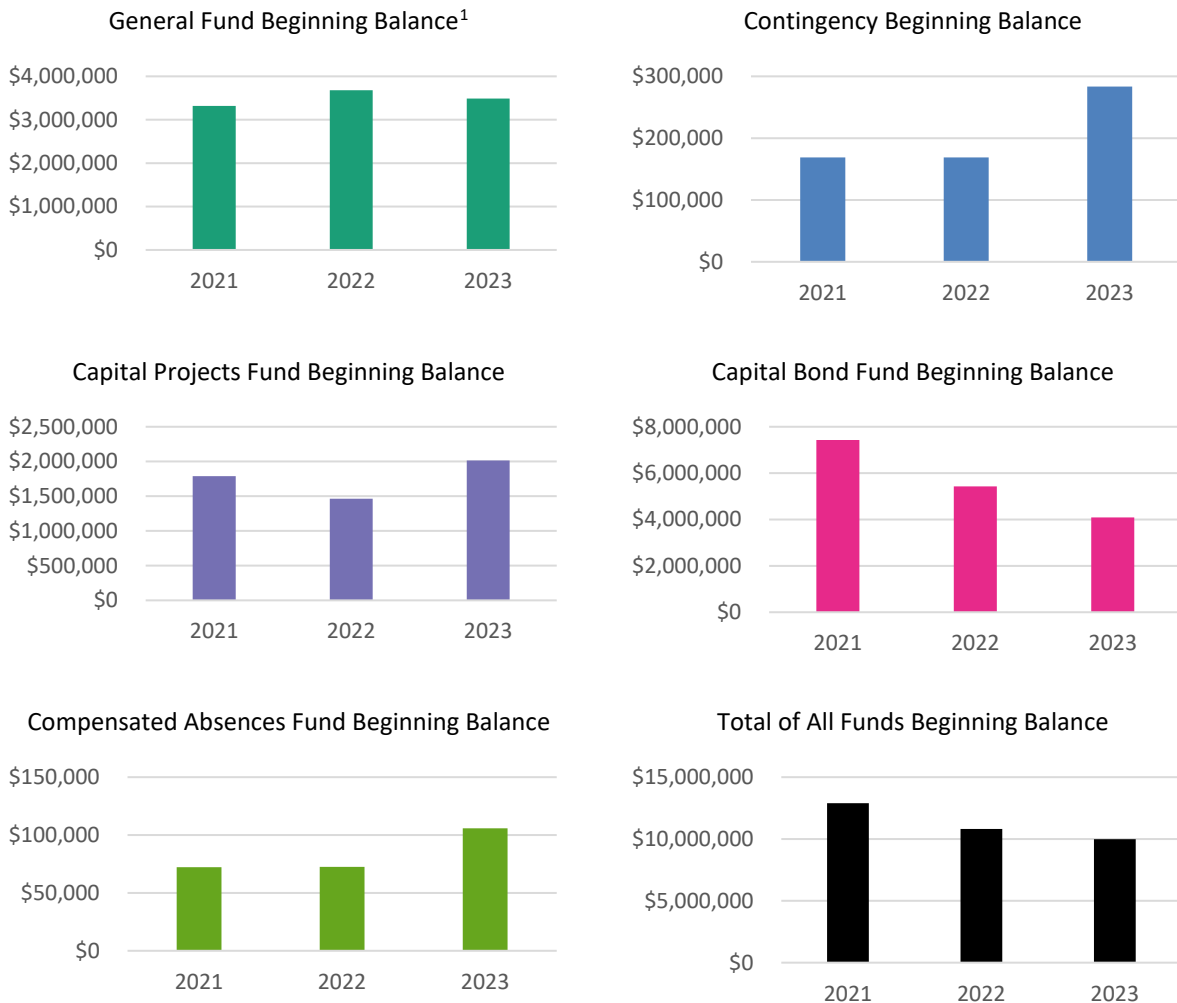
Fiscal Performance Measures	Actual 2021	Adjusted 2022	Proposed 2023
Fiscal Responsibility			
General Fund Revenue-General Fund Expense	\$363,747	-\$77,394	-\$375,552
General Fund Expenditure/Capita	\$320	\$357	\$369
% Change in General Fund Balance	10.43%	-2.01%	-9.95%
% Change in Capital Projects Fund Balance	-18.23%	37.74%	-22.47%
% Change in Compensated Absences Fund Balance	0.33%	46.00%	23.32%
General Fund Cash Flow/General Fund Revenue	12.61%	-2.26%	-12.18%
General Fund Ending Balance/General Fund Revenue	133.49%	110.24%	110.17%
Long Term Debt/Assessed Value	0.28%	0.25%	0.20%
Debt Service/Operating Revenue	13.91%	12.03%	20.31%
% Full Funding of Contingency	67.33%	100.00%	100.00%
% Full Funding of Capital Projects Fund	105.26%	78.17%	95.83%
% Full Funding of Compensated Absences Fund	49.20%	42.43%	54.31%
Adequacy & Sustainability of Funding			
General Fund Balance as a % of GF Expense	138.32%	110.02%	109.07%
Revenue/Capita	\$425.25	\$497.74	\$443.45
Intergovernmental Revenues/Total Revenues	0.24%	0.21%	0.23%
Property Tax/Total Revenues	85.20%	73.79%	83.86%
General Levy Rate	\$1.13	\$1.03	\$0.86
% of General Levy Rate/Maximum Levy Rate (\$1.50)	75.24%	68.80%	57.66%
Bond Levy Rate	\$0.19	\$0.18	\$0.17
Total Levy Rate (General + Bond Levy Rates)	\$1.32	\$1.21	\$1.04

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 (cash and investments) and short-term trends are illustrated in Figure 1 (exclusive of the grants management fund and bond redemption fund). Overall beginning fund balances are healthy with the total of all funds decreasing slightly between 2021 and 2023 largely due to expenditure of bond funds for fire station construction. 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 C.

Figure 1. Beginning Fund Balances 2021-2023



¹ This chart illustrates general fund beginning balance less contingency which is shown separately.

General Fund

The general fund beginning balance was anticipated to begin decreasing in 2021 and continuing to decrease until such time as the property tax levy is increased through a voter approved lid lift. This change was anticipated based on inflation and constitutional limitations in property tax increases, increases in service delivery expense, and interfund transfers to other funds (e.g., capital projects and compensated absences) and is addressed in the district's long-term financial plan. However, due to an oversight planned transfer of funds to the capital projects fund and compensated absences fund in 2021 did not occur until the 4th quarter of 2022. As such, the general fund beginning balance was slightly higher than anticipated in 2022, but will continue to decrease in subsequent years until the property tax levy is increased.

Capital Projects Fund

The capital projects fund beginning balance will increase in 2023 due to revenue from an insurance settlement and sale of surplus capital assets. The district received an insurance settlement of \$333,870 for the total loss of the rescue boat during marine rescue operations and \$56,500 for sale of three surplus type one fire engines, one damaged rescue boat, and miscellaneous surplus fire and rescue equipment. These funds were transferred to the capital projects fund in 2022 to fund purchase of the new rescue boat and other capital projects.

Compensated Absences Fund

The beginning fund balance for the compensated absences fund shows an increase in 2023 due to continued 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.

Grants Management Fund

No chart is provided for this fund as grant funds are generally expended in the year received.

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 \$7,424,544² in 2018. The intent of this bond measure was to fund the purchase of three type one fire engines and the renovation and expansion of the district's Station 53 on Race Road. This balance has been drawn down as capital projects funded by the bond were completed.

Due to delays in permitting and the impact of the COVID-19 pandemic and other economic factors, the cost of this project increased beyond the funding provided by this voter approved bond. The district anticipates use of a councilmanic, limited tax general obligation (LTGO) bond and/or additional revenue streams (such as grants) to fund the remainder of this project. An LTGO bond does not require voter

² The bond levy passed by the voters authorized the district to borrow \$7,376,000. Purchasers of the bonds paid an additional \$48,000 for origination of the bonds and related legal expenses resulting in a total revenue from sale of bonds of \$7,424,544 and debt of \$7,376,000.

approval as debt service is paid from general levy funds. As funding from the LTGO bond would be received after January 2023, they are not reflected in the beginning balance

Bond Redemption Fund

No chart is provided for this fund. UTGO bond levy funds are deposited in the bond fund and transferred to the bond redemption fund to pay the debt service on the voter approved bond in the year that funds are received. Once an LTGO bond is issued to complete the Station 53 construction project, the debt service on this bond will be paid with general levy funds. As such funds are transferred from the general fund to the bond redemption fund for payment of debt service on the LTGO bond. Beginning fund balance will be relatively level with changes in the balance occurring throughout the year as tax revenue is received and debt service payments are made and as a result of interest earned on the fluctuating fund balance throughout the year.

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 (Revised Code of Washington (RCW) 52.14.010), 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

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. 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 an estimated population of approximately 9,027³ (WA OFM, 2021a, 2021b) from three fire stations. CWIFR's response stretches from just south of Libbey 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.

³ Population data in the unincorporated area of the district for 2021 and 2022 was projected based on a three-year (2017-2020) average of the population increase (WA OFM, 2022b).

The Town of Coupeville also contains most of the district's target hazards⁴

- 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 Public Hospital District)
- Regency Coupeville nursing home
- Apartment complexes
- Churches
- Manufactured home communities
- Bed and breakfast hotels
- Island County Historical 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 in Central Whidbey. 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

⁴ 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, including:

- Seattle Pacific University Conference Center/Camp Casey
- United States Navy Coupeville Outlying Field (OLF)
- Greenbank Farm
- Washington State ferry (Coupeville) terminal
- Fort Ebey State Park
- 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. The Washington State ferry connects with SR 20 at the Coupeville (Keystone) ferry terminal.

Demographics and Geography

The district is predominantly rural with a 2022 average population density of 180.54 people per square mile (mi²) with pockets of higher density throughout the district. Most of the Central Whidbey Island Fire & Rescue'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.

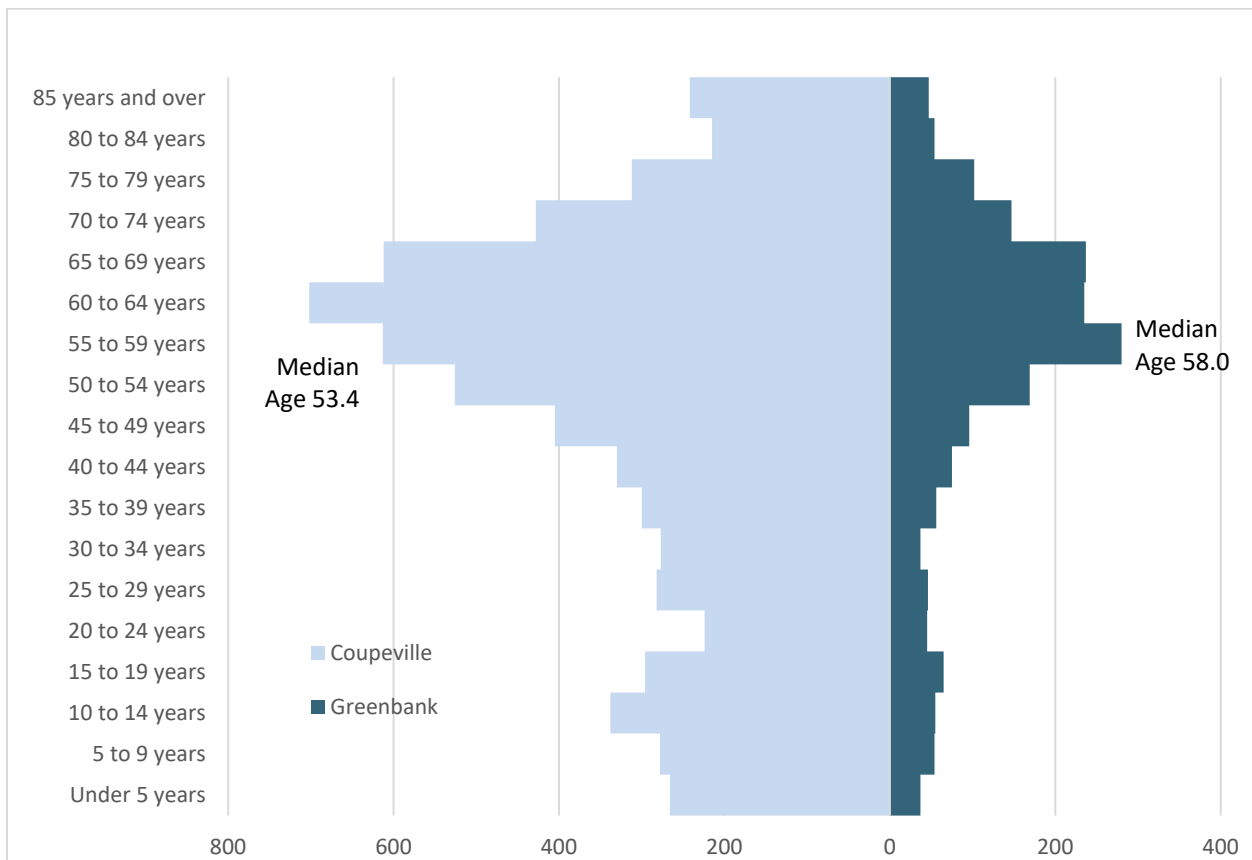
The population and age-related demographics of the district have an impact on workload and ability to recruit volunteer members. The large number of district residents over the age of 50 results in a substantial demand for emergency medical services and a higher potential risk of injury and death from 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, Central Whidbey Island Fire & Rescue (CWIFR) is now an all-hazards service providing fire protection, emergency medical services, hazardous materials response, and rescue services. In addition, the district has 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

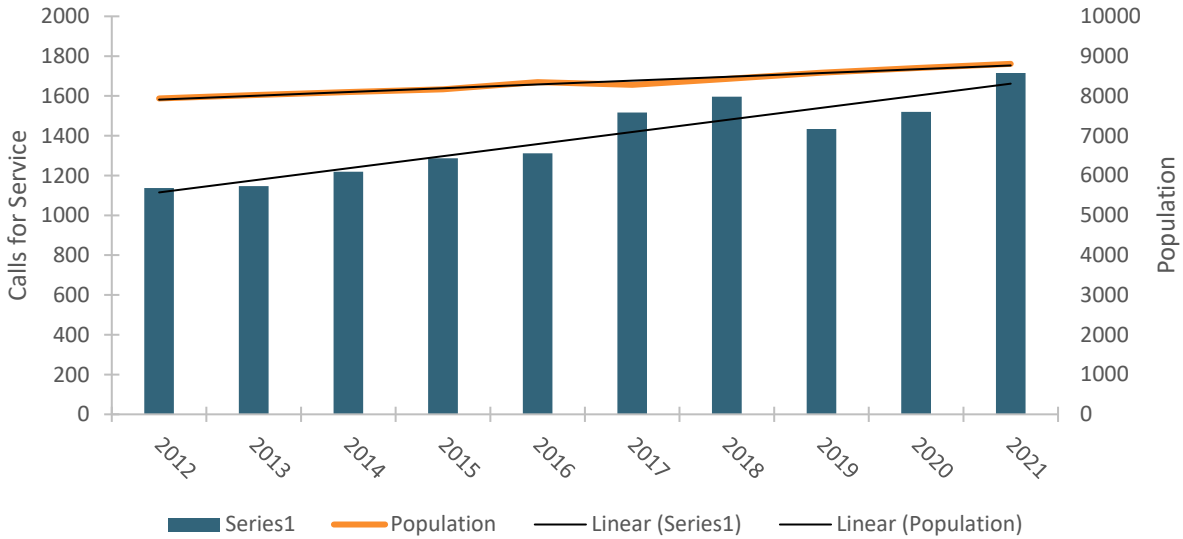
CWIFR maintains interlocal agreements with the Town of Coupeville and Island County to provide commercial fire and life safety inspections throughout the district.

Many of the response services provided by CWIFR are done in partnership with other agencies. CWIFR works together with WhidbeyHealth Emergency Medical Services (WH EMS) in delivering emergency medical services to the district, providing basic life support first response and ambulance service (under contract with WH EMS) with WH EMS providing advanced life support ambulance services. 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) 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 within the district, CWIFR also works closely with the Island County Department of Emergency Management.

Population and Demand for Emergency Services

CWIFR has seen a slow, but steady increase in population over the last 10 years. During that same timeframe the total number of calls for service has increased at a faster rate as illustrated in Figure 4.

Figure 4. Calls for Service and Population



Examining the exponential 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 50.84% increase in demand for service in the past 10 years (2012-2021) while population has only increased by 10.95%.

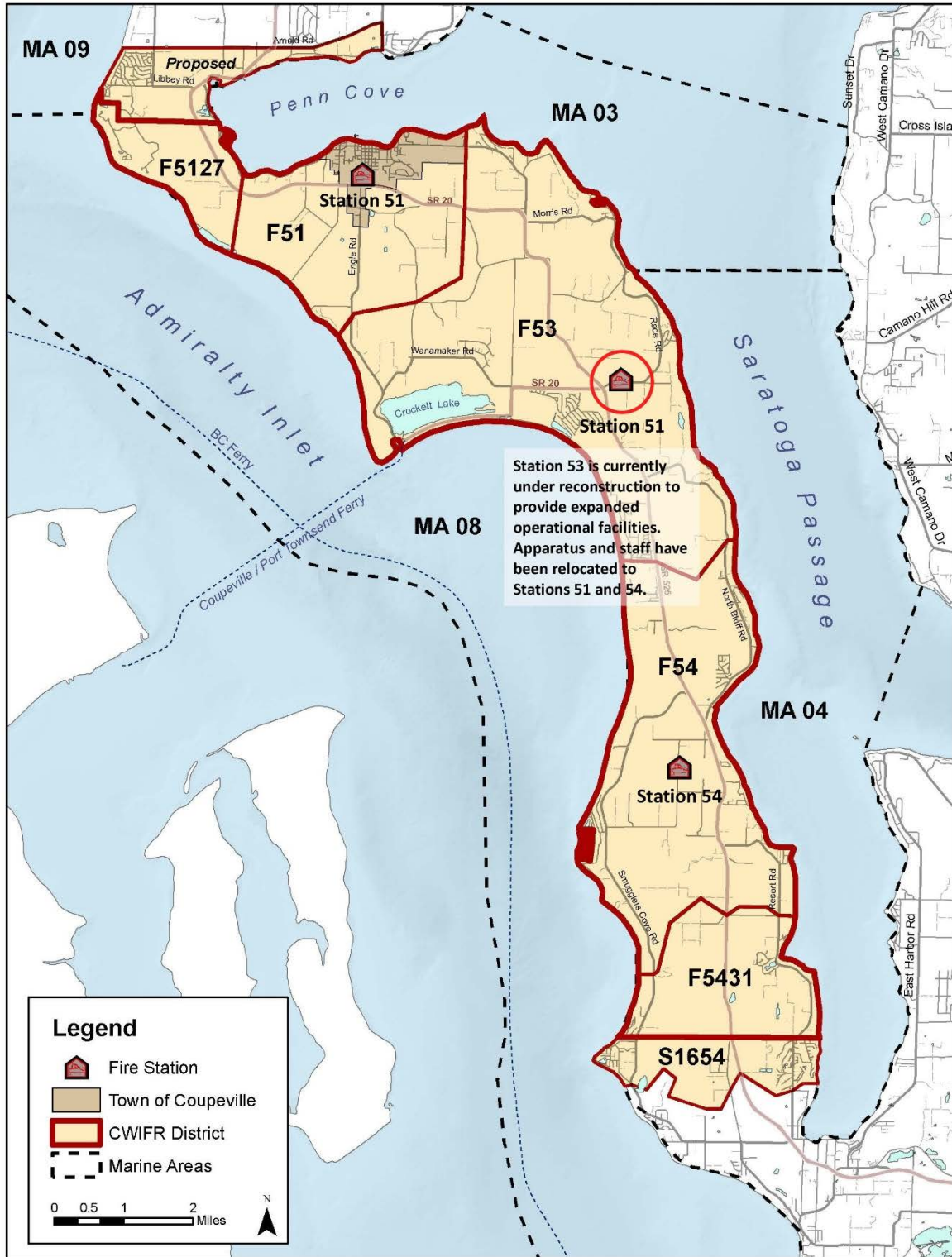
Non-Emergency Services

District staff is engaged in a wide range of proactive risk reduction work, with 231 fire and life safety inspections of commercial occupancies and inspection and/or flow testing 356 fire hydrants on an annual basis. In addition, the district maintains water supply preplans with pre-designated water tender fill sites for all unhydranted areas of the community and pre-incident plans of approximately 120 target hazards. Many of the district’s non-emergency services were negatively impacted by the COVID-19 pandemic, but will resume as pandemic constraints permit.

District Boundaries and Fire Station Locations

The district’s northern boundary is just south of Libbey 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 as shown in Figure 5.

Figure 5. District Map



Fire Stations

The district's three fire stations in Coupeville and Greenbank (see Figures 6-8) 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



New Station 53 Under Construction

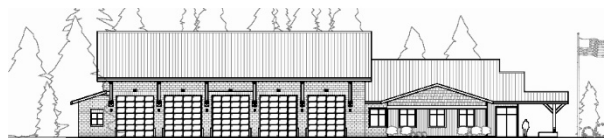


Figure 8. Station 54-Day Road, Greenbank



Fire Station Renovation and Expansion

An unlimited tax general obligation (UTGO) bond measure passed by the district’s voters in November 2017 to fund purchase of three type one fire engines and expansion of the district’s headquarters station at 1164 Race Road in Coupeville. Following a structural and civil engineering assessment of the existing Station 53, Carletti Architects recommended replacement of the existing building (rather than renovation). This change minimized the expense of bringing the existing facility into compliance with current seismic codes and meeting the district’s programmatic requirements.

Multiple factors impacted initiation of construction of a new headquarters facility. Despite the fact that the district’s headquarters station including five apparatus bays had been in use for over 20 years on the site where the new facility would be constructed, Island County Planning and Community Development Department required the district to obtain a conditional use permit for construction of a fire station with more than two apparatus bays. Turnover among planning and community development staff along with the impact of the COVID-19 pandemic delayed issuance of a conditional use permit until 2021. The planning and community development department’s timeline for issuance of a building permit was also impacted by turnover and the COVID-19 pandemic, further delaying this project.

Following issuance of a building permit by Island County, the district went to bid for demolition of the existing facility and construction of the district’s new headquarters fire station. Unfortunately, the impact of the pandemic and worldwide economic factors, the bids receive for this project were substantially higher than originally forecasted. District staff have engaged in a concerted effort to generate additional funding streams to offset the increased expense of this project. Contingency plans are in place for issuance of councilmanic debt to bridge any shortfall with debt service paid from the district’s general levy. Additional detail is provided in the bond fund and bond redemption fund sections of the budget.

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.

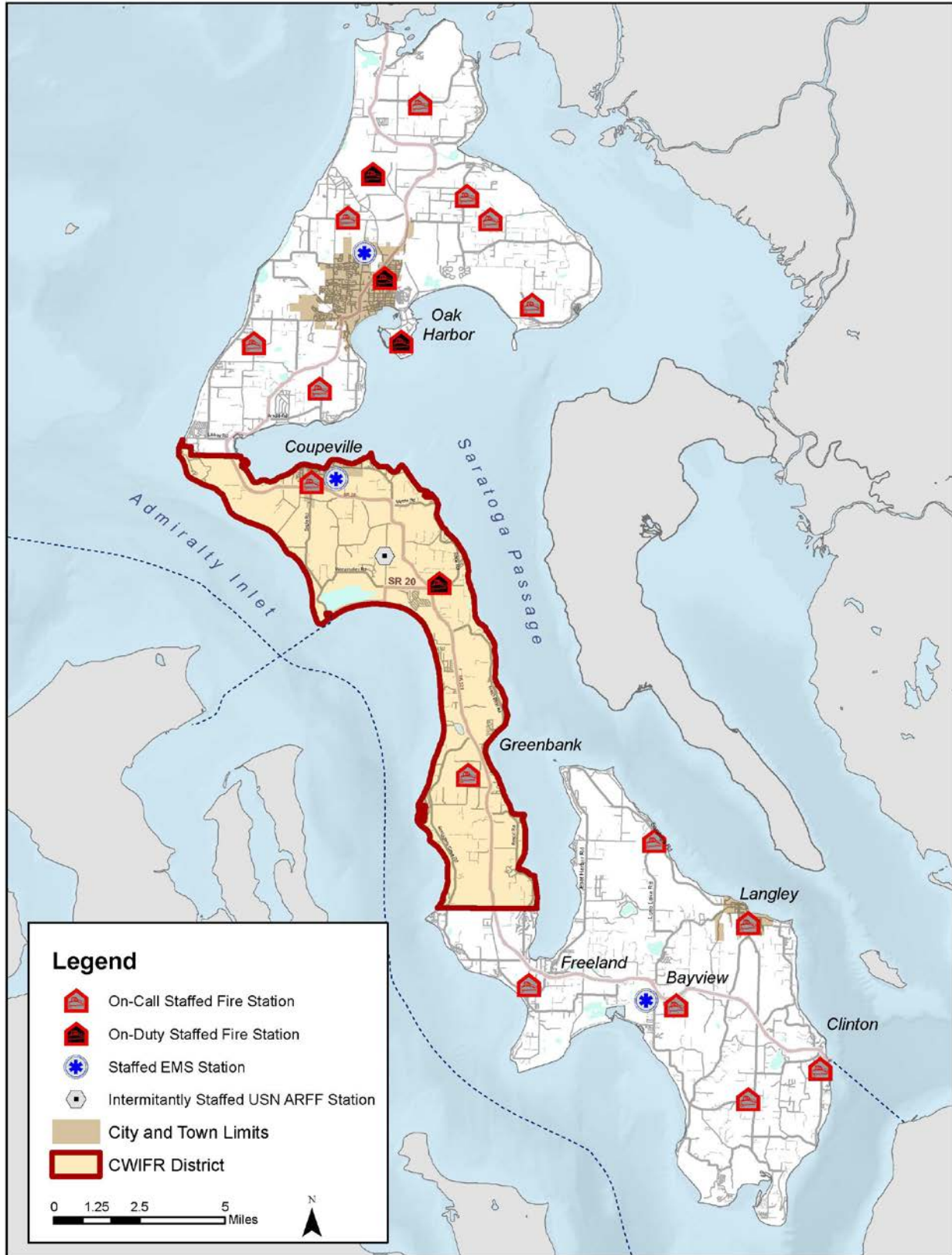
Figure 9. Station 52 (Logistics Facility)



Automatic and Mutual Aid

The extreme southern and northern ends of the district, which border South Whidbey Fire/EMS and North Whidbey Fire Rescue are served jointly through automatic aid agreements with both 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 receives an automatic aid aerial ladder from the Oak Harbor Fire Department (OHFD) on commercial fires and an additional engine from North Whidbey Fire Rescue (NWFR) or South Whidbey Fire/EMS (SWFE) on confirmed residential or commercial structure fires. Central Whidbey Island Fire & Rescue and SWFE jointly provide joint technical rescue response in both districts. The district also maintains mutual aid agreements with all emergency service agencies on Whidbey Island along with Jefferson County Fire District 1 (Port Townsend) 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 in Coupeville, Oak Harbor, and Bayview.

District Organization and Staffing

Central Whidbey Island Fire & Rescue (CWIFR) serves the community with a combination of volunteers and paid (full and part-time) personnel. The district refers 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



Historically, the district has staffed Station 53 on Race Road 24-hours per day, 365 days per year using a combination of full-time, part-time, and volunteer members. During construction of new facilities for Station 53, district staff are operating from Station 51 in Coupeville and Station 54 in Greenbank. Station 51 will be staffed 24-hours per day and Station 54 will be staffed during weekday hours. This staffing adjustment will serve to minimize response time to the largest percentage of calls during construction. Following completion of the new facilities for Station 53, on-duty staffing will be returned to this station located centrally within the district.

Approximately 60% of calls for service occur during daytime and early evening hours. In addition, a large percentage of the district's community risk reduction activity (e.g., fire code inspections, public education, pre-planning, hydrant inspection and testing) is performed during daytime hours.

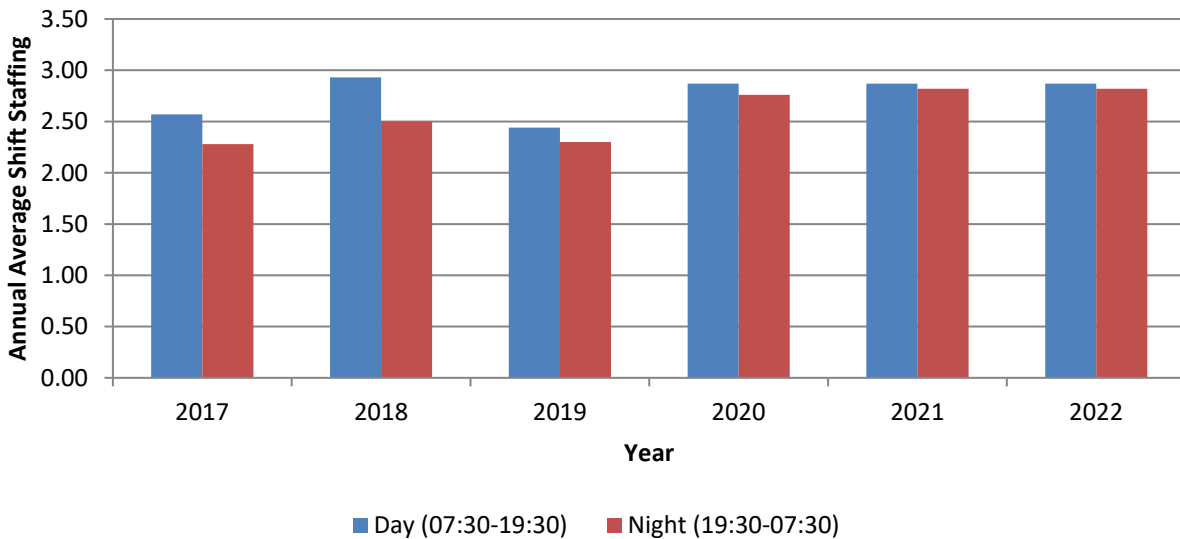
The district's three 24-hour shifts (A, B, and C) work 24 hours on-duty and 48 hours off duty with each full-time employee assigned to this schedule having one shift per month that they are not scheduled to work (Kelly shift) to reduce their workweek to 50.77 hours in accordance with the collective bargaining agreement (CWIFR & Local 4299 IAFF, 2022). Part-time firefighter/emergency medical technicians are also assigned to each of the three shifts with each part-time employee scheduled every other day that their shift works, providing a minimum work week of 25.38 hours. Part-time employees have a maximum work week of 35 hours (150.5 hours/month). 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, deputy chief, or division chief) is either on-duty or on-call (available for immediate

response from within the district). Volunteer members may also work shifts alongside the district’s full-time and part-time employees. However, volunteer participation in shift coverage has been limited.

During the COVID-19 pandemic, a memorandum of understanding between the district and Local 4299 IAFF has allowed part-time members to work in excess of 150.6 hours per week in order to maintain service levels (CWIFR & Local 4299 IAFF, 2022). This agreement will remain in place until October 31, 2022 (end of the governor’s declared state of emergency).

Figure 12 illustrates average shift staffing provided by full- and part-time personnel assigned to 24-hour shifts (this excludes daytime staffing provided by administrative, training and recruitment, and fleet personnel with emergency response duties).

Figure 12. Average Shift Staffing (full- and part-time staffing)



Note: 2022 data is for January 1, 2022 through June 30, 2022.

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 occurs approximately 20 times per month), CWIFR relies on volunteer members as well as off-duty full and part-time members to provide adequate staffing. Table 5 provides a summary of personnel by classification and division and Figure 13 illustrates organizational structure.

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 14.

Table 5. Summary of Personnel by Classification and Division

2021 Personnel	Administrative	Operations	Life Safety/CRR	Training	Facilities	Fleet Maintenance	Total District Staff
Full-Time	3.00	0.00	8.00	1.00	0.00	1.00	13.00
Part-Time	1.00	6.00	0.00	0.00	0.00	0.00	7.00
Volunteer	1.00	18.00	0.00	0.00	0.00	0.00	19.00
Subtotal	5.00	24.00	8.00	1.00	0.00	1.00	39.00
2022 Personnel	Administrative	Operations	Life Safety/CRR	Training	Facilities	Fleet Maintenance	Total District Staff
Full-Time	3.00	0.00	8.00	1.00	0.00	1.00	13.00
Part-Time	1.00	6.00	0.00	0.00	0.00	0.00	7.00
Volunteer	2.00	17.00	0.00	0.00	0.00	0.00	18.00
Subtotal	6.00	23.00	8.00	1.00	0.00	1.00	39.00
2023 Personnel	Administrative	Operations	Life Safety/CRR	Training	Facilities	Fleet Maintenance	Total District Staff
Full-Time	3.00	0.00	8.00	1.00	0.00	1.00	13.00
Part-Time	1.00	6.00	0.00	0.00	0.00	0.00	7.00
Volunteer	2.00	20.00	0.00	0.00	0.00	0.00	22.00
Subtotal	6.00	26.00	8.00	1.00	0.00	1.00	42.00

Table 5 reflects authorized staffing for 2022 and 2023. Actual staffing levels varied throughout the year due to full-time, part-time, and volunteer turnover.

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Figure 13. CWIFR Organization/Lines of Accountability

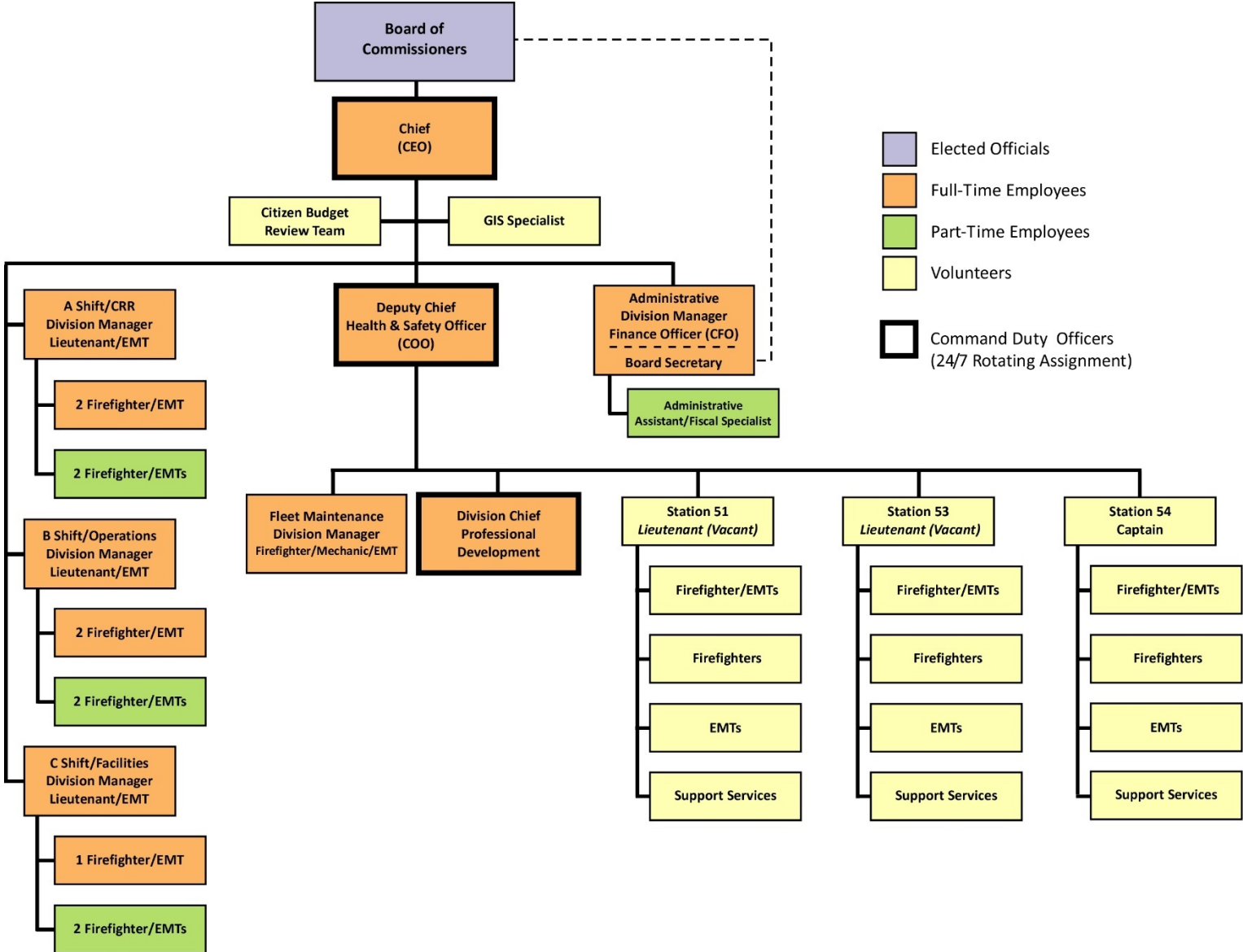


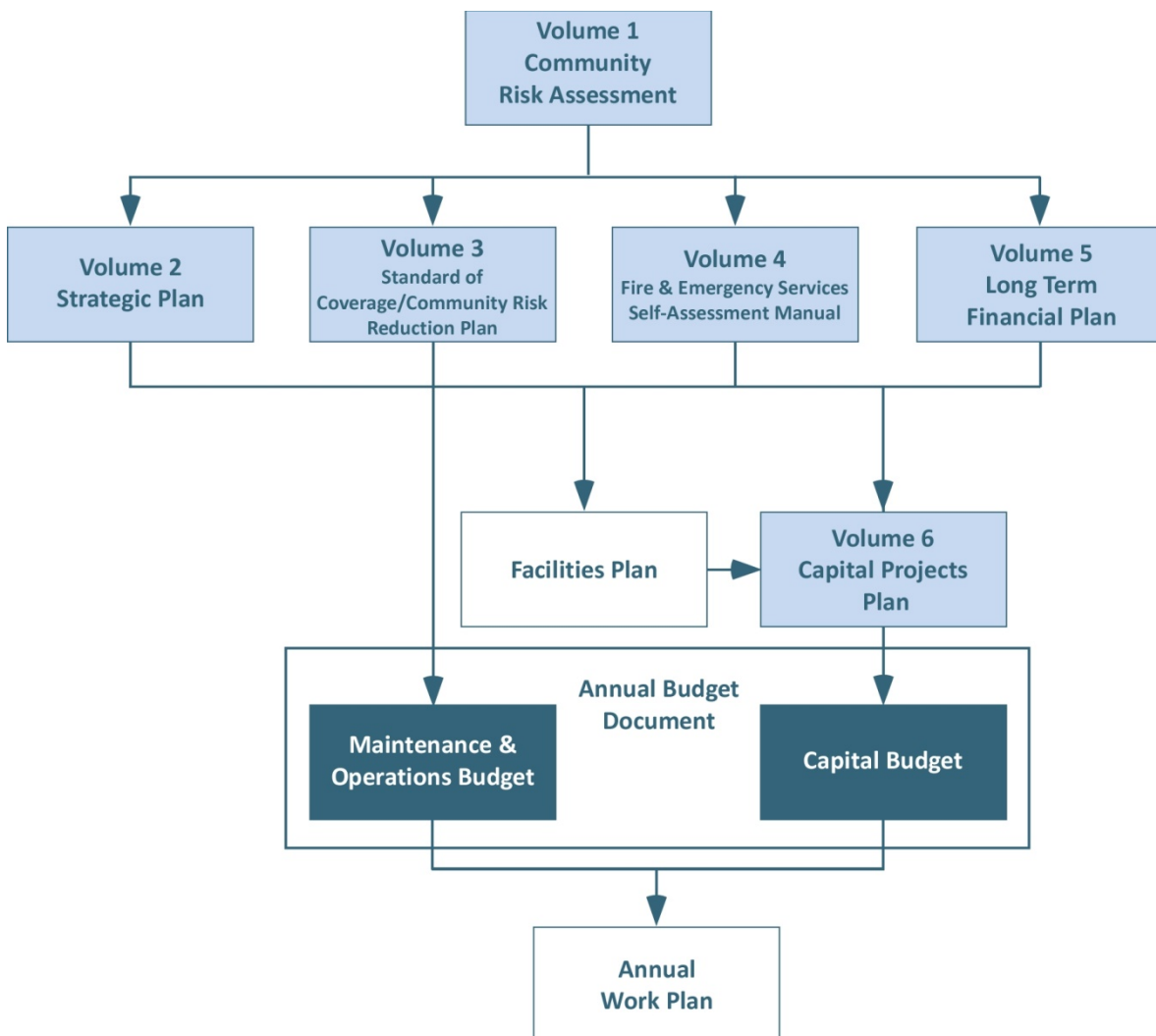
Figure 14. Functional Organization



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 15 illustrates the components of the ICP, their relationships to one another and connection to the district’s annual budget process and work plan.

Figure 15. CWIFR Integrated Comprehensive Plan Components



From the start of the COVID pandemic in 2020 through 2022, the district's comprehensive planning process was placed on hold due to operational needs and staffing changes unrelated to the pandemic. The district will reengage in the comprehensive planning process in 2023 with a focus on completion of the community risk assessment, standard of coverage and community risk reduction plan, and revision of the district's strategic plan. Once these initiatives have been completed district staff will review prior work on the fire and emergency services self-assessment and update this document to address the changes from the 9th to the 10th edition of the Commission on Fire Accreditation *Fire and Emergency Services Self-Assessment Model* (CFAI, 2021).

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, and by fire management zone (FMZ) and marine area (MA). [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 the 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 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 criterion 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 (2022a): 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 (2022b): 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.](#)

Alternately, read the components of the ICP on-line at the district’s website (www.cwfire.org).

Overview of the District’s Strategic Plan

The district 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. Central Whidbey Island Fire & Rescue was scheduled to update and revise its current strategic plan in 2021. However, due to the impact and operational constraints of the COVID-19 pandemic revision was deferred until the 4th quarter of 2022 or 1st quarter of 2023.

- **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 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, and 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 16, *integrity* and *compassion* are at the core of CWIFR's values and surrounded by *professionalism* and *excellence*.

Figure 16. Central Whidbey Island Fire & Rescue (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, the district has 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 CWIFR serves with openness and transparency.

Strategic Themes and Outcomes

Strategic themes are the focus of Central Whidbey Island Fire & Rescue’s (CWIFR’s) strategy, or key areas in which the district 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 answers important questions.

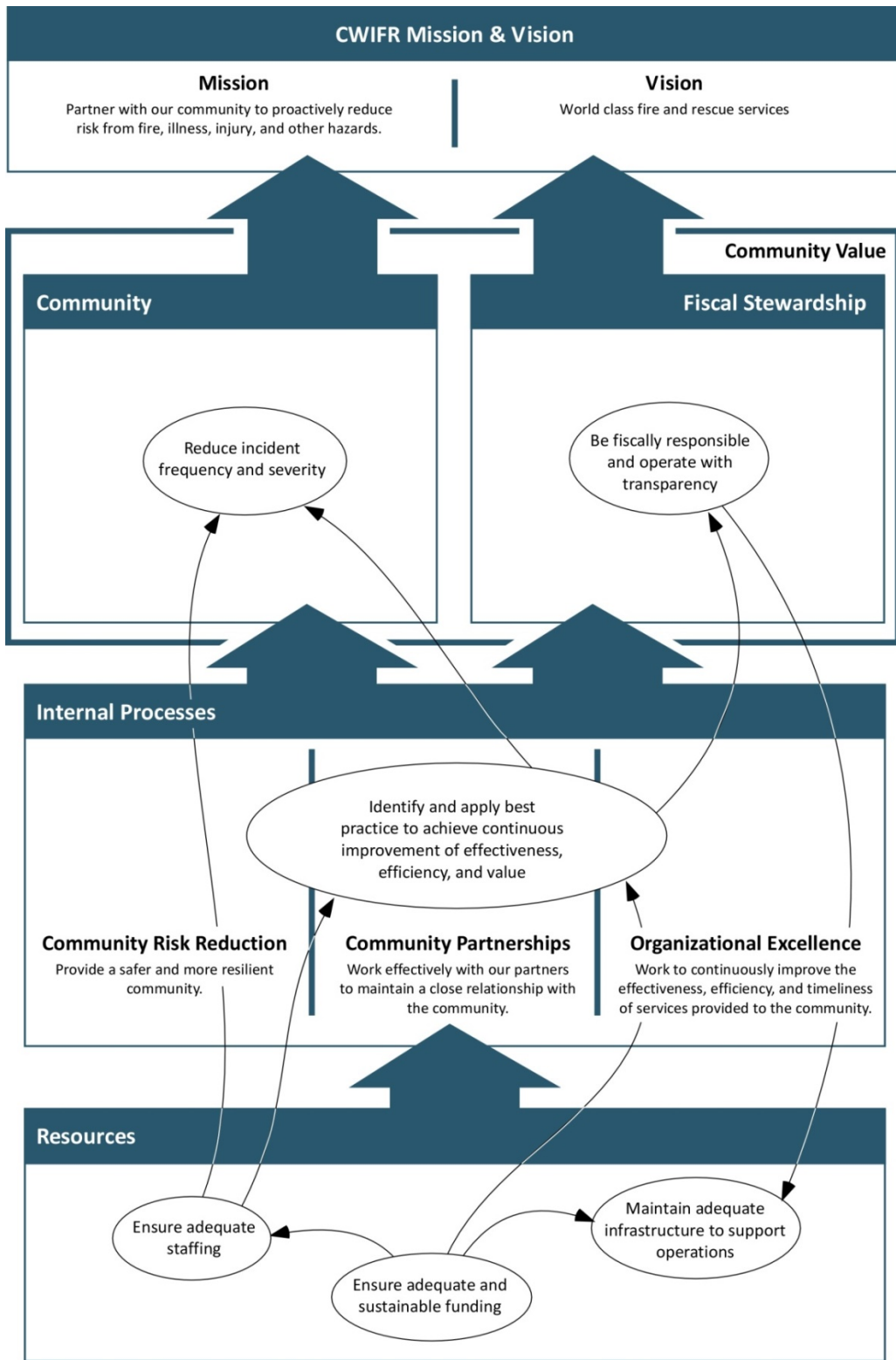
Table 7. Critical Perspectives

Perspective	Questions Answered	
Community	How will CWIFR achieve the community’s risk reduction outcome objectives?	How will CWIFR provide the greatest value to the community based on outcomes and cost effectiveness?
Fiscal Stewardship	How will the district provide the most cost-effective service to the community?	
Internal Processes	In what internal processes must the district 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 17 illustrates how these goals relate to our strategic themes, mission, and vision.

Figure 17. 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

Goals & Initiatives	Administrative	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 the 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 manual (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	◆ Primary Responsibility	◆ Supportive Responsibility	Administrative	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 Central Whidbey Island Fire & Rescue (CWIFR) enterprise-wide strategic goal 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, Central Whidbey Island Fire & Rescue (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. Performance measures are reported on an annual basis. Given the district’s budget cycle (January to December) performance measures dependent on a full year’s data are reported for the three prior years. Performance measures that do not require a full year’s data are reported for the current year and two prior years. Table 9 specifies the location and provides links to the performance measures for each division.

Table 9. Performance Measures Reference

Division	Page Reference
Administrative	Page 67
Operations	Page 80
Community Risk Reduction	Page 92
Professional Development	Page 101
Facilities	Page 113
Fleet Maintenance	Page 121

Budget Process

Central Whidbey Island Fire & Rescue (CWIFR) strives to maximize effectiveness, efficiency, and value to the community. In addition, the district endeavors 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 CWIFR is 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?
- 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 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 of fire commissioners 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 criterion. 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 one year. 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’s ten-year capital projects plan 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

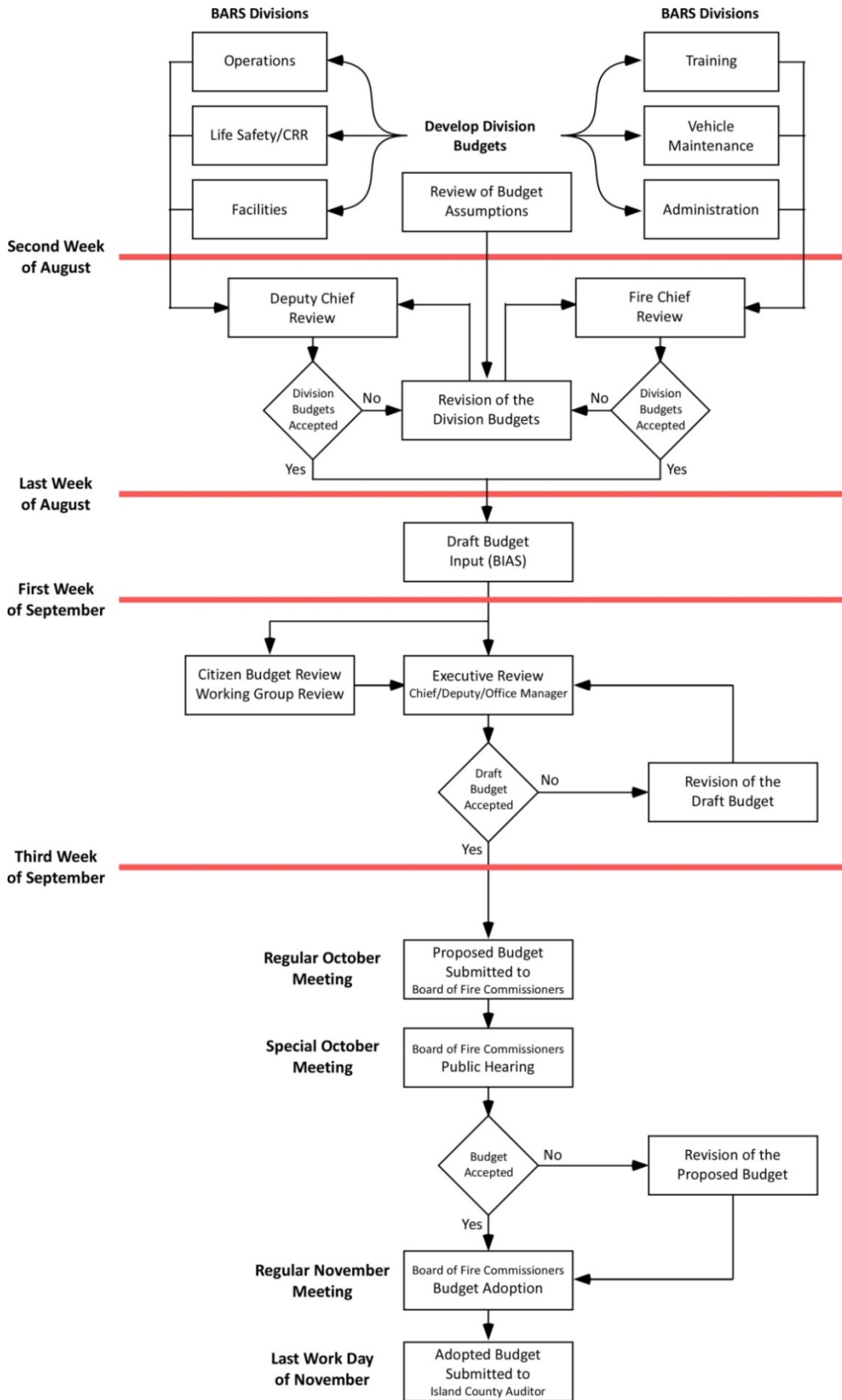
Most capital projects are included in the capital projects fund. However, the capital projects for renovation of Station 53 and purchase of three type one (structural) fire engines were moved to the bond fund at the end of 2017 with passage of a voter approved bond measure. Therefore, separate capital 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 18 illustrates the workflow and key milestones for budget development and approval.

Figure 18. Budget Development Workflow



Budget Adjustment

There are two types of budget adjustments. 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.

Adjustment of individual expense line items are identified based on greater than anticipated expenditure or projected expenditure within the budget period. Adjustment of revenue lines are identified when additional revenue is identified (particularly if the revenue offsets a related expense). The district's finance officer enters adopted changes in the finance and accounting system as they are identified. This entry includes the adopted amount of the line item, the adjusted amount of the line item and justification of the changes. The fire chief develops narrative report outlining the need for the budget adjustment (increases/decreases in individual lines and/or transfer between funds) with line-item level detail. The adopted changes and narrative report are submitted to the board of fire commissioners in advance of the meeting at which the budget adjustment will be considered. If the changes are adopted by the board, the finance officer enters the adjustment into the adopted budget within the finance and accounting system.

Financial Assumptions

Plans are based on assumptions about what is likely to happen. As a financial plan, the district's budget is dependent on specific assumptions related to the economy, revenue, expense, and debt.

Development of financial assumptions is a key element in Central Whidbey Island Fire & Rescue's (CWIFR'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* (CWIFR, 2022a) included in this budget document (Appendix C).

To provide a common framework for the context of financial planning assumptions, short-term refers to the next year to year and a half, but not beyond two years. Mid-term refers to a year and a half to five years, and long term refers to five to ten years in the future (the duration of the district's long-term financial plan). Short-term assumptions have a direct impact on budget development while mid- and long-term assumptions provide critical context.

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, 2021) 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 budgeting and reporting system (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.

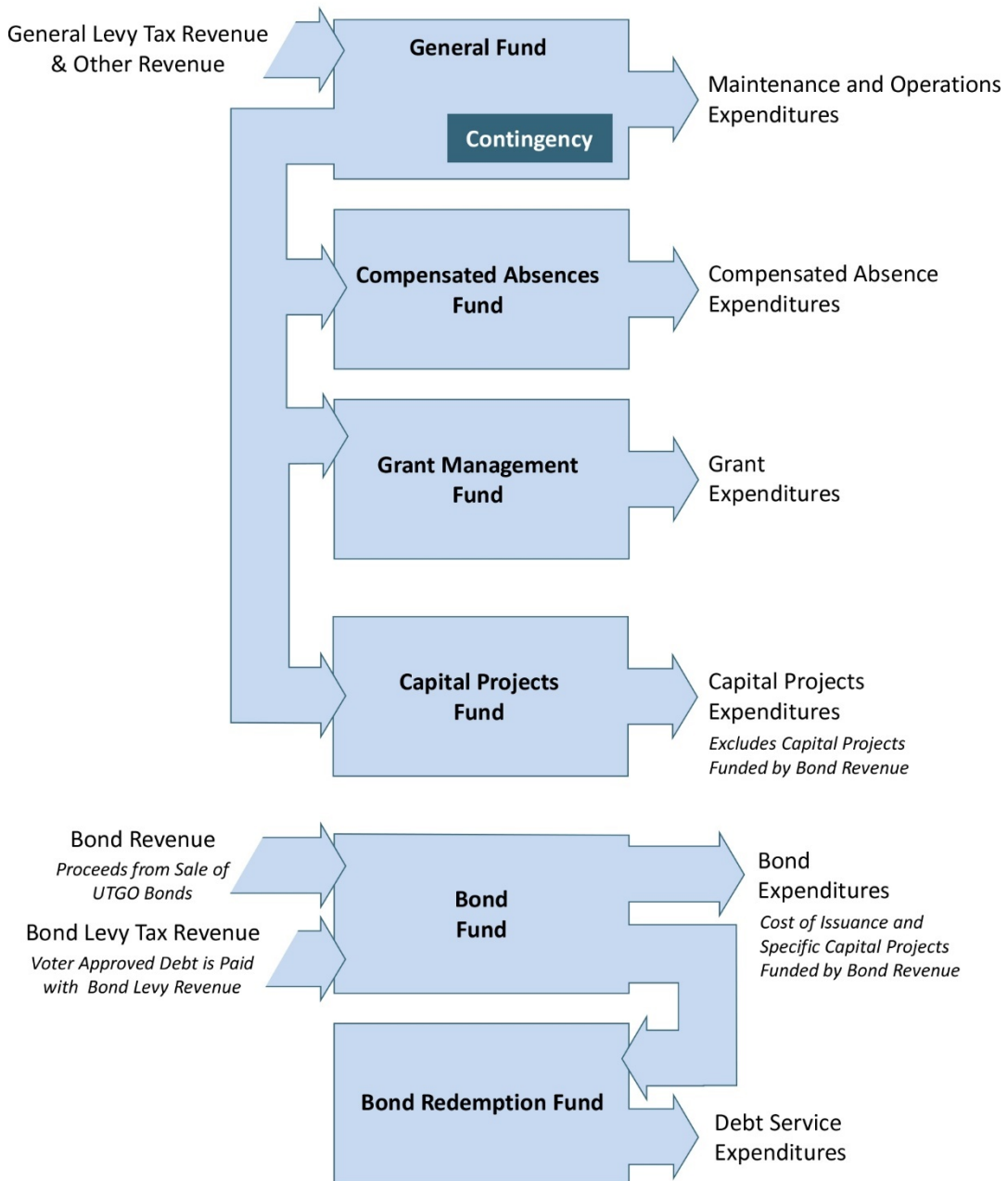
Included within the general fund, **contingency** is a line item (within the general fund) for emergencies or unforeseen expenditures not otherwise budgeted. CWIFR endeavors to maintain the contingency at 10% of the operating budget.

- **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 one year (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 one (structural) fire engines). Use of a separate fund for these capital projects facilitates accounting for bond revenue, interest, and expenditures and simplifies required compliance reporting.

- **Bond Redemption 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 19 illustrates the relationship between revenue, funds, and expenditures.

Figure 19. 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 divisions⁵:

- **Administrative:** Functions and 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 activities related to fire suppression, medical, and rescue services.
- **Life-Safety & Community Risk Reduction (CRR):** Functions or activities related to reducing risk of harm and preventing loss of life because of fire, accident, illness, and other types of emergencies.
- **Professional Development:** Functions and activities related to training, development, and recruitment.
- **Facilities:** Functions and 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).
- **Fleet Maintenance:** Functions and 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. Table 12 illustrates the allocation of budgeted expenditures by division with each Fund for the 2022 budget year.

⁵ 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, Fleet Maintenance).

Table 12. 2022 Division/Fund Matrix

Division	Fund					
	General Fund	Capital Projects	Bond Fund	Grants Management	Debt Service	Compensated Absences
Administrative	◆				◆	
Operations	◆	◆				
Life Safety/CRR	◆					
Professional Development	◆					
Facilities	◆	◆	◆			
Fleet Maintenance	◆	◆				

Note: Contingency is not allocated to a specific division; use of this line within the general 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.

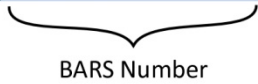
Benefits: Benefits include medical and dental insurance for our full-time employees, retirement benefits, social security (this does not apply to employees in the Law Enforcement Officers and Firefighters (LEOFF) pension system) and Medicare.
- Materials & Services:** This category includes all expenditures 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 one year. 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 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 20.

Figure 20. 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



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 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, 2021) 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 allows local governments the option to report on either 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.).

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.

The district’s budget process recognizes property tax revenue on an accrual basis and estimates revenue from other miscellaneous sources. However, as the district uses cash basis accounting, these revenues are only recognized when received.

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 as required by *Revised Code of Washington (RCW) 52.16.070*. 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 2028 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.

Integrated Comprehensive Plan Volume 5-Long-Term Financial Plan (CWIFR, 2020) examines these options in detail and provides a clear plan of action to maintain services and a balanced budget. The long-term financial plan is summarized in Appendix C of this budget document.

Financial Assumptions Used in the Budget Process

Development of financial assumptions is a key element in Central Whidbey Island Fire & Rescue's (CWIFR's) long-term financial planning and budget processes. This section of the budget document examines financial assumptions that directly influenced development of the district's 2022 adopted budget. Detailed explanation of these financial assumptions and supporting data are presented in the summary of the district's *Integrated Comprehensive Plan Volume 5-Long Term Financial Plan* (CWIFR, 2022a) which is summarized in Appendix C of this budget document.

Economy

A global recession began in February 2020 because of the COVID-19 pandemic and ended in April of 2020. This recession has had long term impacts on the supply side of the economy (Weisenthal, 2022). However, inflation has continued to increase since mid-2021 at the fastest pace in the last four decades. The Congressional Budget Office projected an increase in the price index for personal consumption expenditures (PCE) of 4.0% in 2022. The CBO also projected that supply side conditions would improve and energy prices would decrease in the second and third quarters of 2022. The CBO also projected a reduction in PCE increases to 2.3% in 2023 and return to the Federal Reserve's inflationary goal of 2% from 2024 through 2026 (CBO, May 2022). However, the June 2022 PCE was 6.8% higher than in June 2021 and 6.3% in July 2022 in comparison to July 2021 (BEA, August 2022). To this point in 2022, the PCE has consistently been higher than projected by the CBO.

Initiative 1433 passed by the voters in 2016 tied increases in the minimum wage to the federal Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (WA L&I, 2022a) and is set in September for the following year. In September 2022, the Department of Labor and Industries announced that the minimum wage in Washington for 2023 will be \$15.74 per hour (WA L&I, 2022b), an 8.66% increase from 2022.

Real estate values rose dramatically in 2022 with assessed valuation increasing 21.84% in comparison to 2021. However, inflation and increases in mortgage interest rates will likely cool the real estate market and over time may slow increases in assessed valuation of property within the district.

Revenue

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/\$1000 assessed valuation (AV) maximum for fire districts established in the *Revised Code of Washington (RCW) 52 Fire Protection Districts*. In addition to the permitted 1% increase, the district receives additional revenue based on value of new construction (not previously on the tax rolls).

The district's general levy rate was set by the voters at \$1.35/\$1000 AV in a 2012 levy lid lift and peaked the following year at \$1.38/\$1000 AV the following year due to declining assessed valuation within the district. However, since that time as assessed valuation has increased, the district's levy rate has declined consistently with a projected general levy rate for 2023 of \$0.86/\$1000 AV.

The district's voters passed an unlimited tax general obligation (UTGO) bond for specific capital projects in 2017 with a levy rate of \$0.22/\$1000 AV. Like the general levy rate, the bond levy rate has declined over time to a projected bond levy rate of \$0.17/\$1000 AV in 2023.

While the district has received the statutorily permitted 1% increase in tax revenue along with revenue related to new construction, these increases have not kept pace with increase in the expense of maintaining service levels.

The district's second largest revenue stream has been charges for service through interlocal agreements. Historically this has included the Whidbey Island Public Hospital District (dba WhidbeyHealth), the Town of Coupeville, and Island County. It is anticipated that these revenue streams will continue at their current level in 2023. In 2020, the district also entered interlocal agreements with the Washington State Patrol (WSP) fire marshal's office and Washington Department of Natural Resources (DNR) for all-hazards mobilization and wildland firefighting. In 2021, the district entered into an Emergency Management Assistance Compact interlocal agreement with the Washington Military Department (Emergency Management Division (EMD)) for interstate all-hazards mutual aid. While the district has limited history on revenue from the interlocal agreements with the WSP, DNR, and EMD, continued revenue from mobilization is anticipated based on consistent occurrence of severe wildland fires in the western United States.

The District's Station 53 construction project, funded in 2017 by a voter approved bond has experienced multiple delays in the Island County permitting process which along with the impact of the COVID-19 pandemic has substantially increased the expense of this project. The district applied for a United States Department of Defense Grant (for the full amount of the increased cost of this project), however this application was unsuccessful (but the district will reapply in 2023). The district continues to pursue additional revenue for this project and with the assistance of Representative Dave Paul, a State of Washington Capital Budget Appropriation (for part of the increased cost). However, the district anticipates issuing a \$2,650,000 councilmanic limited tax general obligation (LTGO) bond to provide sufficient funding complete this project. The district will be seeking a LTGO bond with no prepayment penalty so that if additional revenue becomes available, the bond can be paid off at any time, reducing debt service expense. The debt service on an LTGO bond must be paid from the district's general levy.

The district's long-term financial plan identifies the need to present a levy lid lift to the voters on a periodic basis to maintain sufficient revenue to maintain service levels in the face of increased workload and expense. The district anticipates presenting a levy lid lift to the voters in November 2023. Additional detail is provided in the revenue section of the budget and Appendix C which provides a summary of the district's long-term financial plan.

Expense

The district's long-term financial plan is based on an anticipated 3% average annual increase in expense (CWIFR, 2022a), which cannot be met in the long-term without voter approved tax revenue increases. The district has maintained or improved service levels with limited increases in general fund expenditure. However, current inflation presents an increased challenge in limiting expense while maintaining service delivery levels.

As noted in discussion of revenue assumptions, increased cost of the district's Station 53 construction project will significantly impact Bond Fund expenditures in 2023. The cost of construction (inclusive of sales tax) is approximately \$2,650,000 higher than originally forecast prior to passage of the UTGO bond in 2017. Use of a limited tax general obligation (LTGO) bond to fund completion of the Station 53 building project will result in debt service payments of approximately \$200,000 annually (the exact debt service schedule will depend on the term and interest rates at the time the bond is issued).

Debt

There are two types of debt that can be issued by the fire district. Voter approved unlimited tax general obligation (UTGO) bonds and councilmanic (non-voter approved), limited tax general obligation (LTGO) bonds. With UTGO bonds the debt service is funded by a separate bond levy that was approved by the voters. LTGO bonds do not create a separate levy, but must be paid from the district's general levy.

Voter Approved UTGO Bond

In 2017, the voters approved an unlimited tax general obligation bond for fire station renovation and expansion and purchase of three type one (structural) fire engines. This voter approved bond reduced pressure on the general fund for capital expenditures and is funded by a bond levy that is separate from the general levy that funds district operations. The district does not anticipate any additional voter approved debt in the near- to mid-term.

Councilmanic LTGO Bond

Due to permitting delays and impact of the COVID-19 pandemic and other economic factors, the cost of the Station 53 construction project increased by approximately \$2,650,000. Efforts are ongoing to generate additional revenue to fund this project (e.g., grants), but the outcome of these efforts is uncertain. As such, it will be necessary for the board of fire commissioners to authorize issuance of a councilmanic limited tax general obligation (LTGO) bond in 2023 to fund completion of this project. Unlike an unlimited tax general obligation (UTGO) bond which establishes a bond levy for debt service, debt service on a councilmanic LTGO bond is paid with revenue from the district's general levy. Additional detail is provided in the debt section of the budget and Appendix C which provides a summary of the district's long term financial plan.

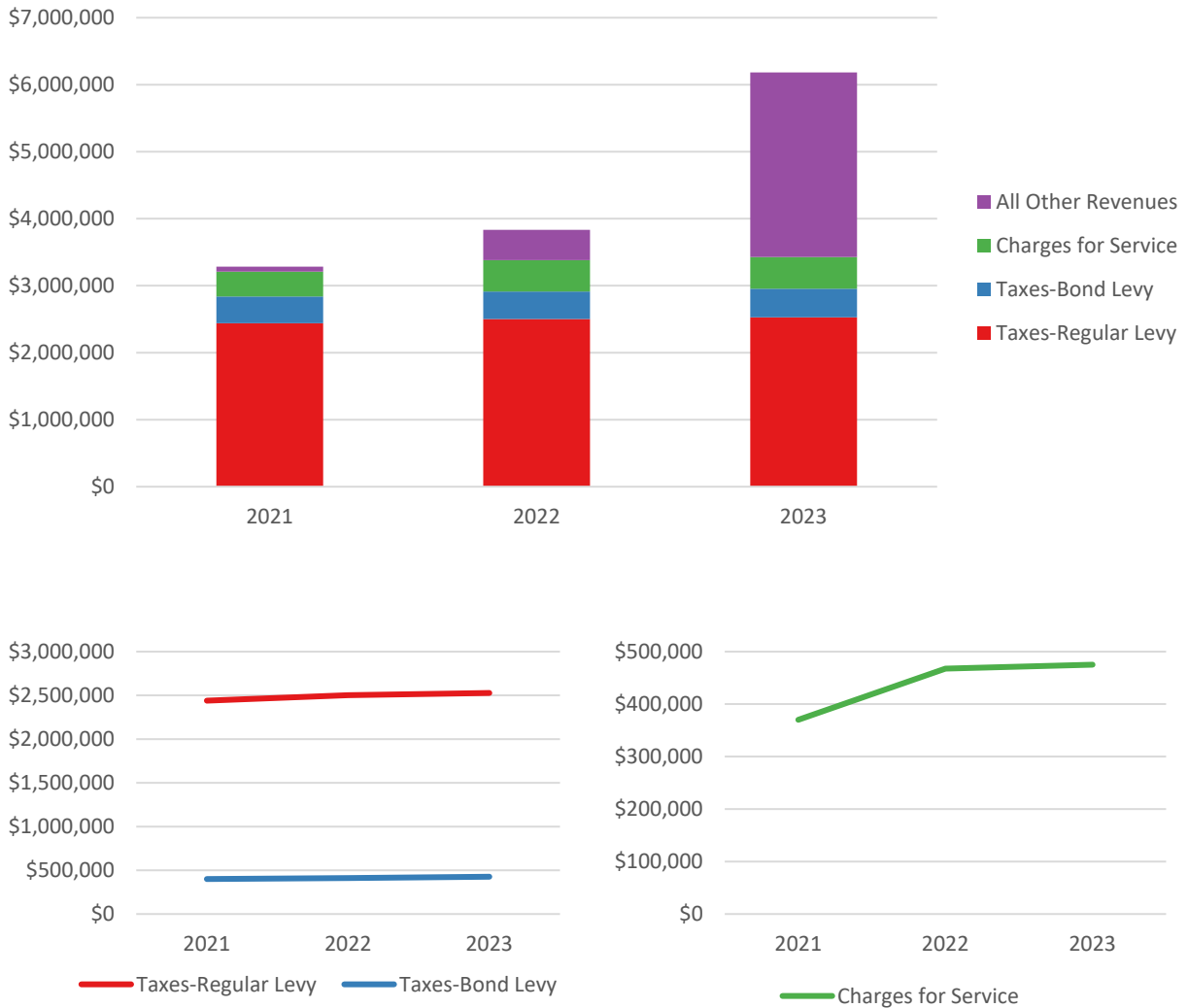
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Revenue

Overview

On an ongoing basis, taxes from the regular and bond levies are CWIFR’s largest funding streams. CWIFR also has interlocal agreements to provide service to WhidbeyHealth, the Town of Coupeville, Island County, Washington State Patrol, Department of Natural Resources, and Washington Military Department (emergency management) as well as a small amount of revenue other sources (e.g., such as investment interest, payments in lieu of taxes, space and facilities rent, grants, and sale of surplus assets). Figure 21 illustrates CWIFR’s overall revenue distribution and trends and Table 13 provides additional detail on revenue distribution. The large increase in all other revenues reflects \$2,650,000 in LTGO bond revenue anticipated the 1st quarter of 2023.

Figure 21. 2021-2023 Revenue Distribution and Trends-All Funds



Revenue from charges for service has fluctuated due to reimbursement for in-state and interstate emergency management assistance compact (EMAC) mobilization. As the district uses cash basis accounting, this revenue is recognized when received.

Budgeted revenue from charges for service is projected to be relatively stable between 2022 and 2023. Table 13 illustrates details of the district revenue distribution for all funds. All revenue with the exception of bond levy and LTGO bond funds go to the general fund. Bond levy and LTGO bond funds are deposited in the bond fund.

Table 13. Revenue Distribution Detail-All Funds

Revenue Stream	Actual 2021	Adjusted 2022	Proposed 2023	Distribution
Taxes-Regular Levy	\$2,439,524	\$2,502,242	\$2,527,264	41.76%
Taxes-Bond Levy	\$400,109	\$411,600	\$426,500	7.05%
Charges for Service	\$370,133	\$347,000	\$348,500	5.76%
All Other Revenues	\$74,886	\$62,342	\$2,749,949	45.44%
Total Revenue	\$3,284,651	\$3,323,184	\$6,052,213	100.00%

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 \$1.50/1,000 of Assessed Value (AV) (RCW 52.16.130, 140, 160).

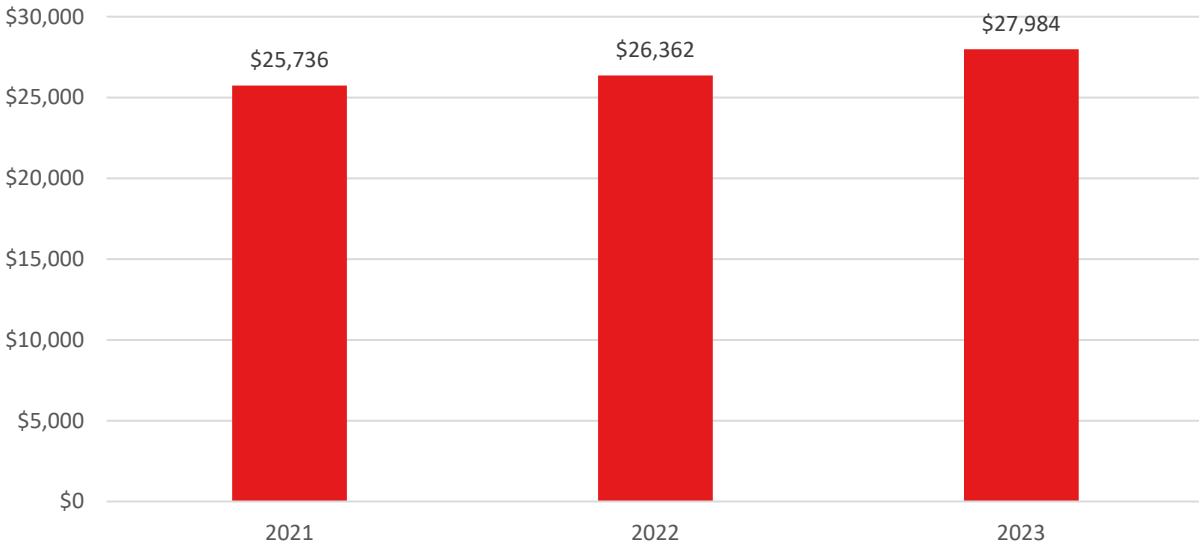
Central Whidbey Island Fire & Rescue’s (CWIFR’s) annual property tax levy is distributed across all taxable property within the district. The district’s levy rate increases or decreases depending on several factors. New construction adds to the total value of taxable property within the district, further 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 \$1.50/1,000, 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 property values. Cost is based on level of service desired by the community, with the shared cost based on property value.

The district’s assessed value (AV) for 2022 tax collection was \$2,424,752,527 which at a levy rate of \$1.03/\$1,000 AV provided a property tax levy of \$2,502,242. The total property tax levy can increase a

maximum of 1% plus the value of new construction (see Figure 22). Preliminary data indicates that increased new construction (see Figure 22) to the tax rolls has had a positive revenue impact.. Preliminary data from the Island County Assessor’s Office indicates a \$27,117,182 value for new construction within the district. This is anticipated to result in a \$27,984 increase in general levy revenue in 2023.

Figure 22. New Construction Revenue 2021-2023



In addition to the regular levy which supports maintenance and operations, the district receives tax revenue related to a voter approved, unlimited tax general obligation (UTGO) bond authorized by the voters in 2017. The initial levy rate for this bond was \$0.22/\$1000 AV. However, due to increased assessed valuation and new construction, the levy rate for this bond has decreased. In 2023, the bond AV is anticipated to be \$2,917,180,152, with bond levy rate of 0.17/\$1000, and bond property tax levy of \$426,500.

Interlocal Agreements

CWIFR has several interlocal agreements under which the district provides services to other governmental entities. These include:

- Agreement for operation of a basic life support (BLS) ambulance for WhidbeyHealth Emergency Medical Services (WH EMS).
- Agreements with both the Town of Coupeville and Island County to provide fire and life safety inspection services in commercial occupancies.
- Agreements with the Washington State Patrol (fire marshal’s office) for in-state all hazards mobilization and Washington Department of Emergency Management for interstate all hazards mobilization.
- Agreement with the Washington Department of Natural Resources for wildland firefighting.

- In 2022, the district entered an interlocal agreement to provide temporary financial services for South Whidbey Fire/EMS due to unanticipated staffing changes. As a temporary measure, revenue from this agreement is limited to 2022.

Table 14 illustrates the district’s revenue received and projected for receipt from interlocal agreements.

Table 14. Revenue from Interlocal Agreements

Interlocal Agreement	2021 Actual	2022 Adjusted	2023 Proposed
WhidbeyHealth EMS	\$281,000	\$285,000	\$285,000
Town of Coupeville Fire Inspections	\$4,704	\$8,000	\$8,000
Island County Fire Inspections	\$1,911	\$2,000	\$1,500
All Hazards Mobilization (WSP, DNR, EMAC)	\$81,945	\$170,600	\$179,130
South Whidbey Fire/EMS Financial Services		TBD	

The agreements with WSP, WA DNR were entered in mid-2020, agreement with WA DEM was entered in late-2020, and the agreement with WA DEM was completed in early 2021. These three agreements provide for services on an as needed basis and the district has limited history on which to project future revenue. However, given the increasing severity of wildfires in the western United States it is likely that demand for both in-state and interstate mobilizations will continue.

Other Revenue

In addition to tax receipts and revenue generated from services provided through Interlocal agreements, Central Whidbey Island Fire & Rescue (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.

Revenue Impacts

While predominately dependent on property tax revenue, addition of all-hazards mobilization, wildland firefighting support, and Emergency Management Assistance Compact (EMAC) interlocal agreements slightly diversified the district’s revenue streams. This new revenue stream plus additional new construction assessed valuation added to the tax rolls have improved the district’s current financial position.

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 and 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 15, the 2023 proposed district budget is 4.46% higher than the adjusted 2021. This increase include:

- Compensation increases for the district's part-time staff, full-time staff represented by Local 4299 International Association of Firefighters, and executive staff.
- Expense related to placing a levy lid lift on the November ballot in 2023.

General fund expense can be examined by division (Table 15 and Figure 23) or by distribution between personnel costs (e.g., salaries, benefits, wages, and stipends), and materials and services (Table 16 and Figure 24).

Table 15. General Fund Budget by Division

Division	Actual 2021	Adjusted 2022	Proposed 2023	Change	Distribution
Administration	\$656,628	\$776,144	\$756,176	-2.57%	25.55%
Operations	\$464,779	\$475,106	\$507,485	6.82%	17.15%
Community Risk Reduction	\$945,404	\$1,095,582	\$1,143,951	4.41%	38.65%
Professional Development	\$201,785	\$188,987	\$273,391	44.66%	9.24%
Facilities	\$54,929	\$104,986	\$89,302	-14.94%	3.02%
Fleet Maintenance	\$183,333	\$187,047	\$189,391	1.25%	6.40%
Total District Budget	\$2,506,858	\$2,827,852	\$2,959,696	4.66%	100.00%

It appears that there is a dramatic increase in professional development expense. However, there was a five-month period in 2022 that the position of professional development manager was vacant and reorganization reallocated multiple expenses from other divisions to professional development. Additional detail is provided in the professional development division section of the budget.

Figure 23. Overview of General Fund Expense by Division

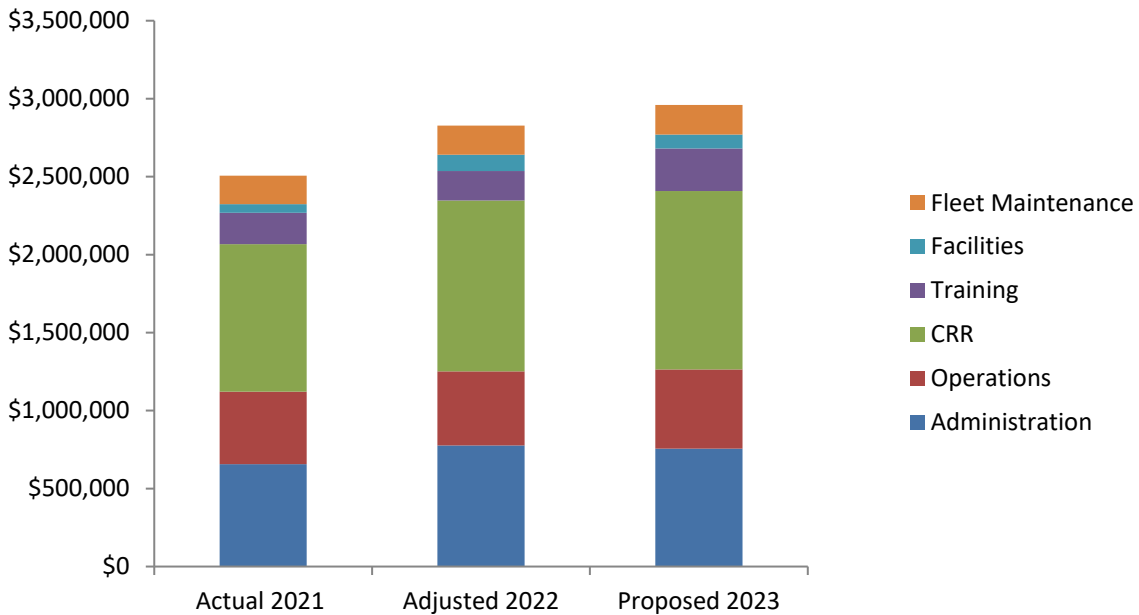
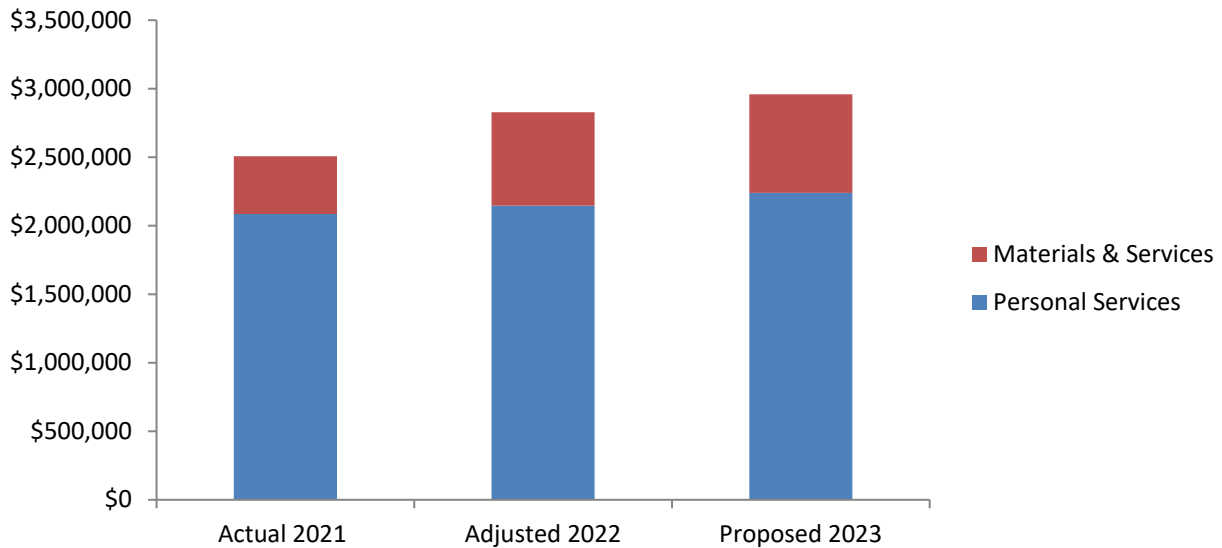


Table 16. General Fund Expense by Category Detail

Expense	Actual 2021	Adjusted 2022	Proposed 2023	Change	Distribution
Personal Services	\$2,086,154	\$2,146,886	\$2,239,485	4.31%	75.67%
Materials & Services	\$420,704	\$680,967	\$720,210	5.76%	24.33%
Total District Budget	\$2,506,858	\$2,827,852	\$2,959,696	4.66%	100.00%

Figure 24. General Fund Expense by Category



Administrative Division

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

The administrative division is responsible for the following major programs and functions.

- Strategic planning
- Accreditation
- Budgeting and fiscal management
- Human resources

Personnel Summary

Administrative division staffing is comprised of three and three-quarters full-time equivalents (FTE); the fire chief, deputy chief, finance officer, and administrative assistant/fiscal specialist and a volunteer geographic information specialist. The fire chief and deputy chief also have operational responsibility, but from a budget perspective are accounted for within the administrative division.

In the fourth quarter of 2020, the district developed a classification specification for administrative assistant/fiscal specialist, to provide redundancy in the payroll and accounts payable functions. Previously, the district's finance officer was solely responsible for processing payroll and accounts payable, presenting a continuity of operations risk in the event of illness or injury. The incumbent office assistant was reclassified as administrative assistant/fiscal specialist.

Strategic Goals

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 17 identifies the administrative division's strategic performance measures.

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Table 17. 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: <ul style="list-style-type: none"> General fund Capital projects fund Compensated absences fund 	Year	2021	2022	2023
		General fund	10.43%	-2.01%	-10.69%
		Capital projects fund	-18.23%	38.21%	-22.39%
		Compensated absences fund	0.33%	46.00%	23.32%
	Expenditure, operating position, debt, and unfunded liabilities indicators from <i>Brown's 10 Point Test</i> (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 ending 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	2021	2022	2023
		Expenditure/capita	12.61%	-2.26%	-13.20%
		Cash flow/revenue	133.49%	110.24%	110.27%
		GF balance/revenue	0.28%	0.25%	0.23%
		LT Debt/AV	13.91%	12.03%	20.50%
		Debt service/operating revenue	67.33%	100.00%	100.00%
		% Funded contingency	105.26%	78.17%	96.16%
		% Funded capital	49.20%	42.43%	54.31%
		% Funded compensated absences fund	12.61%	-2.26%	-13.20%
		* Debt service on the district's unlimited tax general obligation (UTGO) bond began in 2018.			

Table 17. 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	2020	2021	2022	
	<ul style="list-style-type: none"> • District overview • Authorizing statute • Budget • Meetings • Elected officials 	<ul style="list-style-type: none"> • Administrative officials • Audits • Procurements/contracts • Public records • Revenue 	Web Transparency	90%	100%	100%
	Discussion: The district continues to work towards improvement of transparency. Update and revision of the district’s website in 2020 provided 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	2020	2021	2022	
		Receiving award	Yes	Yes	Yes	
Be fiscally responsible and operate with transparency	Successful bi-annual financial audit by the State Auditor. <i>Financial and accountability audits are conducted on a biannual basis for preceding two years.</i>	Year	2019	2020	2021	
		Successful audit	Yes	Yes	Pending	
	Discussion: The district successfully completed its financial audit addressing 2019 and 2020 in 2022 and is scheduled for its 2021 and 2022 audit in 2023.					
Be fiscally responsible and operate with transparency	General obligation bond rating (Standard & Poor’s).	Year	2020	2021	2022	
		Bond rating	AAA	AAA	AAA	
Discussion: The district received a bond rating of AAA by Standard and Poor’s in December of 2017 and continues to maintain this rating. This AAA rating reflects the district’s strong financial position, sound financial policies, and demonstrated fiscal responsibility.						

Table 17. Administrative Division Performance Measures (Continued)

Internal Process Perspective					
Strategic Goal	Outcome Measure	District Performance			
Identify and apply best practice to achieve continuous improvement to maximize effectiveness, efficiency, and value	Achievement of Accreditation from the Commission on Fire Accreditation International (CFAI)	Year	2020	2021	2022
		Accredited agency	No	No	No
	Discussion: The district has renewed registered agency status and will consider moving to applicant agency status when fully compliant with all core competencies for accreditation.				
	Progress towards accreditation as indicated by:	Year	2020	2021	2022
	<ul style="list-style-type: none"> Percentage completion of the CFAI <i>Fire and Emergency Services Self-Assessment Model</i> (FESSAM) Percentage compliance with CFAI core competencies (CC) and performance indicators (PI). 	FESSAM completion	56.35%	56.35%	<i>Pending</i>
	CC compliance	52.94%	52.94%	<i>Pending</i>	
	PI compliance	29.97%	29.97%	<i>Pending</i>	
	Total	64.68%	64.68%	<i>Pending</i>	
Discussion: The COVID-19 pandemic placed a hold on completing the 9 th edition of the CFAI <i>Fire and Emergency Services Self-Assessment Manual</i> (CPSE, 2015) with 64.68% of performance indicator and core competency narratives completed as of budget preparation. As the CFAI will require compliance with the 10 th edition of the <i>Fire and Emergency Services Self-Assessment Model</i> (CFAI, 2020), existing work will need to be edited and aligned with the new edition and additional core competencies and performance indicators addressed. This work is pending.					

Table 17. 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]	In 2022 the fire chiefs of CWIFR and South Whidbey Fire/EMS reached an informal agreement to work towards mutual alignment of processes and systems. In 2022, steps towards this end goal included: <ul style="list-style-type: none"> • Co-location agreement for storage of reserve apparatus and operation of IT infrastructure for CWIFR by SWFE • Establishment of an interlocal agreement for temporary finance officer services provided by CWIFR for SWFE • Development of a training plan for both agencies leading to fully integrated training in 2023. 			
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	2021	2022	2023
		GF beginning balance/expense	138.32%	110.02%	109.07%
	Revenue Indicators from <i>Brown's 10 Point Test</i> (Maher, C. & Nollenberger, K., 2009) and Levy Rate Indicator.	Year	2021	2022	2023
	• Total revenue per capita (Revenue Indicator-Brown's 10 Point Test)	Revenue/capita	\$425.25	\$497.74	\$440.59
	• Intergovernmental revenues/total revenues percentage (Revenue Indicator-Brown's 10 Point Test)	Intergovernmental revenues/total revenues	0.24%	0.21%	0.23%
	• Property tax/total revenues percentage (Revenue Indicator-Brown's 10 Point Test)	Property tax/total revenues	85.20%	73.79%	83.61%
	• Actual levy rate/ maximum levy rate (\$1.50 (Operating Position Indicator added to the 10 Point Test ⁶)	Actual levy rate/maximum levy rate	\$1.13	\$1.09	\$1.03

⁶ 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

The two major projects scheduled were completion of the district's community risk assessment (CRA) and standard of coverage (SOC) along with revision of the district's strategic plan. Unfortunately, staffing changes necessitated the fire chief and deputy chief to fulfill the role of training division manager in addition to their normal duties for the seven months between February and September. This significantly impacted integrated comprehensive planning work during the course of the year and as such, the CRA/SOC and strategic plan revision have been shifted to 2023. While these major projects were not completed, the administrative division had a number of other major accomplishments in 2022:

- **Workplace Climate Assessment Implementation:** Recommendations made in the workplace climate assessment performed by Ms. Daphne Schneider in 2021 were implemented. This included examination of workload facilitated by Deputy Chief Jerry Helm and Lieutenant Jen Porter, leadership feedback provided by Chief Hartin's direct reports (1st quarter of 2022), and implementation of a leadership development program for all full-time staff (additional detail provided in the section of the budget addressing the professional development division).
- **Professional Development Division:** Based on analysis of the district's professional development needs, the position of training and recruitment division manager was reclassified from a captain (International Association of Firefighters (IAFF) represented position) to division chief (exempt, executive level position). In addition, the training and recruitment division was renamed the professional development division. This division is responsible for the full range of training and education necessary to build and maintain a competent workforce and promote continuous improvement. In addition, this division retains responsibility for recruitment of full-time, part-time, and volunteer members. A national recruitment was conducted and following a comprehensive assessment process, the district hired Jim Mirabile as our new division chief.
- **Inter-District Collaboration:** The district has historically maintained a collaborative relationship with other fire and rescue agencies and WhidbeyHealth emergency medical services (EMS) in emergency response. In 2021, the district entered an interlocal agreement with South Whidbey Fire/EMS (SWFE) for information technology (IT) services. In 2022 the district expanded this collaborative relationship with SWFE by: 1) Entering a co-location agreement for storage of CWIFR reserve apparatus and operation of IT infrastructure at SWFE Station 31. 2) Establishment of an interlocal agreement for CWIFR to provide temporary finance officer services for SWFE. 3) Development of a training plan for both agencies leading to integrated training in 2023. 4) Initiation of discussion of the feasibility of pilot testing the CWIFR and SWFE fleet maintenance functions in 2023.
- **Long-Term Financial Plan:** Concurrent with developing the district's 2023 budget, the district's long-term financial plan was updated to address changes in the economic environment and the mid- to long-term financial needs of the district. This revision to the long-term financial plan will be reviewed and revised subsequent to completion of the district's community risk assessment, standard of coverage and community risk reduction plan, and revision of the strategic plan in 2023.

Projects

Major projects in 2023 include the following:

- **Community Risk Assessment, Standard of Coverage and Community Risk Reduction Plan:** The district has engaged in an ongoing process of community risk assessment with this data informing strategic planning and operational decisions. While this process will be ongoing, this project will integrate community risk assessment data into a common document supporting completion of a standard of coverage and community risk reduction plan. This project will address the district’s strategic goals to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value as well as to reduce incident frequency and severity. In addition, this initiative addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 2A documentation of area characteristics, 2B all-hazard risk assessment and response strategy, 2C current deployment and performance and 2D plan for maintaining and improving response capabilities (inclusive of all core competencies and performance indicators) (CFAI, 2020).
- **Revision of the District’s Strategic Plan:** The district will engage in a community based strategic planning process to revise the current (2016) strategic plan. This plan was scheduled for revision in 2021, but was deferred to 2023 due to workload and pandemic impacts. This project will address the district’s strategic goals to identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value as well as to reduce incident frequency and severity. In addition, this initiative addresses CFAI accreditation criterion 3A strategic planning and 3B goals and objectives (inclusive of all core competencies and performance indicators) (CFAI, 2020).

2023 Division Budget

Table 18 outlines the administrative division budget.

Table 18. Administrative Division Budget

Salaries & Wages					2021 Actual	2022 Adjusted	2023 Proposed
522	10	11	01	Fire Chief Salary	\$125,840	\$132,747	\$141,352
522	10	11	02	Deputy Chief Salary	\$78,961	\$114,102	\$121,775
522	10	11	03	Finance Officer Salary	\$73,246	\$77,640	\$81,522
522	10	11	07	Command Duty Officer Stipend	\$11,243	\$7,297	\$433
522	10	12	04	Administrative Assist./Fiscal Specialist Wages	\$35,568	\$36,514	\$37,615
522	10	13	05	Commissioner Wages	\$16,512	\$16,512	\$16,512
522	10	13	06	District Secretary Wages	\$2,304	\$2,304	\$2,304
522	10	18	01	Fire Chief Longevity	\$3,775	\$3,926	\$4,241
522	10	18	02	Deputy Chief Longevity	\$0	\$9,611	\$6,089
522	10	18	03	Finance Officer Longevity	\$0	\$0	\$0
522	10	19	01	Fire Chief Def Comp	\$11,326	\$11,779	\$12,722
522	10	19	02	Deputy Chief Def Comp	\$3,856	\$10,101	\$10,960
522	10	19	03	Finance Officer Def Comp	\$2,930	\$3,106	\$3,261
522	10	20	04	PTO/LTS Buyback	\$50,327	\$0	\$0
522	10	20	01	Administrative OT (Administrative Assistant)	\$0	\$0	\$0
522	10	20	02	Exec Special Assignment Compensation	\$0	\$0	\$0
Sub Total					\$415,888	\$425,639	\$438,785
Benefits							
522	10	21	01	Fire Chief Medicare Only	\$2,052	\$2,134	\$2,283
522	10	21	02	Deputy Chief Medicare Only	\$1,670	\$1,756	\$1,888
522	10	21	03	Finance Officer FICA/Medicare	\$5,827	\$6,067	\$6,424
522	10	21	04	Administrative Assistant FICA/Medicare	\$2,721	\$2,793	\$2,878
522	10	21	05	Commissioners FICA/Medicare	\$1,146	\$1,146	\$764
522	10	21	06	District Secretary FICA/Medicare	\$176	\$176	\$176
522	10	21	07	Command Duty (Medicare Only)	\$0	\$0	\$0
522	10	22	01	Fire Chief L&I	\$1,061	\$1,061	\$1,061
522	10	22	02	Deputy Chief L&I	\$786	\$786	\$786
522	10	22	03	Finance Officer L&I	\$389	\$389	\$389
522	10	22	04	Office Assistant L&I	\$292	\$292	\$292
522	10	22	05	Commissioners L&I	\$26	\$26	\$24
522	10	22	06	District Secretary L&I	\$10	\$10	\$10

Table 18. Administrative Division Budget

<i>Benefits (Continued)</i>					2021 Actual	2022 Adjusted	2023 Proposed
522	10	22	07	Command Duty L&I	\$0	\$0	\$0
522	10	23	01	Fire Chief Medical/Dental	\$16,194	\$16,194	\$16,060
522	10	23	02	Deputy Chief Medical/Dental	\$11,136	\$37,764	\$18,082
522	10	23	03	Finance Officer Medical/Dental	\$8,239	\$15,797	\$15,636
522	10	24	01	Fire Chief LEOFF	\$7,625	\$7,925	\$8,438
522	10	24	02	Deputy Chief LEOFF	\$6,152	\$6,932	\$7,399
522	10	24	03	Finance Officer PERS	\$9,880	\$10,473	\$8,809
522	10	24	05	Office Assistant PERS	\$4,613	\$4,736	\$3,908
522	10	28	04	Member Assistance Program	\$973	\$973	\$973
Sub Total					\$80,968	\$117,430	\$96,281
Office & Operating Supplies							
522	10	31	01	Office Supplies	\$4,000	\$4,000	\$4,000
522	10	31	02	Computer Software	\$10,694	\$29,294	\$12,500
522	10	31	04	Uniforms - Admin & Commissioners	\$2,300	\$2,300	\$2,300
522	10	31	05	Copy Fees	\$3,600	\$3,600	\$2,820
522	10	31	06	Books & Publications	\$100	\$100	\$100
522	10	31	07	Member Recognition	\$760	\$760	\$1,116
Sub Total					\$21,454	\$40,054	\$22,836
Administration Small Tools & Minor Equipment (<\$5,000)							
522	10	35	01	Computer Hardware	\$4,200	\$1,700	\$4,200
522	10	35	02	Office Equipment	\$0	\$0	\$700
522	10	35	03	Furniture	\$0	\$0	\$0
Sub Total					\$4,200	\$1,700	\$4,900
Services & Pass-Through Payments							
522	10	40	01	Non-Legislative Election Fees	\$0	\$0	\$0
522	10	40	02	Legislative Election Fees	\$2,000	\$2,602	\$2,602
522	10	40	03	Sales Tax (Not Paid with Purchase)	\$1,000	\$1,000	\$2,000
Sub Total					\$3,000	\$3,602	\$4,602

Table 18. Administrative Division Budget

Professional Services					2021 Actual	2022 Adjusted	2023 Proposed
522	10	41	01	Legal	\$6,500	\$21,500	\$10,000
522	10	41	02	Accounting	\$6,250	\$6,750	\$6,750
522	10	41	03	Recruitment & Testing	\$860	\$860	\$0
522	10	41	04	Medical & Psychological	\$360	\$360	\$0
522	10	41	05	Vaccinations	\$50	\$50	\$50
522	10	41	06	Information Technology	\$26,610	\$26,660	\$16,380
522	10	41	07	MRSC	\$525	\$525	\$525
522	10	41	08	Consulting	\$3,600	\$8,600	\$55,350
522	10	41	09	Accreditation	\$570	\$600	\$600
Sub Total					\$45,325	\$65,905	\$89,655
Communications							
522	10	42	01	Postage & Shipping	\$600	\$600	\$720
522	10	42	02	Internet Domain Name	\$60	\$110	\$60
522	10	42	03	Telephone	\$8,716	\$12,716	\$8,716
522	10	42	04	Cellular Telephones	\$4,504	\$4,504	\$3,900
522	10	42	05	Cable/Internet	\$7,632	\$9,632	\$7,731
522	10	42	06	Newsletter (Mail House)	\$5,700	\$5,700	\$5,700
Sub Total					\$27,212	\$33,262	\$26,827
Travel, Lodging, & Meals							
522	10	43	01	Commissioners Travel	\$100	\$100	\$100
522	10	43	02	Staff Travel	\$1,500	\$1,500	\$2,000
Sub Total					\$1,600	\$1,600	\$2,100
Administration Advertising							
522	10	44	01	Legal Advertising	\$1,000	\$1,000	\$1,000
522	10	44	03	Admin Recruitment	\$675	\$675	\$675
Sub Total					\$1,675	\$1,675	\$1,675
Operating Rentals & Leases							
522	10	45	01	Copier	\$5,040	\$5,040	\$5,040
522	10	45	03	Miscellaneous Equipment Rental	\$0	\$0	\$0
Sub Total					\$5,040	\$5,040	\$5,040

Table 18. Administrative Division Budget

Insurance					2021 Actual	2022 Adjusted	2023 Proposed
522	10	46	01	Liability/Umbrella	\$53,146	\$57,146	\$53,900
Sub Total					\$53,146	\$57,146	\$53,900
Repair & Maintenance							
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	\$0	\$0
Sub Total					\$0	\$0	\$0
Miscellaneous							
522	10	49	01	Professional Memberships	\$5,585	\$5,585	\$6,525
522	10	49	02	Subscriptions	\$1,496	\$2,296	\$1,600
522	10	49	03	Commissioner Off-Site Expense	\$200	\$200	\$200
522	10	49	04	Staff Off-Site Expense	\$100	\$100	\$100
522	10	49	05	On-Site Meeting Expense	\$400	\$400	\$400
522	10	49	06	Recognition/Awards Dinner	\$300	\$300	\$300
522	10	49	07	Investment/Miscellaneous Bank Fees	\$250	\$250	\$250
522	10	49	08	Finance Charges	\$1,000	\$400	\$200
522	10	49	09	Investment Fee (Capital)	\$0	\$0	\$0
522	10	49	10	Administrative Audit	\$13,560	\$13,560	\$0
Sub Total					\$22,891	\$23,091	\$9,575
Total Administrative Division Budget					\$682,399	\$776,144	\$756,176

Major Expenditures/Changes

The administrative division budget decreased by 2.57% overall due to changes in benefits expense and purchase of multi-year software licenses at a significant savings in comparison to single year purchase. Compensation increased for executive staff. Total compensation (salary and benefits) for executive staff (fire chief, deputy chief, and finance officer) to maintain external equity with comparable fire districts within the state and internal equity in comparison with the district's full-time employees represented by International Association of Firefighters Local 4299 International Association of Firefighters. There was also a significant increase in Line 522 10 41 08 Consulting, for public communications related to a potential levy lid lift ballot measure in November 2023.

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. Volunteer staffing levels within the operations division are anticipated to increase slightly in 2023 due to an increased effort in recruitment. Part-time staffing was reduced from four and one-half full-time equivalent with ten part-time personnel to three FTE with six part-time personnel. This reduction in part-time staffing is offset by two full-time firefighter/emergency medical technicians in the community risk reduction division. The district's full-time company officers and firefighters are assigned to the community risk reduction division but also have an operational role in responding to emergency incidents. Table 19 delineates the distribution of authorized operations division staffing.

Table 19. 2023 Operations Staffing by Rank/Role

Classification	Volunteer	Part-Time
Support Services (Operations)	5.00	0.00
Firefighter	14.00	6.00
Lieutenant	0.00	0.00
Captain	1.00	0.00
Total Staff	20.00	6.00

The district has six authorized part-time firefighter positions. However, it has been challenging to maintain the level of staffing due to turnover resulting from our part-time members being hired for full-time positions by the district or other agencies. In addition, the large demand for full-time firefighters by several larger agencies has significantly impacted the pool of qualified candidates. Volunteer staffing within the operations division has also presented a continuing challenge due to the demographics within the district (aging population) and staffing levels vary throughout the year as new volunteers complete training and others transition to other roles within the organization (e.g., part-time or full-time firefighter) or leave the district (largely due to relocation).

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 20.

Table 20. 2023 Operations Staffing by Qualification

Qualification	Volunteer	Part-Time
Emergency Medical Technician-Basic	6.00	6.00
Light Apparatus Operator	17.00	6.00
Heavy Apparatus Operator-Engine	12.00	6.00
Heavy Apparatus Operator-Water Tender	10.00	2.00
Marine Rescue	9.00	6.00
Rope Rescue	5.00	6.00

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 the district’s strategic goals to:

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

Performance Measures

Table 21 identifies the operations 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 21. 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	2019	2020	2021
		Confined to the building of origin	100.00%	83.33%	100.00%
	Percentage of structure fires confined to the room or area of origin [Lag]	Confined to the room or area of origin	55.55%	50.00%	60.00%
	<i>Initial Adopted Performance Measure:</i> Cardiac arrest save rate (Utstine criteria) [lag]	Year	2019	2020	2021
	<i>Revised Performance Measures:</i> Non-traumatic and traumatic pre-hospital return of spontaneous circulation (ROSC).	Non-traumatic cardiac arrest, pre-hospital ROSC	No Data	No Data	20.00% N=10
		Traumatic cardiac arrest pre-hospital ROSC	No Data	No Data	0.00% N=2
Discussion: Data on cardiac arrest save rate (discharge from the hospital neurologically intact) is not currently available. Data on pre-hospital ROSC is reported above.					
Extent to which CWIFR meets its adopted standard of coverage (SOC) [lead]	Adopted performance measure				
<ul style="list-style-type: none"> 90th percentile response time first unit (all emergency incidents) 90th percentile response time for minimum response force for building fire & cardiac arrest (MRF) 90th percentile response time for effective response force fire & cardiac arrest Percentage turnout of on-call staff on structure fires (day/night) 					
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 21. 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/lead]	Establishment of standardized inventory for major fire apparatus has increased operational efficiency and simplifies rotation of apparatus to equalize mileage and engine hours as well as transfer into reserve apparatus during maintenance or repair.			
Resource Perspective					
Strategic Goal	Performance Driver	District Performance			
Ensure adequate staffing	Retention rate:	Year	2019	2020	2021
	<ul style="list-style-type: none"> % of volunteer members with greater than 24 months service % of part-time members with greater than 24 months service 	Volunteer >24 months	63.16%	54.55%	63.15%
		PT > 24 months	16.67%	33.33%	75.00%
Discussion: Volunteer longevity remained relatively stable between 2019 and 2021. Part-time longevity increased, but this improvement is anticipated to be short lived due to turnover as part-time firefighters are hired for full-time positions with other agencies.					
Strategic Goal	Performance Driver	District Performance			
Ensure adequate staffing	Average on-duty staffing (day/night)	Year	2019	2020	2021
		On-duty day	4.31	5.30	5.30
		On-duty night	3.30	3.81	3.81
Discussion: Daytime staffing integrates average shift staffing (day and night) with additional day shift coverage provided by the fire chief, deputy chief, training captain, and firefighter mechanic (hours worked/day shift hours). Night staffing includes on-shift personnel and the command duty officer.					

Table 21. Operations Division Performance Measures (Continued)

Resource Perspective		
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 2022 include the following:

- **Marine Rescue:** The district's rescue boat was severely damaged during a response in the 3rd quarter of 2021. After survey and determination that repair would not be cost effective, the district developed specifications for a new vessel and completed the procurement process. The bid for construction of the new rescue boat was awarded to Life Proof Boats of Bremerton Washington. This project addresses the need to reestablish and improve the district's marine rescue capability. This accomplishment addressed the district's strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this project addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6C Apparatus and vehicles (core competency 6C.1 apparatus and equipment), criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution), and 6F safety equipment (core competency 6F.1 safety equipment needs assessment & distribution) and (CFAI, 2020).
- **Technical Rescue-Low/High Angle, Vehicle & Machinery, & Structural Collapse:** This project is comprised of two initiatives addressing low/high angle rescue, vehicle and machinery rescue, and structural collapse 1) Rope rescue equipment reaching its end of useful life was replaced with equipment designed to simplify deployment and reduce the reflex time to initiate access and rescue operations. 2) All type one engines were equipped with standardized cribbing, timber, and equipment for vehicle and structure stabilization. This accomplishment addressed the district's strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addressed CFAI accreditation criterion 6F safety equipment (core competency 6F.1 safety equipment needs assessment & distribution) and criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CFAI, 2020).
- **Wildland Fire Operations:** The district completed implementation of a standard inventory for type five engines to meet National Wildfire Coordinating Group (NWCG) requirements and the districts operational needs (project started in 2021). In addition, the district developed a cache of equipment to augment the standard inventory for type five engines, type one engines, or type two water tenders deployed on an in-state fire mobilization, contract assignment with the Washington Department of Natural Resources (WA DNR) or emergency management assistance compact (EMAC) interstate deployment for wildland firefighting. This cache also provided the ability to maintain standard inventory on apparatus when wildland fire season supply chain issues delay replacement of damaged hose, tools, and equipment. This accomplishment addressed the district's strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this project addressed CFAI accreditation criterion 6F safety equipment (core competency 6F.1 safety equipment needs assessment & distribution) and criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CFAI, 2020).

- **Standard Equipment Inventory:** The district developed a standardized inventory for type one engines to meet the requirements of the Washington Survey and Rating Bureau Community Protection Class Grading Schedule (WSRB, 2019) and district operational requirements. This completed major fire apparatus inventory standardization (water tenders, type five engines, and type one engines). This project addressed the district's strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CFAI, 2020).

Projects

Major projects in 2023 Include:

- **Marine Rescue:** The district anticipates delivery of a new response vessel manufactured by Life Proof Boats of Bremerton, WA in 2023. Following delivery, the vessel will be equipped for marine rescue operations and undergo sea trials prior to being placed into service. This project will address the district's strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this project addresses CFAI accreditation criterion 6C Apparatus and vehicles (core competency 6C.1 apparatus and equipment), 6F safety equipment (core competency 6F.1 safety equipment needs assessment & distribution) and criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CFAI, 2020).
- **BLS Ambulance Standard Equipment Inventory:** The district operates a basic life support (BLS) ambulance owned by the Island County Public Hospital District (dba WhidbeyHealth). *Washington Administrative Code (WAC) 246-976-300 Ground ambulance and aid service-equipment* specifies the minimum equipment required to be carried on ground ambulances. The district will develop an expanded standard inventory for the BLS ambulance that addresses both the requirements of *WAC 246-976-300* and the operational needs of WhidbeyHealth emergency medical services (EMS) and the district. This project addresses the district's strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addresses addressed CFAI performance indicator criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CFAI, 2020).

- Technical Rescue-Structural Collapse:** Concurrent with the professional development division’s initiative to train district personnel to the structural collapse operational level, this project will expand the district’s cache of structural stabilization equipment and supplies as well as develop emergency procurement procedures for additional supplies in the event of a major incident such as an earthquake. This project addresses the district’s strategic goals of providing adequate infrastructure to support operations and reducing incident frequency and severity. In addition, this accomplishment addresses CFAI accreditation criterion 6F safety equipment (core competency 6F.1 safety equipment needs assessment & distribution) and criterion 6E tools, supplies, and small equipment (performance indicator 6E.1 tools and equipment inventory and distribution) (CFAI, 2020).

2023 Division Budget

Table 22 outlines the operations division budget.

Table 22. Operations Division Budget

Operations Salaries, Wages, & Stipends					2021 Actual	2022 Adjusted	2023 Proposed
522	20	10	03	Part-Time Firefighter Wages	\$156,658	\$115,241	\$162,871
522	20	11	01	Callback Overtime	\$21,414	\$25,626	\$19,529
522	20	13	01	Project Overtime	\$1,136	\$1,042	\$1,063
522	20	18	04	VIP Annual Pay	\$2,810	\$5,315	\$5,080
522	20	19	04	Quarterly Stipend	\$22,750	\$29,790	\$25,260
Sub Total					\$204,768	\$177,014	\$213,804
Operations Benefits							
522	20	21	01	OT Callback (Medicare)	\$311	\$372	\$283
522	20	21	03	PT FF (FICA/Medicare)	\$11,984	\$12,483	\$12,460
522	20	21	04	Volunteer FF (FICA/Medicare)	\$2,759	\$2,686	\$2,321
522	20	22	01	Overtime L&I	\$1,818	\$1,960	\$771
522	20	22	03	PT FF L&I	\$18,270	\$13,757	\$18,757
522	20	23	02	PT FF (Life Insurance)	\$135	\$135	\$135
522	20	24	03	PT FF (PERS)	\$20,318	\$15,563	\$16,922
522	20	26	01	Volunteer FFs (Pension & Medical)	\$1,440	\$1,260	\$1,320
522	20	26	03	VFIS Accident & Sickness Coverage	\$3,745	\$3,745	\$3,745
522	20	26	04	Life Insurance (Trusteed Plans)	\$445	\$480	\$496
Sub Total					\$61,225	\$52,441	\$57,211

Table 22. Operations Division Budget (Continued)

Operations Office & Operating Supplies					2021 Actual	2022 Adjusted	2023 Proposed
522	20	31	01	Fire Supplies	\$2,155	\$3,155	\$6,705
522	20	31	02	EMS Supplies	\$11,554	\$7,993	\$7,829
522	20	31	03	(Depreciated)	\$0	\$0	\$0
522	20	31	04	Small Equipment Supplies	\$1,500	\$1,500	\$1,500
522	20	31	05	Marine Supplies	\$348	\$985	\$1,608
522	20	31	06	Uniforms (PT & Vol)	\$11,546	\$10,818	\$16,946
522	20	31	07	Computer Software	\$2,300	\$2,300	\$2,300
522	20	31	08	Tech Rescue Supplies	\$512	\$590	\$1,820
522	20	31	09	Office Supplies	\$150	\$150	\$150
522	20	31	10	Hazmat Supplies	\$803	\$825	\$825
Sub Total					\$30,868	\$28,316	\$39,683
Operations Fuel							
522	20	32	01	Motor Fuel	\$21,176	\$25,800	\$25,800
Sub Total					\$21,176	\$25,800	\$25,800
Small Tools & Minor Equipment (<\$5,000)							
522	20	35	01	Fire Equipment	\$9,990	\$10,080	\$6,000
522	20	35	02	EMS Equipment	\$1,840	\$800	\$1,100
522	20	35	03	Tech Rescue Equipment	\$1,700	\$7,430	\$6,530
522	20	35	04	Communications Equipment	\$6,100	\$6,750	\$5,050
522	20	35	05	Personal Protective Equipment	\$47,476	\$29,161	\$45,368
522	20	35	06	Miscellaneous Equipment	\$0	\$0	\$0
522	20	35	07	Computer Equipment	\$1,300	\$18,800	\$1,300
522	20	35	08	Hazmat Equipment	\$952	\$0	\$0
522	20	35	09	Marine Equipment	\$2,800	\$850	\$3,690
522	20	35	10	Respiratory Protection Equipment	\$0	\$1,000	\$3,200
522	20	35	11	Fire Hose (In Capital Projects Prior to 2020)	\$4,000	\$9,440	\$12,320
Sub Total					\$76,158	\$84,311	\$84,558

Table 22. Operations Division Budget (Continued)

Professional Services					2021 Actual	2022 Adjusted	2023 Proposed
522	20	41	01	Breathing Air Testing	\$1,960	\$2,000	\$1,560
522	20	41	02	SCBA Testing	\$4,134	\$4,300	\$4,140
522	20	41	03	Recruitment & Testing	\$2,730	\$2,070	\$0
522	20	41	04	Medical & Psychological	\$12,480	\$11,830	\$600
522	20	41	05	Vaccinations	\$520	\$820	\$1,720
Sub Total					\$21,824	\$21,020	\$8,020
Communications							
522	20	42	01	ICOM Dispatch Charges	\$51,021	\$51,021	\$56,256
522	20	42	02	ICOM Other Charges	\$5,861	\$5,861	\$0
522	20	42	03	Data Cards for MDCs	\$4,200	\$6,700	\$5,496
Sub Total					\$61,082	\$63,582	\$61,752
Travel, Lodging, and Meals							
522	20	43	01	All Hazards Mobilization (Reimbursed)	\$100	\$800	\$100
Sub Total					\$100	\$800	\$100
Operating Rentals & Leases							
522	20	45	01	Equipment Rental	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Repair & Maintenance							
522	20	48	02	Communications Equipment R&M	\$3,956	\$7,423	\$6,823
522	20	48	03	Fire Equipment R&M	\$750	\$1,750	\$750
522	20	48	04	Marine Equipment R&M	\$6,600	\$3,839	\$1,500
522	20	48	05	Hazmat Equipment R&M	\$1,000	\$1,000	\$1,000
522	20	48	06	PPE Equipment R&M	\$3,560	\$3,010	\$5,535
522	20	48	07	EMS Equipment R&M	\$0	\$0	\$0
522	20	48	08	Tech Rescue Equipment R&M	\$0	\$0	\$0
522	20	48	09	Respiratory Protection Equipment R&M	\$2,500	\$4,000	\$150
Sub Total					\$18,366	\$21,022	\$15,758

Table 22. Operations Division Budget (Continued)

Miscellaneous Services					2021 Actual	2022 Adjusted	2023 Proposed
522	20	49	01	Miscellaneous Services	\$0	\$0	\$0
522	20	49	02	Incident Rehab & Meals	\$800	\$800	\$800
Sub Total					\$800	\$800	\$800

Total Operations Division Budget **\$496,366 \$475,106 \$507,485**

Major Expenditures/Changes

The operations division budget increased 6.02% comparison to the 2022 adjusted budget. This increase is largely due to part-time firefighter vacancies in 2022. The district faces ongoing challenges in maintaining part-time staffing due to turnover created when part-time firefighters are hired by other agencies for full-time positions. The district has budgeted to return to full part time staffing (3.0 FTE) in 2023.

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 plan review
- Public education programs
- Fire investigation
- Water supply (hydrant inspection and testing)
- Pre-incident planning
- Home safety surveys and Firewise USA® wildland/urban interface surveys

Personnel Summary

Staffing of the CRR division is comprised of three full-time lieutenants, one of whom serves as the division manager and five full-time firefighters, all working 24 hours on duty, 48 hours off. CRR division staffing is illustrated in Table 23.

Table 23. 2023 CRR Division Staffing

Classification	Volunteer	Part-Time	Full-Time
Company Officer/EMTs	0.00	0.00	3.00
Firefighter/EMTs	0.00	0.00	5.00
Support Services (CRR)	0.00	0.00	0.00
Total Staff	0.00	0.00	8.00

Full-time personnel assigned to this division must be certified as fire inspectors by year four of their employment. Five personnel are currently certified as fire inspectors and three recently hired personnel are in the process of gaining this certification. CRR division staffing by fire prevention, public education, and fire investigation qualification is illustrated in Table 24.

Table 24. 2023 CRR Division Staffing by Prevention/Public Education/Investigation Qualification

Qualification	Volunteer	Part-Time	Full-Time
International Fire Code Inspector 1	0.00	0.00	5.00
International Fire Code Inspector 2	0.00	0.00	0.00
Fire Plans Examiner	0.00	0.00	0.00
Public Fire Educator 1	0.00	0.00	1.00
Fire Investigator (IFSAC)	0.00	0.00	1.00

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 staffing by operational qualifications is illustrated in Table 25.

Table 25. 2023 CRR Division Staffing by Operational Qualification

Qualification	Volunteer	Part-Time	Full-Time
Emergency Medical Technician-Basic	0.00	0.00	8.00
Light Apparatus Operator	0.00	0.00	8.00
Heavy Apparatus Operator-Engine	0.00	0.00	8.00
Heavy Apparatus Operator-Water Tender	0.00	0.00	8.00
Marine Rescue	0.00	0.00	8.00
Rope Rescue	0.00	0.00	8.00

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 26 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 26. 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]	Year	2019	2020	2021
	<ul style="list-style-type: none"> • Fire incidents/1000 population (NFIRS 100) 	Fire incident rate	4.89	5.36	6.25
	<ul style="list-style-type: none"> • Rescue & emergency medical responses/1000 population (NFIRS 300) 	EMS incident rate	96.20	106.41	116.41
	<ul style="list-style-type: none"> • Total incidents/1000 population 	Total incident rate	167.01	174.67	194.75
<p>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 ten-year period shows that the total number of incidents has increased 50.84% while population has increased 10.95% over the same time. Examination of the incident rate (incidents/1000 population for fire, EMS, and total incidents also shows increases in incident rate that exceed the increase in population. In simple terms, the district’s population is increasing, but the demand for service is increasing even faster, having a compounding effect on emergency response workload.</p>					
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Fire Incident Rate</p> </div> <div style="text-align: center;"> <p>EMS Incident Rate</p> </div> <div style="text-align: center;"> <p>Total incident Rate</p> </div> </div>					
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	2019	2020	2021	
	Structure fire	62.5%	-15.49	0.00%	
	Cardiac arrest	18.19%	-3.85	-14.29%	
	Ground level falls	No Data	No Data	No Data	
<p>Discussion: It is important to note that the high-risk incidents (structure fires and cardiac arrests) are an extremely small data set (n=11 for structure fires in 2021, n=14 for cardiac arrest in 2021). In addition, work is ongoing to improve the quality of data related to cardiac arrest and generate data on ground level falls.</p>					

Table 26. Community Risk Reduction Division Performance Measures (Continued)

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
	Example of programs focusing on highest risks within the community. [qualitative/lead]	During the COVID-19 pandemic, the district implemented a hybrid program integrating self-inspections and physical inspections on alternate years. In 2021, the district assessed the effectiveness of this program, finding that it worked well for light hazard occupancies, but less so for moderate hazard occupancies. Light hazard occupancies showed no increase in fire code violations while moderate hazard occupancies had an increase in fire code violations when compared to annual physical inspections. Based on this evidence, the self-inspection program was retained for light hazard occupancies.			
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	2019	2020	2021
		% Receiving training	1.35%	0.66%	0.81%
	Discussion: From 2019 to 2021, the district failed to meet its goal of training more than 10% of the district’s population in CPR on an annual basis due in large part due to constraints on in-person training delivery related to the COVID-19 pandemic.				
	Percentage of homes (dwelling units) receiving a safety survey annually [lead]	Year	2019	2020	2021
% of homes		0.91%	0.26%	0.30%	
Discussion: The COVID-19 pandemic had a major impact on many face-to-face community risk reduction programs including home safety surveys. Installation of smoke and carbon monoxide alarms was limited to residents who did not have working alarms and made a specific request or when this was discovered during an emergency response.					
Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
The community risk reduction (CRR) division has no performance measures in the fiscal stewardship perspective					

Table 26. 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/lead]	As part of the Island County Recruit Academy, Lieutenant Jen Porter, CWIFR Community Risk Reduction Manager developed and delivered a block of instruction introducing recruit firefighters from Central Whidbey Island Fire & Rescue, South Whidbey Fire/EMS, and North Whidbey Fire and Rescue to basic community risk reduction concepts and the role of firefighters and fire officers in reducing risk in the community.
Resource Perspective		
Strategic Goal	Outcome Measure	District Performance
The community risk reduction (CRR) division has no performance measures in the resource perspective		

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Accomplishments

Major community risk reduction division accomplishments in 2022 include the following:

Fire Investigation: The district developed a standard operating guideline (SOG) for fire investigation and assigned Lieutenant Jen Porter, Community Risk Reduction Manager as the district's fire investigator. These interrelated projects will address 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 Commission on Fire Accreditation International (CFAI) accreditation criterion 5C Fire Investigation on a comprehensive basis (CFAI, 2020).

Projects

Major projects in 2023 include:

- **Preplanning:** The district will expand its target hazard preplan program through three initiatives: 1) Review of target hazard preplans to validate existing information and add additional detail related to building configuration, fire protection systems, utilities, and hazardous materials use and storage. 2) Development of a of rural target hazard preplan program with focus on occupancies with long (greater than 1000-foot) driveways and occupancies with gated driveways. 3) Integrate existing graphic preplans into the Island County Emergency Communications Center (ICOM) computer aided dispatch (CAD) system to allow ease of access by CWIFR and automatic or mutual aid resources. 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 criterion 2B risk assessment and response strategies (2B.5, fire protection systems) and criterion 9A water supply (performance indicator 9A.4 water supply maps and 9A.8 water supply procedures) (CFAI, 2020)
- **Fire Investigation:** Expand the district's fire investigation program through three initiatives: 1) Establish interlocal agreements with the Town of Coupeville Marshal and Island County Sheriff's Office (ICSO) to clarify roles and responsibilities related to fire investigation. 2) Train a second fire investigator. 3) Implement a program to communicate fire investigation results to operational personnel. These interrelated initiatives will address 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 criterion 5C Fire Investigation (core competencies 5C.1 program authorization and 5C.3 fire investigation staffing) (CFAI, 2020).
- **Plans Review:** Establish a formal process for fire code plans review in conjunction with Island County and the Town of Coupeville through two interrelated initiatives: 1) Document the process for fire protection plan review by the district with the authorities having jurisdiction (Town of Coupeville and Island County building officials). This process may be documented by

interlocal agreement or less formally by standard operating guideline. 2) Train and certify one member in fire protection plans review. 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 criterion 5A community risk reduction (CRR) (core competency 5A.3 staffing and performance indicator 5A.4 plan review) (CFAI, 2020).

2023 Division Budget

Table 27 outlines the CRR division budget.

Table 27. Community Risk Reduction Division Budget

CRR Salaries, Wages, & Stipends					2021 Actual	2022 Adjusted	2023 Proposed
522	30	10	01	Full-Time FF/LT/CAPT	\$652,589	\$672,584	\$714,543
522	30	10	03	PT FF Salary (CRR)	\$836	\$848	\$846
522	30	10	04	Volunteer Stipend (CRR)	\$800	\$800	\$800
522	30	11	01	Qualification Incentive	\$2,675	\$2,789	\$3,726
522	30	12	01	Shift Coverage Overtime	\$36,398	\$67,069	\$69,683
522	30	13	01	Project Overtime	\$10,342	\$10,523	\$10,739
522	30	15	01	Education Incentive	\$6,972	\$9,802	\$14,116
522	30	16	01	FF/LT Holiday Pay	\$23,767	\$27,080	\$24,907
522	30	17	01	FT FF/LT/CAPT AIC Pay	\$10,805	\$3,966	\$4,115
522	30	18	01	FT FF/LT/CAPT Def Comp	\$26,104	\$26,703	\$28,582
522	30	19	01	Longevity	\$19,456	\$20,281	\$19,814
522	30	20	01	Assignment Incentive	\$2,797	\$2,915	\$3,025
Sub Total					\$793,541	\$845,360	\$894,896
CRR Benefits							
522	30	21	01	FT FF/LT/CAPT (Medicare)	\$11,045	\$11,864	\$12,649
522	30	21	03	PT FF (FICA/Medicare) (CRR)	\$64	\$65	\$65
522	30	21	04	Volunteer (FICA/Medicare) (CRR)	\$61	\$61	\$61
522	30	22	01	FT FF/LT/CAPT (L&I)	\$45,062	\$46,420	\$46,420
522	30	22	03	PT FF L&I (CRR)	\$97	\$97	\$97
522	30	23	01	FT FF/LT/CAPT (Medical & Dental)	\$150,748	\$125,511	\$119,795
522	30	24	01	FT FF/LT/CAPT (LEOFF)	\$41,835	\$44,814	\$47,724
522	30	24	03	PT FF (PERS) (CRR)	\$108	\$110	\$88
Sub Total					\$249,021	\$228,942	\$226,900

Table 27. Community Risk Reduction Division Budget (Continued)

CRR Office & Operating Supplies					2021 Actual	2022 Adjusted	2023 Proposed
522	30	31	01	Office Supplies	\$0	\$0	\$0
522	30	31	02	Fire Prevention	\$3,670	\$4,000	\$4,000
522	30	31	03	Fire Public Education	\$520	\$845	\$845
522	30	31	04	EMS Public Education Supplies	\$2,740	\$2,420	\$2,480
522	30	31	05	Fire Investigation Supplies	\$500	\$1,000	\$1,000
522	30	31	06	Pre-Incident Supplies	\$2,800	\$2,800	\$2,800
522	30	31	07	Books & Publications	\$650	\$850	\$850
522	30	31	08	Computer Software	\$4,200	\$4,200	\$4,200
522	30	31	09	Uniforms	\$3,600	\$3,600	\$3,600
Sub Total					\$18,680	\$19,715	\$19,775
CRR Small Equipment & Tools (<\$5,000)							
522	30	35	01	Computer Hardware	\$0	\$0	\$0
522	30	35	02	Office Equipment	\$0	\$0	\$0
522	30	35	03	Pre-Incident Equipment (CRR)	\$160	\$160	\$160
Sub Total					\$160	\$160	\$160
CRR Professional Services							
522	30	41	01	Legal	\$0	\$0	\$0
522	30	41	02	Plans Review	\$250	\$250	\$250
522	30	41	03	Life Safety Consulting	\$0	\$0	\$0
Sub Total					\$250	\$250	\$250
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)	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0

Table 27. Community Risk Reduction Division Budget (Continued)

CRR Miscellaneous Services					2021 Actual	2022 Adjusted	2023 Proposed
522	30	49	01	Professional Memberships	\$780	\$1,155	\$1,970
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					\$780	\$1,155	\$1,970

Total CRR Division Budget **\$1,062,432** **\$1,095,582** **\$1,143,951**

Major Expenditures/Changes

The community risk reduction (CRR) division budget increased 4.41% in comparison to 2021. This increase is largely because of step increased for firefighters hired within their first five years of employment and anticipated compensation increases in the *2023-2025 Collective Bargaining Agreement between the Central Whidbey Island Fire & Rescue and Local 4299 International Association of Firefighters (IAFF)* (CWIFR & Local 4299, In Progress) is the major factor influencing this increase in the CRR division budget.

Professional Development Division

The professional development 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 professional development division is responsible for the following major programs and functions:

- Recruitment, retention, and 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 professional development division is staffed by a division chief. 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 professional development division.

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

In addition, the professional development division directly supports the district's strategic goal to be fiscally responsible and operate with transparency.

Performance Measures

Table 28 identifies the professional development 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 28. Professional Development Division Performance Measures

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
The training and recruitment division has no performance measures in the community perspective					
Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
The training and 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/lead]	IN 2022 the district implemented a collapse rescue training program and qualified six members at the operations level (Structural Collapse Level I).			
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	2019	2020	2021
	<ul style="list-style-type: none"> Full-time (FT) lieutenant (LT)→FT captain (CAPT) 	FT LT→FT CAPT	00.00%	00.00%	0.00%
	<ul style="list-style-type: none"> FT firefighter (FF)→FT LT 	FT FF→FT LT	20.00%	20.00%	0.00%
	<ul style="list-style-type: none"> Part-time (PT) FF→FT FF 	PT FF→FT FF	33.33%	33.33%	100.00%
	<ul style="list-style-type: none"> Volunteer (VOL) FF→FT FF 	VOL FF→FT FF	20.00%	20.00%	11.11%
	<ul style="list-style-type: none"> VOL FF→PT FF 	VOL FF→PT FF	47.36%	47.36%	22.22%
	<ul style="list-style-type: none"> VOL FF→VOL LT 	VOL FF→VOL LT	0.00%	0.00%	0.00%

Table 28. Professional Development Division Performance Measures (Continued)

Resource Perspective					
Strategic Goal	Performance Driver	District Performance			
Ensure adequate staffing (continued)	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 emergency medical services officer (CEMSO) Fire officer (FO)/Graduate IFE (GIFireE) 	Year	2019	2020	2021
		CFO/MIFireE	11.11%	11.11%	14.28%
		CEMSO/CTO/FM	0.00%	0.00%	0.00%
		FO/GIFireE	11.11%	11.11%	14.28%
		Total % designees	22.22%	22.22%	28.57%
Chief Hartin holds CFO designation and Fellow Grade (FIFireE) within the IFE (higher level designation than MIFireE).					
<p>Discussion: Developing members of the district to advance or move to other roles is a key element of the district’s professional development program. While the district has had substantial success in this area, the professional development division will implement an expanded officer development program to enhance members’ knowledge, skills, and abilities to function as a company or command officer.</p>					
Percentage of members meeting individual performance standards.		No data (individual standards to be implemented in 2023)			
Percentage of companies meeting performance standards.		No data (company standards to be implemented in 2023)			
<p>Discussion: The district’s individual and company standards program was developed in 2022 for implementation in the first quarter of 2023. This program provides formative and summative assessment of critical skills in the firefighting, emergency medical services and technical rescue disciplines.</p>					

Accomplishments

Major training and recruitment accomplishments in 2022 include the following:

- **Leadership Training:** Implemented a leadership development program that integrated online leadership training program offered by Echelon Front called the Extreme Ownership Academy. On-line learning has been augmented with a reading and discussion program focused on course content and the text *Extreme Ownership* (Willink & Babin). This project focuses on the district's goal of ensuring adequate staffing. In addition, it addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 8B Training and Education Program Performance (8B.1 process to ensure appropriate training) and 8C Training and Education Resources (core competency 8C.2 qualified instructors) (CFAI, 2020).
- **Probationary Member Onboarding:** Developed 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 goal of ensuring adequate staffing. This project also addresses CFAI accreditation criterion 7B Recruitment, Selection, Retention, and Promotion (core competencies 7B.5 orientation and 7B.6 probationary period) (CFAI, 2020).
- **Technical Rescue-Rope:** Trained an additional member to the rope rescue technician level (operations level instructor) by the end of 2022. This project focuses on the district's strategic goal to reduce incident frequency and severity. In addition, it addresses CFAI accreditation criterion 5G Technical Rescue (performance indicator 5G.1 technical rescue deployment objectives) (CFAI, 2020).
- **Technical Rescue-Collapse:** Delivered initial training to develop member competency to the collapse rescue operations level (NFPA, 2021; NFPA 2017a) 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 2022. This project focuses on the district's strategic goal to reduce incident frequency and severity. In addition, it addresses CFAI Accreditation Criteria 5G Technical Rescue (performance indicator 5G.1 technical rescue deployment objectives and 5G.2 formal appraisals for technical rescue) (CFAI, 2020).
- **Individual and Company Performance Standards:** Develop a standard operating guideline (SOG) for the district's individual and company standards program. This project will address the district's strategic goal of ensuring adequate staffing. In addition, this project focuses on CFAI accreditation criterion 8A Training and Education Program Requirements (performance indicator 8A.4 defined minimum training standards), and criterion 8B Training and Education Program Performance (core competency 8B.3 evaluation of individual and crew performance and performance indicator 8B.4 assessment of training reliability) (CFAI, 2020).

Development of the individual and company standards SOG will involve substantial stakeholder input. Additionally, vetting the SOG and validating the individual and company standards will extend into 2023.

- **Peer Support Training:** Train two members in peer support counseling by the end of 2022. This project focuses on the district's strategic goals of ensure adequate staffing and identify and apply best practice to achieve continuous improvement of effectiveness, efficiency, and value. In addition, this project focuses on Commission on Fire Accreditation International (CFAI) accreditation criterion 11 Occupational Safety, Health and Risk Management (performance indicator 11B.4 Member counseling resources) (CFAI, 2020).

2023 Projects

Major projects in 2023 include the following:

- **Individual and Company Performance Standards:** Identify two measurable performance areas (tasks) from fire suppression, emergency medical services, and special operations disciplines (e.g., marine rescue, rope rescue, collapse rescue, vehicle and machinery rescue, hazardous materials response) as the initial task assessments during the pilot phase of the program. Specifically, this goal includes one individual and one company level performance standard from each of the three disciplines for a total of six items. Develop and deploy the tools and materials necessary to assess the tasks by the end of the year. This project addresses the district's strategic goal of ensuring adequate staffing. In addition, this project focuses on CFAI accreditation criterion 8A Training and Education program Requirements (performance indicator 8A.4 defined minimum training standards), criterion 8B Training and Education Program Performance (core competency 8B.3 evaluation of individual and crew performance and performance indicator 8B.4 assessment of training reliability) (CFAI, 2020).
- **Inter-Agency Training:** Develop a training plan and calendar for 2023 that includes integrated training events each month (a minimum of two events) which will occur in one of three formats: 1) Combined instruction from the Central Whidbey Island Fire & Rescue (CWIFR) and South Whidbey Fire/EMS (SWFE) professional development division chiefs at alternating locations. 2) Instructor exchange between CWIFR and SWFE, or 3) Combined (multi-company) training for CWIFR and SWFE companies. The intent of this initiative is to increase interoperability between CWIFR and SWFE. In addition, CWIFR's other automatic and mutual aid agencies will be invited to at least one integrated event per month. The monthly integrated events will include a minimum of two-night sessions. This schedule will meet the Washington Survey and Rating Bureau (WSRB) requirement for training center training (inclusive of night training) and training with automatic aid agencies (WSRB, 2019). This project addresses the district's strategic goal of ensuring adequate staffing. In addition, the project addresses CFAI criterion 8A Training and Education Program Requirements (performance indicator 8A.2 training program is consistency with the mission, goals and objectives), criterion 8B Training and Education Program Performance (performance indicator 8B.1 process to ensure personnel are appropriately trained, and 8C.1 training facilities and apparatus and plans addressing any facilities and apparatus not available internally) (CFAI, 2020).

- **Live Fire Training:** During the calendar year, the Professional development Division will endeavor to convert one of the sea containers, acquired for storage during Station 53's construction, into a live-fire burn cell (fire demonstration unit). Additionally, a "commissioning burn" will be completed with each of the three shifts to include a night event which incorporates the volunteer members. This project will complement training and education that occurs in the burn tower by providing a supplemental burn structure capable of demonstrating different facets of fire development. Additionally, this prop will support skill acquisition and maintenance in a smaller scale environment with adequate fidelity. This project addresses the district's strategic goal of ensuring adequate staffing. In addition, is addresses the Commission on Fire Accreditation International (CFAI) criterion 8A Training and Education Program Requirements (performance indicator 8A.2 training program is consistency with the mission, goals and objectives, 8A.3 the training program is consistent with legal requirements for performing mandatory training, 8A.4 the agency identifies minimum levels of training required for all positions in the organization, 8C.1 facilities and apparatus are provided to support the agency's all- hazards training needs. training facilities and apparatus and plans addressing any facilities and apparatus not available internally) (CFAI, 2020).
- **EMS and Special Operations Training:** Develop a robust special operations training regimen that includes all aspects of EMS training. This project will enhance the existing training plan and incorporate high fidelity in training. Further, this project will support the performance standards project as the district moves closer to understanding and measuring its response capabilities, as well as any gaps that require attention. The pilot for the enhanced fidelity special operations training will occur during rope rescue training (2023 winter term) and vehicle rescue training (2023 summer term). Furthermore, in 2023, collapse rescue personnel will refine their knowledge and skills to understand the Federal Emergency Management Agency (FEMA) squad/team concept and run a collapse exercise utilizing basic concepts from the *Urban Search and Rescue Structures Specialist Field Operations Guide* (US Army Corps of Engineers, 2022) This project addresses the district's strategic goal of ensuring adequate staffing. In addition, this project addresses CFAI criterion 8A Training and Education Program Requirements (performance indicator 8A.2 the training program consistency with mission, goals and objectives, 8A.3 the training program consistency with legal requirements). (CFAI, 2020).

2023 Division Budget

Table 29 outlines the professional development division budget.

Table 29. Professional Development Division Budget

Salaries & Wages					2021 Actual	2022 Adjusted	2023 Proposed
522	45	11	01	Training Captain	\$98,091	\$24,550	\$0
522	45	11	02	Division Chief	\$0	\$36,700	\$115,500
522	45	12	01	Training Overtime	\$7,272	\$19,087	\$7,443
522	45	13	01	Training Education Incentive	\$3,272	\$1,390	\$0
522	45	14	01	Project Overtime (Captain)	\$1,344	\$1	\$0
522	45	15	01	Fully Qualified Incentive	\$0	\$0	\$0
522	45	16	01	Training Captain Longevity	\$1,959	\$0	\$0
522	45	16	02	Division Chief Longevity	\$0	\$0	\$0
522	45	17	01	AIC Differential	\$740	\$0	\$0
522	45	19	01	Training Captain Deferred Compensation	\$3,924	\$1,390	\$0
522	45	19	02	Division Chief Deferred Compensation	\$0	\$3,300	\$10,395
Sub Total					\$116,601	\$86,418	\$133,338
Benefits							
522	45	21	01	Training Captain Medicare Only	\$1,753	\$2,715	\$0
522	45	21	02	Division Chief Medicare Only	\$0	\$580	\$1,825
522	45	22	01	Training Captain L&I	\$4,568	\$1,619	\$0
522	45	22	02	Division Chief L&I	\$0	\$1,407	\$786
522	45	23	01	Training Captain Medical/Dental	\$16,743	\$6,442	\$0
522	45	23	02	Division Chief Medical/Dental	\$0	\$7,981	\$25,411
522	45	24	01	Training Captain LEOFF	\$5,823	\$1,701	\$0
522	45	24	02	Division Chief LEOFF	\$0	\$2,130	\$6,710
Sub Total					\$28,887	\$24,575	\$34,733
Office & Operating Supplies							
522	45	31	01	Office Supplies	\$50	\$675	\$190
522	45	31	02	Fire Training-Supplies	\$125	\$3,425	\$825
522	45	31	03	EMS Training -Supplies	\$754	\$1,064	\$310
522	45	31	04	Special Ops Training-Supplies	\$240	\$690	\$840
522	45	31	05	Officer Develop Training-Supplies	\$0	\$0	\$0
522	45	31	06	Other Training-Supplies	\$800	\$0	\$0
522	45	31	07	Computer Software	\$0	\$0	\$0

Table 29. Professional Development Division Budget (Continued)

<i>Office & Operating Supplies (Continued)</i>					2021 Actual	2022 Adjusted	2023 Proposed
522	45	31	08	Books & Publications	\$1,810	\$2,480	\$2,480
522	45	31	09	Uniforms - Training	\$500	\$500	\$500
522	45	31	10	CRR Training-Supplies	\$0	\$0	\$0
Sub Total					\$4,279	\$8,834	\$5,145
Fuel							
522	45	32	01	Training Propane	\$400	\$400	\$400
Sub Total					\$400	\$400	\$400
Small Tools & Equipment (<\$5000)							
522	45	35	01	Fire Training Equipment	\$700	\$3,650	\$1,800
522	45	35	02	EMS Training Equipment	\$0	\$862	\$1,000
522	45	35	03	Special Ops Training Equipment	\$0	\$2,500	\$800
522	45	35	04	Officer Development Equipment	\$0	\$0	\$0
522	45	35	05	Computer Hardware	\$160	\$410	\$0
522	45	35	06	Safety Equipment	\$0	\$0	\$0
522	45	35	07	Station Furniture	\$0	\$0	\$300
522	45	35	08	CRR Training Equipment	\$0	\$0	\$0
Sub Total					\$860	\$7,422	\$3,900
Services & Pass-Through Payments							
522	45	40	01	Permits	\$50	\$50	\$50
Sub Total					\$50	\$50	\$50
Professional Services							
522	45	41	01	Consulting Services	\$0	\$2,000	\$0
522	45	41	02	Recruitment & Testing	\$0	\$0	\$2,880
522	45	41	03	Medical/Psychological	\$0	\$0	\$11,760
Sub Total					\$0	\$2,000	\$14,640
Travel, Lodging, & Meals (TLM)							
522	45	43	01	Fire Training Travel, Lodging, & Meals (TLM)	\$1,000	\$1,000	\$2,500
522	45	43	02	EMS Training TLM	\$0	\$0	\$0
522	45	43	03	Special Ops Training TLM	\$2,900	\$400	\$3,050
522	45	43	04	Officer Develop Training TLM	\$2,000	\$4,000	\$3,300

Table 29. Professional Development Division Budget (Continued)

<i>Travel, Lodging, & Meals (TLM) (Continued)</i>					2021 Actual	2022 Adjusted	2023 Proposed
522	45	43	05	Other Training TLM	\$904	\$6,068	\$3,109
522	45	43	06	Commissioner Training TLM	\$5,655	\$5,655	\$8,560
522	45	43	07	CRR Training TLM	\$2,450	\$2,450	\$4,711
522	45	43	08	Vision Training TLM	\$1,000	\$0	\$1,000
Sub Total					\$15,909	\$19,573	\$26,230
Advertising							
522	45	44	01	Recruitment Advertising	\$1,000	\$1,000	\$1,000
Sub Total					\$1,000	\$1,000	\$1,000
Operating Rentals & Leases							
522	45	45	01	Learning Management System	\$10,540	\$10,900	\$10,900
522	45	45	02	Equipment Rental	\$1,500	\$1,500	\$1,500
Sub Total					\$12,040	\$12,400	\$12,400
Repair & Maintenance							
522	45	48	01	Equipment R&M (Miscellaneous)	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0
Miscellaneous							
522	45	49	01	Fire Training Registrations	\$4,000	\$5,550	\$5,000
522	45	49	02	EMS Training Registrations	\$2,655	\$2,655	\$3,885
522	45	49	03	Special Ops Training Registrations	\$3,200	\$600	\$3,100
522	45	49	04	Officer Develop Training Registrations	\$6,020	\$6,020	\$11,685
522	45	49	05	Other Training Registrations	\$1,550	\$3,975	\$4,025
522	45	49	06	Commissioner Training Registrations	\$2,385	\$2,385	\$2,885
522	45	49	07	Tuition	\$7,500	\$3,740	\$7,500
522	45	49	08	Professional Memberships	\$130	\$140	\$675
522	45	49	09	Subscriptions	\$0	\$0	\$0
522	45	49	10	Vision Training	\$500	\$0	\$1,000
522	45	49	11	CRR Training Registrations	\$1,250	\$1,250	\$1,800
Sub Total					\$29,190	\$26,315	\$41,555

Total Professional Development Division Budget**\$209,216****\$188,987****\$273,391****Major Expenditures/Changes**

The proposed increase in professional development expenditure (2022 adjusted versus 2023 proposed) is deceptive. While this reflects a significant increase, the district operated without any personnel

assigned to the Professional Development Division between February 2022 and July 2022. During this period, professional development functions were performed by the fire chief and deputy chief as concurrent duties. This resulted in a major reduction in expense during 2022, but significantly stressed the capacity of the district's executive staff. The district reclassified the position of professional development division manager from a captain (represented, non-exempt position) to division chief (executive staff, exempt position). This organizational change remove expense for command duty standby pay (required for the captain during off-duty hours when assigned as command duty officer) and overtime related to the captain's response as a command duty officer during off-duty hours. As the division chief is an exempt employee, his compensation does not include standby pay or overtime.

In addition, all recruitment and pre-hire/membership medical and psychological expenses were consolidated from other divisions (administration, operations, and community risk reduction) into the professional development division budget.

Overall, the training and recruitment division budget increased 9.77% in comparison to the adjusted 2022 division budget. However, when compared to the 2022 adopted budget (full year staffing) and related expenses previously allocated to other divisions, the increase would be 5.15%. The majority of this increase from the 2022 adopted budget is related to recruitment and other pre-hire/membership expense and expanded officer development and special operations training.

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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.

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 logistics facility).

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 30 identifies the facilities division's strategic performance measures.

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Table 30. 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/lead]	The district developed a comprehensive strategy for reduction of occupational exposure to carcinogens. This included design of the new Station 53, installation of diesel exhaust extraction systems in all stations, and personal protective clothing and equipment washing systems for installation in the new station. Grant funding was received for the diesel exhaust extraction segment of this strategy.			
Resource Perspective					
Strategic Goal	Performance Driver	District Performance			
Maintain adequate infrastructure to support operations	Repair/preventative maintenance (PM) expenditure ratio	Year	2019	2020	2021
		Repair/PM Ratio	No Data	No Data	1.47
Maintain adequate infrastructure to support operations	Percentage of repair work orders closed within 30 days of receipt.	Year	2019	2020	2021
		Completion	No Data	No Data	No Data
Maintain adequate infrastructure to support operations	Percentage of preventative maintenance (PM) completed within the quarter in which it was scheduled.	Year	2019	2020	2021
		Completion	No Data	No Data	No Data
Discussion: Facilities maintenance performance data is incomplete due to the previous facilities division manager being on long term sick leave prior to separation from district employment and transition to a new division manager.					

Table 30. Facilities Division Performance Measures

Resource Perspective		
Strategic Goal	Performance Driver	District Performance
Maintain adequate infrastructure to support operations	Facilities codes and standards compliance [qualitative/lead]	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.

Accomplishments

Major facilities accomplishments in 2022 included the following:

- **Replacement of Roofing on the Training Tower:** The asphalt composition shingle roof covering on the training tower was replaced. This project addressed the district's strategic goal to maintain adequate infrastructure to support operations and addressed Commission on Fire Accreditation International (CFAI) accreditation criterion 6B fixed facilities (performance indicator 6B.2 repair and maintenance) (CFAI, 2021).
- **Diesel Exhaust Removal Systems Station 51 and 54:** A diesel exhaust removal system was installed at Stations 51 and 54. The goal of this project is to improve air quality in the buildings and industrial hygiene. In addition, addressed CFAI accreditation criterion 6B fixed facilities (critical criterion 6B.3 identifying and addressing facilities hazards) (CFAI, 2021).
- **Renovation and Expansion of Station 53:** Construction started in the third quarter of 2022 (completion anticipated by third quarter of 2023). This project focuses on the district's strategic goal to maintain adequate infrastructure to support operations. In addition, it addressed CFAI accreditation criterion 6B fixed facilities on a comprehensive basis (CFAI, 2021).

Projects

Major projects in 2023 include the following:

- **Renovation and Expansion of Station 53:** Started in the third quarter of 2022, this project will be completed by the third quarter of 2023. This project focuses on the district's strategic goal to maintain adequate infrastructure to support operations. In addition, it addresses CFAI accreditation criterion 6B fixed facilities on a comprehensive basis (CFAI, 2021).
- **Repaint Fascia Boards at Station 51:** Repaint fascia boards to maintain the integrity of the wood. This project focuses on the district's strategic goal to maintain adequate infrastructure to support operations. In addition, it addresses CFAI accreditation criterion 6B fixed facilities (critical criterion 6B.2 repair and maintenance) (CFAI, 2021).
- **Strip and Refinish the Decking at Station 54 Burn Facility:** Strip the decking on the west side of the training tower of its current coating and repaint with a non-slip product to protect the wood and prevent slip and fall injuries. This project focuses on the district's strategic goal to maintain adequate infrastructure to support operations. In addition, it addresses CFAI accreditation criterion 6B fixed facilities (critical criterion 6B.3 identifying and addressing facilities hazards) (CFAI, 2021).

- Burn Facility Maintenance and Repair:** Complete repair and maintenance of windows, doors, and high temperature lining of the burn rooms and other training tower components identified in the 2022 live fire training facility inspection. 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 criterion 6B fixed facilities (performance indicator 6B.2 repair and maintenance) and critical criterion 6B.3 identifying and addressing facilities hazards) (CFAI, 2021).

2021 Division Budget

Table 31 outlines the facilities division budget.

Table 31. Facilities Division Budget

Facilities Intergovernmental Payments					2021 Actual	2022 Adjusted	2023 Proposed
522	50	20	01	Property Tax (Forest Protection)	\$150	\$150	\$150
Sub Total					\$150	\$150	\$150
Facilities Salaries & Wages							
522	50	30	01	Project Overtime	\$1,136	\$1,042	\$532
Sub Total					\$1,136	\$1,042	\$532
Facilities Office & Operating Supplies							
522	50	31	01	Janitorial Supplies	\$2,000	\$2,000	\$2,000
522	50	31	02	Station 51 (Operating Supplies)	\$1,400	\$1,630	\$3,130
522	50	31	03	Station 52 (Operating Supplies)	\$200	\$200	\$200
522	50	31	04	Station 53 (Operating Supplies)	\$2,300	\$2,300	\$800
522	50	31	05	Station 54 (Operating Supplies)	\$800	\$800	\$800
522	50	31	06	Training Center	\$0	\$0	\$0
Sub Total					\$6,700	\$6,930	\$6,930
Facilities Fuel							
522	50	32	01	Training Propane (duplicate 522 45 32 01)	\$0	\$0	\$200
522	50	32	03	Station 51 Propane	\$8,000	\$10,500	\$11,000
522	50	32	07	Station 52 Propane	\$500	\$500	\$500
522	50	32	10	Station 53 Propane	\$4,500	\$4,500	\$2,000
522	50	32	13	Station 54 Propane	\$5,500	\$5,500	\$8,000
Sub Total					\$18,500	\$21,000	\$21,700

Table 31. Facilities Division Budget (Continued)

Facilities Small Tools & Equipment					2021 Actual	2022 Adjusted	2023 Proposed
522	50	35	01	Facilities Furniture	\$1,000	\$1,000	\$2,000
522	50	35	02	Facilities Equipment & Tools	\$1,000	\$1,800	\$1,000
522	50	35	03	Grounds Equipment	\$0	\$2,300	\$1,500
522	50	35	04	Fitness Equipment	\$1,500	\$1,500	\$1,500
Sub Total					\$3,500	\$6,600	\$6,000
Intergovernmental Professional Services							
522	50	40	01	Station 51 Water Heater Inspection	\$155	\$155	\$155
522	50	40	02	Station 53 Water Heater Inspection	\$124	\$124	\$0
522	50	40	03	Station 54 Water Heater Inspection	\$155	\$155	\$155
Sub Total					\$434	\$434	\$310
Facilities Professional Services							
522	50	41	01	Burn Building Inspection	\$0	\$3,700	\$0
522	50	41	02	Generator Testing & Maintenance	\$3,000	\$3,000	\$3,000
522	50	41	04	Fire & Security Systems	\$4,400	\$4,400	\$4,400
522	50	41	05	Fire Extinguishing Inspection	\$600	\$600	\$600
522	50	41	06	Pest Control Services	\$2,100	\$2,100	\$2,100
Sub Total					\$10,100	\$13,800	\$10,100
Facilities Operating Rentals & Leases							
522	50	45	01	Equipment Rental	\$0	\$0	\$600
Sub Total					\$0	\$0	\$600
Facilities Utilities							
522	50	47	01	Station 51 Electric	\$5,500	\$5,500	\$7,500
522	50	47	02	Station 51 Garbage	\$2,000	\$2,000	\$3,500
522	50	47	03	Station 51 Water	\$1,000	\$1,000	\$3,000
522	50	47	04	Station 52 Electric	\$600	\$600	\$500
522	50	47	05	Station 52 Garbage	\$0	\$0	\$0
522	50	47	06	Station 53 Electric	\$8,000	\$8,000	\$3,000
522	50	47	07	Station 53 Garbage	\$3,300	\$3,300	\$500
522	50	47	08	Station 54 Electric	\$3,600	\$3,600	\$4,000

Table 31. Facilities Division Budget (Continued)

<i>Facilities Utilities (Continued)</i>					2021 Actual	2022 Adjusted	2023 Proposed
522	50	47	09	Station 54 Garbage	\$0	\$0	\$600
522	50	47	10	Training Center Electric	\$1,200	\$1,200	\$0
522	50	47	11	Landfill Fees	\$2,000	\$2,000	\$2,000
522	50	47	12	Station 53 Water	\$2,100	\$2,100	\$500
522	50	47	13	Station 54 Water	\$480	\$480	\$480
Sub Total					\$29,780	\$29,780	\$25,580
<i>Facilities Repair & Maintenance</i>							
522	50	48	01	Station 51 (Repair & Maint)	\$9,200	\$9,200	\$7,200
522	50	48	02	Station 52 (Repair & Maint)	\$1,000	\$1,000	\$1,000
522	50	48	03	Station 53 (Repair & Maint)	\$4,850	\$4,850	\$0
522	50	48	04	Station 54 (Repair & Maint)	\$8,200	\$8,200	\$6,200
522	50	48	05	Training Center	\$2,000	\$2,000	\$3,000
Sub Total					\$25,250	\$25,250	\$17,400
Total Facilities Division Budget					\$95,550	\$104,986	\$89,302

Major Expenditures/Changes

The facilities division budget decreased by 14.94% due to consolidation of district operations into Stations 51 and 54 during reconstruction of Station 53.

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 a firefighter/mechanic who manages the district's fleet maintenance program, serves as a mechanic, and maintains an operational role as a firefighter/emergency medical technician.

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 32 identifies the fleet maintenance division's strategic performance measures. Performance measures shaded light yellow are adopted (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 32. Fleet Maintenance Division Performance Measures

Community Perspective					
Strategic Goal	Outcome Measure	District Performance			
The fleet maintenance division has no performance measures in the community perspective					
Fiscal Stewardship Perspective					
Strategic Goal	Outcome Measure	District Performance			
The fleet maintenance 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/lead]	CWIFR’s fleet maintenance division manager, Firefighter/Mechanic Mike Matros maintained qualification as a master emergency vehicle technician (EVT) for fire apparatus and ambulances. As such he is only one of 84 EVT’s 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	2019	2020	2021
		Type one engines	95%	95%	93%
		Type one tenders	99%	99%	99%
		Type five engines	99%	92%	99%
		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, 2017b) and manufacturers recommended maintenance schedules. In 2021, the district’s type one engines were out of service on several occasions for warranty service and repair with supply chain issues delaying delivery of parts, decreasing percentage of in-service time.			

Table 32. 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)	The fleet maintenance division is currently working on systems to track these performance drivers on an ongoing basis.
Maintain adequate infrastructure to support operations	Planned fleet maintenance cost/unplanned repair cost.	
Maintain adequate infrastructure to support operations	Fleet codes and standards compliance. [qualitative/lead]	National Fire Protection Association (NFPA) 1911 Standard for the Inspection, Maintenance, Testing, and Retirement of In-Service Automotive Fire Apparatus (NFPA, 2017b) and manufacturers recommended maintenance schedules.

Accomplishments

Major fleet maintenance division accomplishments in 2022 included:

- **Sale of Three Surplus Type I Engines:** Three engines that had reached their end of useful life were sold at auction with the revenue generated transferred to the capital projects fund . 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 criterion 6C Apparatus, Vehicles, and Maintenance (performance 6C.2 apparatus replacement schedule) (CFAI, 2021).
- **Staffing Level Assessment:** Develop and implement time tracking for 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 criterion 6D Apparatus Maintenance (performance indicators 6D.3 staffing and 6D.4 supervision).

Projects

Major Projects in 2023 include the following:

Parts Inventory System: Complete the creation of a physical system for parts 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 criterion 6D Apparatus Maintenance (performance indicator 6D.2 apparatus maintenance and repair facility) (CFAI, 2021).

2021 Division Budget

Table 33 outlines the fleet maintenance division budget.

Table 33. Fleet Maintenance Division Budget

Fleet Maintenance Salaries & Wages					2021 Actual	2022 Adjusted	2023 Proposed
522	60	11	01	FT FF Mechanic	\$93,227	\$97,930	\$100,825
522	60	12	01	FT FF Mechanic (Vehicle Maint O/T)	\$1,277	\$1,331	\$1,381
522	60	13	01	FT FF Mechanic (Educational Incentive)	\$1,865	\$1,944	\$2,017
522	60	14	01	FT FF Mechanic (Other Overtime)	\$0	\$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 (Def Comp)	\$3,729	\$3,887	\$4,033
Sub Total					\$100,098	\$105,092	\$108,256
Fleet Maintenance Benefits							
522	60	21	01	FT FF Mechanic (Medicare Only)	\$1,394	\$1,456	\$1,515
522	60	22	01	FT FF Mechanic (L&I)	\$4,486	\$4,486	\$4,486
522	60	23	01	FT FF Mechanic (Medical & Dental)	\$23,942	\$23,942	\$23,510
522	60	24	01	FT FF Mechanic (LEOFF)	\$5,335	\$5,561	\$5,770
Sub Total					\$35,158	\$35,445	\$35,281
Fleet Maintenance Office and Operating Supplies							
522	60	31	01	Apparatus R&M Supplies	\$3,674	\$3,750	\$3,750
522	60	31	02	Computer Software	\$3,427	\$3,965	\$4,265
522	60	31	03	Computer Hardware	\$1,500	\$1,500	\$1,500
522	60	31	04	Uniforms - Mechanic	\$500	\$500	\$500
522	60	31	05	Office Supplies	\$300	\$50	\$50
Sub Total					\$9,401	\$9,765	\$10,065
Fleet Maintenance Small Tools & Minor Equipment							
522	60	35	01	Personal Protective Equipment	\$285	\$345	\$489
522	60	35	02	Vehicle Maintenance Tools	\$2,500	\$2,500	\$2,500
522	60	35	03	Computer Equipment	\$0	\$0	\$0
Sub Total					\$2,785	\$2,845	\$2,989
Fleet Maintenance Travel, Lodging, & Meals							
522	60	43	01	Vehicle Maintenance Meetings	\$500	\$500	\$500
Sub Total					\$500	\$500	\$500

Table 33. Fleet Maintenance Division Budget (Continued)

Fleet Maintenance Operating Rentals & Leases					2021 Actual	2022 Adjusted	2023 Proposed
522	60	45	01	Equipment Rental	\$500	\$500	\$500
Sub Total					\$500	\$500	\$500
Fleet Repair & Maintenance							
522	60	48	01	Apparatus R&M	\$33,550	\$40,900	\$31,800
Sub Total					\$33,550	\$32,900	\$31,800
Fleet Maintenance Miscellaneous							
522	60	49	01	Miscellaneous	\$0	\$0	\$0
Sub Total					\$0	\$0	\$0

Total Fleet Maintenance Division Budget **\$181,991** **\$187,047** **\$189,391**

Major Expenditures/Changes

The fleet maintenance division budget increased 1.25%. Anticipated compensation increases in the 2023=2025 Collective Bargaining Agreement between the Central Whidbey Island Fire & Rescue and Local 4299 International Association of Firefighters (IAFF) (CWIFR & Local 4299, In Progress) is the major factor influencing this increase in the fleet maintenance division budget.

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General Fund Contingency

Contingency is a budgeted line item 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 be funded in the amount of 10% of anticipated operating expenses. 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 funds this line at 10% of budgeted operating expenses. Transfer of funds from contingency to other lines within the general fund requires an affirmative vote of the board of fire commissioners

No transfer from contingency was required in 2021 and 2022.

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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. Purchase of automatic external defibrillators (AEDs) is one example of this type of project. Prior to 2020, purchase of fire hose and related equipment was included as a capital project. However, as this project is an annual expense and funds were not accumulated over time for fire hose replacement; this project was returned to the general fund as a line-item expense.

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 Central Whidbey Island Fire & Rescue's (CWIFR's) integrated comprehensive plan (ICP). Volume 6 of the ICP (CWIFR, 2022b) 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

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

Capital Planning Calendar and Workflow

As specified in *Standard Operating Guideline (SOG) 1.4.1 Integrated Comprehensive Planning (2018x)* and *Standard Operating Guideline 1.4.7 Capital Projects (CWIFR, 2017o)*, 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 34, the annual capital plan review and revision process is scheduled for completion between January and May. However, in 2021 this process was delayed due to the impact of the COVID-19 pandemic with the capital plan being adopted by the board of fire commissioners in November concurrent with the 2022 budget.

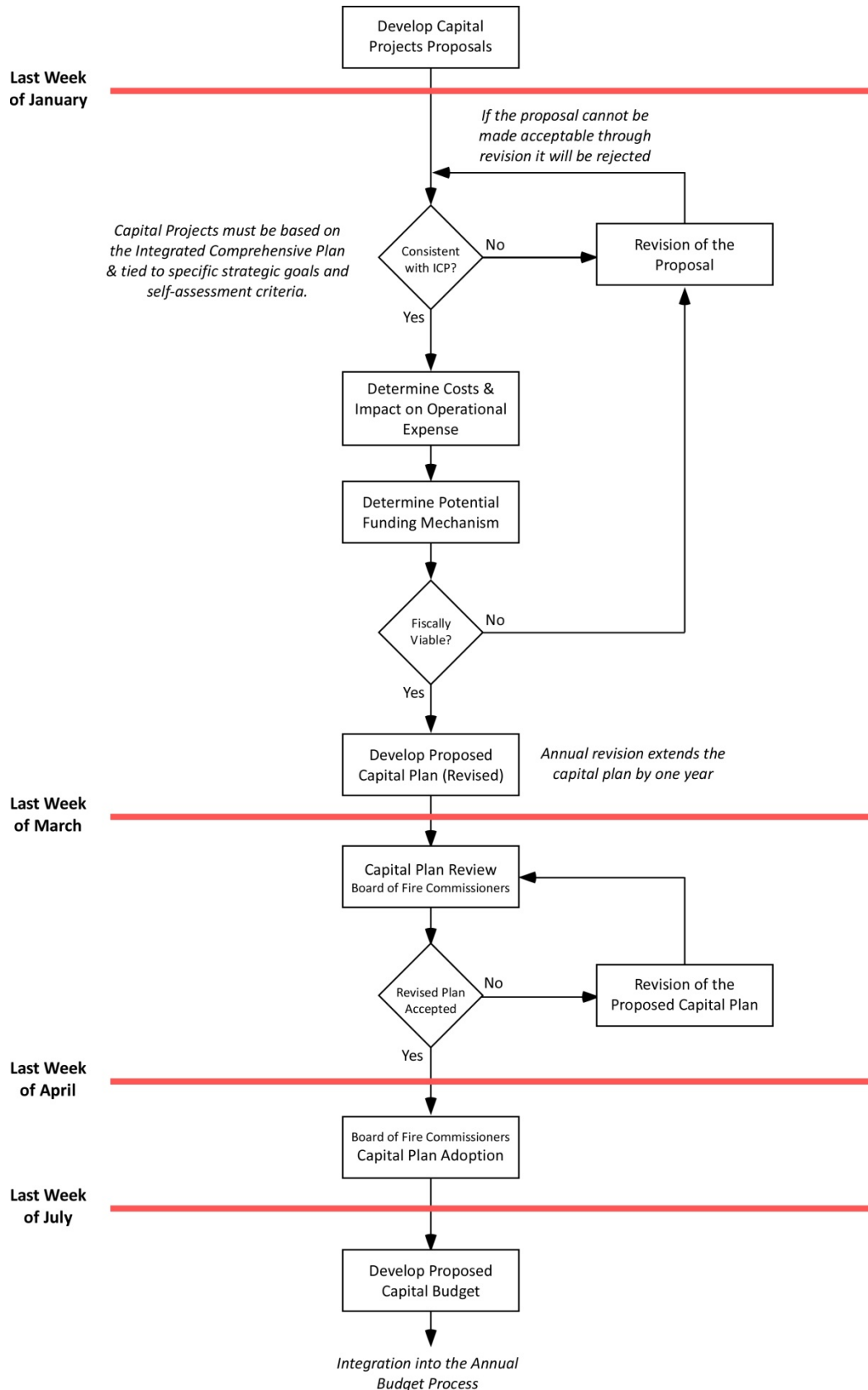
Table 34. Capital Planning Calendar

Month	Activity
January	Submittal of new capital projects (annual/as needed)
February	Review & assess Adopted new or revised capital projects based on strategic goals, initiatives, fire and emergency services self-assessment, & 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, 2022b) 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 25.

Figure 25. Capital Planning Process



Overview of the Capital Projects Fund

Prior to establishing the capital projects fund in 2012, the district's finances were managed using a single fund (general fund) and capital purchases were made using the unappropriated balance of the fund. The district established the capital projects fund to increase transparency and accountability of fiscal resources used for capital projects.

Historically, the district has 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. In 2017 the district implemented a policy that debt may be considered for major capital projects such as fire station construction and purchase of apparatus. The district also established the bond fund to ensure accountability and transparency for bond revenue and related capital projects. Additional information on the bond fund and projects funded with debt is provided in the bond fund section of this budget document.

The capital projects schedule presented in Table 35 is based on transfer of sufficient funds to the capital projects fund in future years to provide a sufficient cash flow and fund balance to fund future purchases of apparatus, capital equipment, and some capital facilities projects inclusive of inflation in the cost of capital projects. The district's *Integrated Comprehensive Plan Volume 6-Capital Projects Plan (CWIFR, 2022b)* provides additional detail on the schedule of capital expenditures.

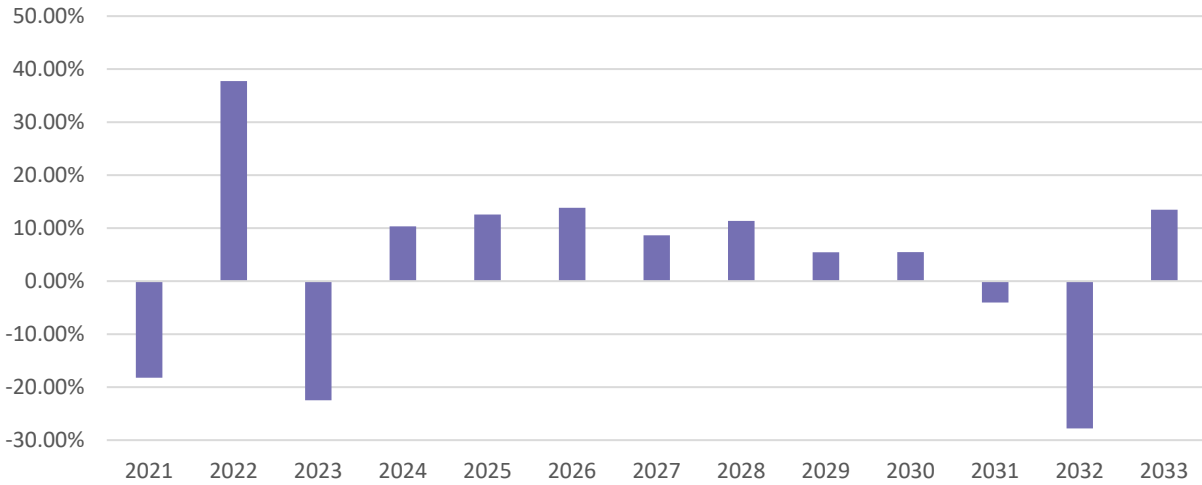
Fund Balance and Trends

Two of the district's fiscal performance measures relate directly to the capital projects fund:

- Percentage change in the capital projects fund beginning balance on an annual basis
- Percentage of full funding of the capital projects fund based on straight line amortization of the future expense of capital projects (inclusive of inflation).

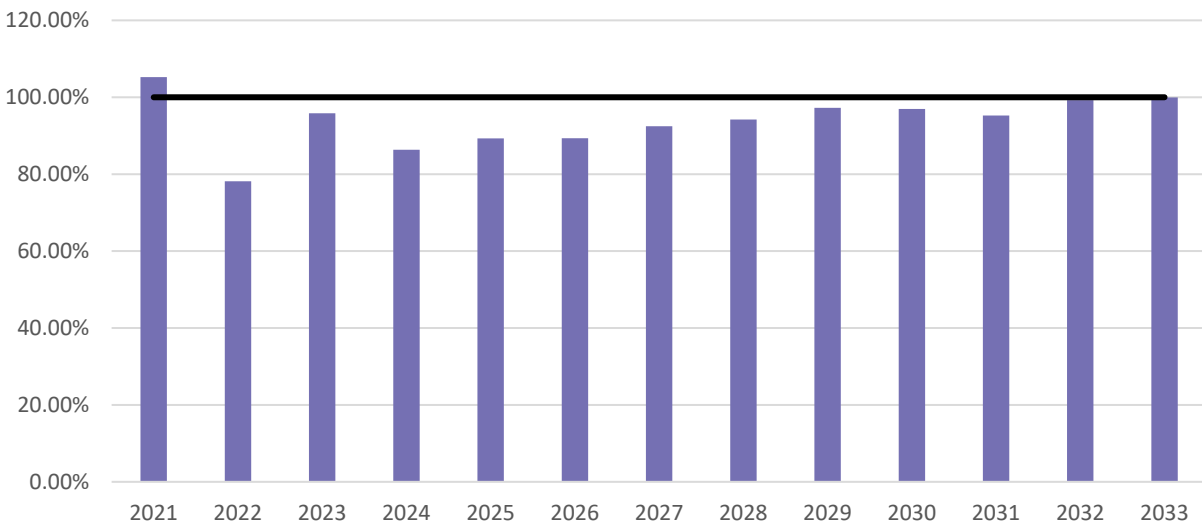
Figures 26 and 27 illustrate historical and projected values for these two measures.

Figure 26. Percentage Change in Capital Projects Beginning Fund Balance 2021 through 2033



As illustrated in Figure 26, the percentage change in the ending fund balance varies considerably based on capital projects funded within the given year with significant decreases in fund balance in years where large or multiple projects are budgeted and increases in years where few or no projects are budgeted.

Figure 27. Percentage Full Funding of the Capital Projects Fund 2021 through 2033.



As illustrated in Figure 27, the capital projects fund will be 95.83% in 2023 based on straight line amortization of the future expense of planned capital projects and delay or deferral of several vehicle purchases. While the capital projects fund remains less than 100%, cash flow is adequate to address the district’s capital projects requirements.

Considerations

The capital projects fund has sufficient funding for the district's projected apparatus and equipment needs and current funding has allowed the district to fund several important facility projects to improve the health and safety of our members. However, Central Whidbey Island Fire & Rescue (CWIFR) has a number of identified capital facilities needs that are not currently programmed in the capital projects plan and will eventually need to be funded.

2023-3033 Capital Projects Plan

The capital projects plan examines anticipated capital projects that will occur over a ten-year period.

Capital Projects Plan Changes

The district was scheduled to surplus its existing Kubota grounds maintenance tractor and replace it with smaller grounds maintenance equipment to be located at each station to reduce time required for transport of equipment during grounds maintenance activity. Based on further assessment of the Kubota tractor's condition, the district purchased smaller lawn tractors, but retained the Kubota for use at Station 54 and the training center. This deferred replacement of the Kubota for the foreseeable future.

There are a number of significant changes in the district's capital projects plan in 2023, these include"

- Delay in delivery of the fleet maintenance vehicle to 2023 due to supply chain issues related to computer chips (delay in delivery of the chassis) and aluminum shortages (delay in construction of the utility body).
- Grant funding was obtained for purchase and installation of diesel exhaust extraction systems at all stations. As notice of funding was received late in 2021, this project was moved to 2022 for Stations 51 and 54 and completion of Station 53 in 2023.
- Deferred replacement of the utility terrain vehicle until 2023 due to workload related to relocation of staff to Stations 51 and 54 and construction of the new Station 53.
- Replacement of the district's rescue boat which was irreparably damaged in an accident during marine rescue operations in 2021. The replacement vessel was ordered in 2022, but due to supply chain issues related to outboard motors and aluminum shortages (delay in construction of the boat), delivery is anticipated in the 3rd or 4th quarter of 2023.
- Deferred replacement of the access and security system at Stations 51, 52, and 54 to allow concurrent installation with the construction of the new Station 53 in 2023.
- Deferred replacement of portable radios until 2023. The district was awaiting outcome of communications equipment assistance to firefighters grant (AFG) application prior to ordering radios. This grant application was unsuccessful, but notice was not received until the 4th quarter of 2022.

- Replacement of Apparatus 9402 (Rescue 51) was moved to 2024 due to space limitations during the construction of new facilities at Station 53. The existing apparatus will be surplus and sold at auction in the 4th quarter of 2022. The specific nature of replacement apparatus for this vehicle will be evaluated in the first quarter of 2023 in conjunction with revision and update of the district's capital projects plan.
- Replacement of AEDs was moved from 2022 to 2025 as these medical devices are in excellent condition and there have been no appreciable changes in technology for similar models. Scheduling of this project will be evaluated annually in 2023 and 2024 to determine if conditions have changed.
- Addition of information technology and radio infrastructure line items. The district has previously allocated funding within the capital projects fund, but did not provide a line item for these projects until such time as they occurred. Establishing a level of annual funding for each of these types of infrastructure will accumulate funds for future projects will allow these projects to be addressed as technology changes.
- Addition of capital maintenance and repair line items for each of the district's facilities. As the district's buildings age, there are a number of capital maintenance and repair projects that may be required. Establishing a baseline level of reserve in the capital projects fund for each facility will allow these projects to be addressed as they arise or are projected (these line items do not include major equipment such as generators or breathing air compressors which are addressed as individual capital projects).

Current Projects

Table 35 outlines projects included in the district's current 10-year capital projects plan 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 C).

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Table 35. 2022-2033 Capital Projects Schedule

Apparatus	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
594 22 64 41	Replace Kubota Tractor		\$6,896										
594 22 64 16	Replace Apparatus 9501 (S593 Fleet Services)		\$120,000										
594 22 64 42	Replace Apparatus 0201 (Gator & Trailer)		\$26,917										
594 22 64 43	Replace Marine 5		\$365,000										
594 22 64 15	Replace Apparatus 9402 (R51)			\$120,000									
574 22 64 02	Replace Apparatus 1301 (S591)				\$19,313								
574 22 64 36	Replace Apparatus 1201 (R53)						\$94,211						
594 22 64 12	Replace Apparatus 1402 (C502)								\$94,211				
594 22 64 37	Replace Apparatus 1501 (C505)									\$94,211			
594 22 64 50	Replace Apparatus 0603 (T51)										\$410,151		
594 22 64 51	Replace Apparatus 0701 (T53)											\$410,151	
594 22 64 52	Replace Apparatus 0702 (T54)											\$410,151	
594 22 64 55	Box Trailer (Recruitment)												\$6,729
Equipment													
594 22 64 31	Extrication Equipment Replacement												
594 22 64 21	SCBA/Cylinder Replacement	\$300,250											
594 22 64 43	LUCAS Chest Compression System	\$17,934											
594 22 64 05	Replace/Upgrade AEDs				\$36,338								
594 22 64 44	Stairmill (Fitness Equipment				\$9,752								
594 22 64 43	Fit Test Machine					\$14,859							
594 22 64 19	Thermal Imager (TI) Replacement									\$40,376			
Technology Infrastructure													
594 22 64 40	Portable Radio Replacement (P25)			\$215,000								\$262,084	
594 22 64 11	Server Replacement	\$11,850						\$13,612					
594 22 64 53	IT Infrastructure												
594 22 64 54	Radio Infrastructure												

Table 35. 2020-2033 Capital Projects Schedule (Continued)

Facilities	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
594 22 63 07 Replace Roof Covering Burn Building/Tower	\$4,050	\$8,548											
594 22 63 12 Access, Fire & Security System Replacement			\$10,000										
594 22 64 49 Station 54 Generator									\$48,631				
594 22 64 45 Station 51 Capital Maintenance & Repair													
594 22 64 46 Station 52 Capital Maintenance & Repair													
594 22 64 47 Station 53 Capital Maintenance & Repair													
594 22 64 48 Station 54 Capital Maintenance & Repair													
Total Expenditures	\$334,084	\$15,444	\$736,917	\$120,000	\$65,404	\$14,859	\$94,211	\$13,612	\$142,842	\$134,587	\$410,151	\$1,082,387	\$6,729

Capital Projects Budget

Table 36 illustrates the 2023 capital projects budget.

Table 36. Capital Projects Budget

Apparatus		Actual 2021	Adjusted 2022	Proposed 2023
594 22 64 41	Replace Kubota Tractor		\$6,896	
594 22 64 16	Replace Apparatus 9501 (S593 Fleet Services)			\$120,000
594 22 64 42	Replace Apparatus 0201 (Gator & Trailer)			\$26,917
594 22 64 43	Replace Marine 5			\$365,000
Equipment				
594 22 64 21	SCBA/Cylinder Replacement	\$300,250		
594 22 64 43	LUCAS Chest Compression System	\$17,934		
Technology Infrastructure				
594 22 64 40	Portable Radio Replacement (P25)			\$215,000
594 22 64 11	Server Replacement	\$11,850		
594 22 64 53	IT Infrastructure			
594 22 64 54	Radio Infrastructure			
Facilities				
594 22 63 07	Replace Roof Covering Burn Building/Tower	\$4,050	\$8,548	
594 22 63 12	Access, Fire & Security System Replacement			\$10,000
594 22 64 45	Station 51 Capital Maintenance & Repair			
594 22 64 46	Station 52 Capital Maintenance & Repair			
594 22 64 47	Station 53 Capital Maintenance & Repair			
594 22 64 48	Station 54 Capital Maintenance & Repair			
Total Expenditures		\$334,084	\$15,444	\$736,917

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.

Replace Apparatus 9501

Description: Purchase of a utility truck and installation of related equipment (e.g., warning lights, radio, hydraulic lift gate) for use as the district's fleet maintenance and service vehicle. If possible, this apparatus would be constructed on the same or similar platform as the district's Type 6 Engines, a diesel powered, four-wheel drive chassis with a GVWR of 19,500 pounds (e.g., Dodge Tradesman 5500 or equivalent) to minimize parts inventory. The vehicle chassis would be similar to that in Figure 28 with a utility body.

Figure 28. Example of Chassis and Cab (would be equipped with a utility body and hydraulic lift gate)



Purpose & Justification: Apparatus 9501 (initially in service as a rescue/type six engine) reached its anticipated end of useful life of 15 years in 2010 and was repurposed to serve as the fleet maintenance vehicle in 2013 (giving the district great value over 27 years of service). Effective preventative maintenance has allowed extension of its service life with anticipated replacement in 2021. However, replacement was deferred due to supply chain problems. Use of a similar platform as the district's type five engines minimizes parts inventory requirements and simplifies preventative maintenance.

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. 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 Commission on Fire Accreditation International (CFAI) accreditation criterion 6C apparatus and vehicles (core competency 6C.1 apparatus types are appropriate for the functions served (e.g., operations, staff support services, specialized services, and administration) and performance indicator 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) (CFAI, 2021).

Table 37. Funding for Capital Project 594 22 64 16

Funding Source	Amount
Debt	
Capital Projects Fund	\$120,000
Grant Funding (Specify)	
Other	
Total	\$120,000

Estimated Change in Operational Expense: This project will maintain current operational expense by increasing fleet reliability (reduced future repair cost).

Replace Apparatus 0201 (Gator)

Description: This project provides for replacement of the district's John Deer Gator 6x4 utility terrain vehicle (UTV) with a similar but more capable vehicle (similar to that illustrated in Figure 29). This vehicle was originally equipped with a water tank and pump as well as provisions for transporting a patient, resulting in significant excess weight. As the UTV had historically been used for off-road and beach rescue, the water tank and pump were removed and sold with the vehicle reconfigured strictly for rescue operations. Replacement is based on age and limited performance to address critical mission requirements such as seating, rollover protection, and carrying capacity.

Figure 29. UTV-Medical Configuration



Priority: High

Purpose & Justification: The district has a large area of shoreline and wooded areas with a complex trail system used for hiking, off-road bicycling, and equestrian activity. Access to and rescue from these areas can be challenging and time consuming without a suitable off-road vehicle. Many of these areas are not accessible by full-size four-wheel drive vehicles such as the district's command vehicles and type five engines, necessitating the use of a UTV.

Prior to replacement, the operations division will conduct a needs assessment and develop specifications based on critical mission requirements. As such, additional detail will be provided on this project when the needs assessment is completed.

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 Commission on Fire Accreditation International (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 (CFAI, 2020)

Table 38. Funding for Capital Project 594 22 64 41

Funding Source	Amount
Debt	
Capital Projects Fund	\$23,669
Grant Funding (Specify)	
Other (Surplus Value of Apparatus 0201)	\$2,000
Total	\$21,669

Estimated Change in Operational Expense: In the short term, this project will have little effect on operational expense.

Replace Marine 5

Description: This project replaces the district's previous 25' rescue boat that experienced steering system failure and was irreparably damaged while engaged in response operations during a wind storm. This vessel was insured for replacement cost. Survey of the previous rescue boat after this incident determined that repair cost would exceed replacement cost. The replacement vessel is a 27' rescue boat with a walk around cabin manufactured by Life Proof Boats of Bremerton, WA.

Figure 30. Life Proof Rescue Boat with Walk Around Cabin



Purpose & Justification: The district is bordered by the Strait of Juan de Fuca, Admiralty Inlet, Saratoga Passage, and Penn Cove. These waters within Puget Sound have a high level of commercial and recreational vessel traffic as well as other shore based recreational activities. The district experiences frequent calls for service in the marine environment on an annual basis. The Life Proof rescue boat with walk around cabin was selected due to its all-weather capability and provision of a stable platform for rescue operations. This vessel is similar to the previous rescue boat but slightly longer, with greater access around the cabin (walk around vs full width cabin), and with larger outboard motors to maintain performance with the slightly longer hull.

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 Commission on Fire Accreditation International (CFAI) core competency 6C.1 Apparatus and vehicle types are appropriate for the functions served (e.g., operations, staff support services, specialized services and administration) (CFAI, 2020)

Table 39. Funding for Capital Project 594 22 64 41

Funding Source	Amount
Debt	
Capital Projects Fund	\$31,129
Grant Funding (Specify)	
Other (Insurance Settlement)	\$333,870
Total	\$365,000

Estimated Change in Operational Expense: In the short term, this project will have a modest effect on operational expense with slightly higher fuel cost. However, in the near-term maintenance and repair cost is anticipated to be lower as the previous vessel was considerably older (purchased used) and experienced ongoing repair requirements.

Portable Radio Replacement

Description: This project will replace all of the district's portable radios with Project 25 (P25) compliant digital very high frequency (VHF) radios (similar to that illustrated in Figure 31). P25 is the standard for design and manufacture of interoperable digital two-way wireless communication equipment. Radio equipment that demonstrates compliance with P25 is able to meet a set of minimum requirements to fit the needs of public safety. Advantages of P25 radios include:

- Enables ease of operation for more rapid adoption and training.
- Enables planned migration of systems and equipment from old to new.
- Enables Interoperability essential to multiple jurisdiction and joint operations (inclusive of partner agencies and the Island County Emergency Communications Center (ICOM)).

This purchase will replace existing portable radios and is intended to provide one radio per seated position on apparatus.

In addition to portable radios, this project includes adding Bluetooth radio direct interface to the district's self-contained breathing apparatus facepieces (similar to that illustrated in Figure 31). This radio interface consists of an in-mask microphone and bone conduction speaker to significantly improve firefighters with hearing and understanding of incoming radio communications.

Figure 31. Motorola APX Portable Radio & Scott C5 Facepiece Radio Direct Interface



Priority: High

Purpose & Justification: Portable radios are an essential communications tool in all emergency operations. Standard Operating Guideline (SOG) 4.2.4 Command Function 5-Communications (CWIFR, 2016) specifies:

- Each Company operating at an emergency incident must be equipped with a functioning portable radio.
- Each member operating in the hazard zone at an emergency incident should be equipped with a portable radio.

The district’s existing portable radios are over 16 years old and performance has degraded significantly. In addition, existing analog radios will likely not be compatible with future digital communications equipment.

This project is integrated with related replacement of apparatus radios (in conjunction with fleet replacement) and radio infrastructure improvements made in coordination with ICOM.

Strategic Goal and Initiative: This project supports the district’s strategic goal to maintain adequate infrastructure to support operations [resources] and related initiative to maintain the districts communication equipment to maximize effectiveness, efficiency, and minimize lifecycle cost.

CFAI Performance Indicator: This project supports Commission on Fire Accreditation International (CFAI) core competency 9B.1. A system is in place to ensure communications with portable, mobile, and fixed communications systems in the field. When an area is identified as not being capable of adequate emergency scene communications, such as inside buildings or below grade level an operational plan is written (CFAI, 2020)

Table 40. Funding for Capital Project 594 22 64 41

Funding Source	Amount
Debt	
Capital Projects Fund	\$215,000
Grant Funding (Specify)	
Other (Specify)	
Total	\$215,000

Estimated Change in Operational Expense: In the short term, this project will not impact operational expense. Routine maintenance of portable radios will remain unchanged and SCBA components are covered under an original owner lifetime warranty.

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. This project will be integrated with construction of new facilities at Station 53.

Figure 32. Access, Security, and Fire Alarm System



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 Commission on Fire Accreditation (CFAI) accreditation criterion 6A physical resources plan (performance indicator 6A.1 development, construction, or purchase of physical resources is consistent with the agency's goals and strategic plan) (CFAI, 2020).

Table 41. Funding for Capital Project 594 22 64 42

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

Estimated Change in Operational Expense: The current access control and security system is no longer supported, resulting in increased expense for repair when it malfunctions. It is anticipated that the new system will require slightly higher operational cost, but lower repair cost for a relatively consistent cost for these systems.

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Bond Fund

Overview of the Bond Fund

Use of a separate fund to account for bond revenues and expenditures facilitates accounting and compliance reporting. There are two types of general obligation bonds that the district may use to provide revenue to the bond fund; unlimited tax general obligation bonds and limited tax general obligation bonds.

Unlimited Tax General Obligation (UTGO) Bond

An UTGO bond must be approved by the district's voters and creates a property tax levy to pay the debt service on the bond that is separate from the district's general levy. This property tax levy is not subject to or included in fire district's statutory \$1.50/\$1000 assessed value (AV) limitation on the general levy.

In the 2017 general election, voters approved an UTGO bond for specific capital projects and related expenditures. This bond levy authorized the district to borrow \$7,376,000. Purchasers of the bonds paid an additional \$48,000 for origination of the bonds and related legal expenses resulting in a total revenue from sale of bonds of \$7,424,544 and debt of \$7,376,000.

Capital projects funded by the UTGO bond included:

- Purchase of three type one fire engines to replace engines that were reaching the end of their 25-year service life.
- Construction of expanded facilities at Station 53 to provide living quarters in the station for on-duty personnel, increase operational and administrative space, and adequate facilities for fleet maintenance.

Use of voter approved debt provided an additional revenue stream (bond levy) that allowed the district to address both capital and operational needs in the near to mid-term and has laid a solid foundation for meeting the district's longer term fiscal needs. Use of bond revenue allowed the district to remove the three engines from the district's pay as you go strategy for apparatus and equipment. However, the option exists to modify this action and return one, two, or all three apparatus to pay as you go funding following a future increase in revenue

In 2021, the district took delivery of three type one engines manufactured by Rosenbauer America at a total cost of \$1,922,354. This purchase replaced one engine manufactured in 1994 and two others manufactured in 1996. These three engines were declared surplus, sold at auction, and the revenue from the sale transferred to the capital projects fund.

After a lengthy permitting process to obtain a conditional use permit and building permit, the district went to bid for construction of expanded facilities at Station 53 on Race Road in Coupeville. Unfortunately, the delays in permitting, impact of the COVID-19 pandemic, and other economic impacts, all bids for this project were considerably higher than available funds generated by the district's 2017 UTGO bond. The combined cost of the low bid for construction and related architectural and

engineering costs exceeded available funds by \$2,650,000. While the district continues to work towards generating other revenue streams (e.g., grants), it will be necessary for the board of fire commissioners to authorize issue of an LTGO bond to fund completion of this project.

Limited Tax General Obligation (LTGO) Bond

Unlike a UTGO bond, a LTGO bond does not require voter approval, but may be initiated by the board of fire commissioners. However, an LTGO bond does not have a separate bond levy and debt service on this type of bond must be paid from the district's general levy.

The district anticipated issuance of a \$2,650,000 LTGO bond late in the 4th quarter of 2022 or 1st quarter of 2023 with funds deposited in the bond fund by no later than February of 2023. If possible, the district will obtain the bond with no pre-payment penalty, permitting early payoff should additional revenue become available. Early payoff would reduce the interest expense incurred from this debt.

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.

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.

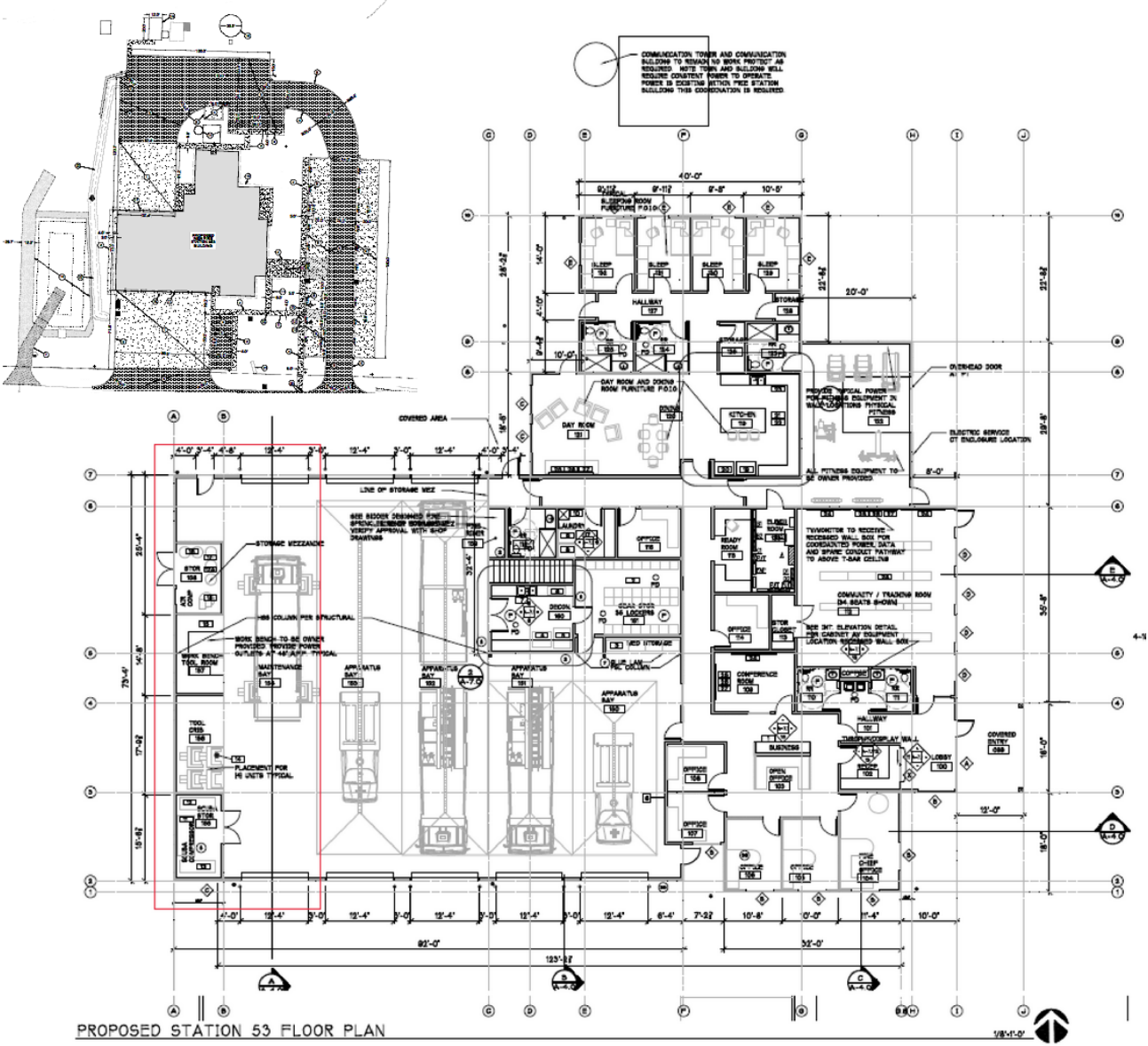
Health and Safety Improvements

- Diesel exhaust removal system (partially grant funded)
- 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 33 illustrates the general configuration of the new Station 53.

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Figure 33. 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 and related initiatives to maintain district facilities and apparatus to minimize operational cost over their lifecycle.

CFAI Performance Indicator: This project addresses Commission on Fire Accreditation International (CFAI) accreditation criterion 6A physical resources plan and 6B fixed facilities.

- Performance indicator 6A.1 development, construction, or purchase of physical resources is consistent with the agency’s goals and strategic plan (CFAI, 2020)
- Performance indicator 6B.1 each function or program has adequate facilities and storage space. (e.g., operations, community risk reduction, training, support services and administration) (CFAI, 2020).
- Core competency 6B.3 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.) (CFAI, 2020).

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 42. Funding for Capital Projects 594 22 61 03, 594 22 62 01, 594 22 63 11, and 594 22 63 01

Funding Source	Amount
Debt (UTGO Bond)	\$5,502,189
Debt (LTGO Bond)	\$2,650,000
Other (Bond Fund Interest)	\$413,538
Total	\$8,565,727

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.

2023 Bond Fund Budget

Table 43 illustrates the 2023 bond fund budget.

Table 43. Bond Fund Budget

Facilities		Actual 2021	Adjusted 2022	Proposed 2023
594 22 61 03	Station 53 Architectural & Engineering	\$105,504	\$130,657	\$166,534
594 22 62 01	Permits & Fees	\$15,392		
594 22 63 11	Station 53 Land Work			
594 22 63 01	Station 53 Construction		\$1,272,999	\$6,587,345
Total Expenditures		\$170,000	\$1,424,196	6,753,700

Note: Land work and construction were not bid separately (expenses will be allocated when billed).

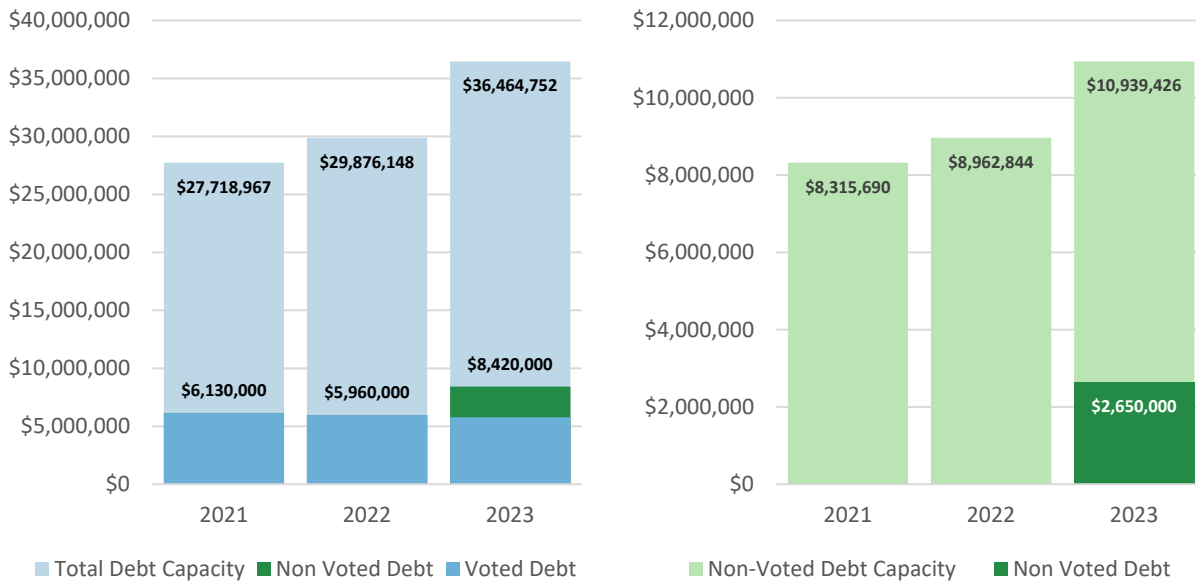
Bond Redemption Fund

Overview of the Bond Redemption Fund

The bond redemption 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.

In the 4th quarter of 2017, the district issued an unlimited tax general obligation UTGO bond resulting in \$7,376,000 in voted debt and has been paying debt service (principal and interest) in this debt since 2018. The district anticipates issuing a \$2,650,000 limited tax general obligation (LTGO) bond in the 4th quarter of 2022 or early 1st quarter of 2023 as illustrated in Figure 34, the district’s current and projected debt is well below its statutory debt capacity.

Figure 34. Debt Capacity versus Current Debt



Bond Redemption Fund Revenue

As discussed in the bond fund section of the budget document, redemption of a UTGO bond is supported by a bond levy. Bond levy funds are deposited in the bond fund and transferred to the bond redemption fund as needed to pay debt service on the UTGO bond. Redemption of a LTGO bond is supported by the district’s general levy. Funds are transferred from the general fund to the bond redemption fund as needed to pay debt service on the LTGO bond.

Bond Redemption Fund Expenditures

Bond redemption fund expenditures are limited to payment of debt service on the district's bonds.

UTGO Bond Debt Service

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 at the time of bond issuance, assessed value had 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. Since issuance of the UTGO bond in 2017 AV has increased 67.79%, providing an average annual increase of 11.30% per year (2018-2023).

Table 44 illustrates the districts UTGO bond debt service schedule from 2022 through 2037 (remaining life of the bond).

Table 44. UTGO Bond Debt Service Schedule

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
6/1/2022			\$120,800	\$120,800	
12/1/2022	\$170,000	3.00%	\$120,800	\$290,800	\$411,600
6/1/2023			\$118,250	\$118,250	
12/1/2023	\$190,000	3.00%	\$118,250	\$308,250	\$426,500
6/1/2024			\$115,400	\$115,400	
12/1/2024	\$210,000	3.00%	\$115,400	\$325,400	\$440,800
6/1/2025			\$111,200	\$111,200	
12/1/2025	\$235,000	4.00%	\$111,200	\$346,200	\$457,400
6/1/2026			\$106,500	\$106,500	
12/1/2026	\$260,000	4.00%	\$106,500	\$366,500	\$473,000
6/1/2027			\$101,300	\$101,300	
12/1/2027	\$290,000	4.00%	\$101,300	\$391,300	\$492,600
6/1/2028			\$95,500	\$95,500	
12/1/2028	\$315,000	4.00%	\$95,500	\$410,500	\$506,000
6/1/2029			\$89,200	\$89,200	
12/1/2029	\$345,000	4.00%	\$89,200	\$434,200	\$523,400
6/1/2030			\$82,300	\$82,300	
12/1/2030	\$380,000	4.00%	\$82,300	\$462,300	\$544,600
6/1/2031			\$74,700	\$74,700	
12/1/2031	\$415,000	4.00%	\$74,700	\$489,700	\$564,400
6/1/2032			\$66,400	\$66,400	
12/1/2032	\$450,000	4.00%	\$66,400	\$516,400	\$582,800
6/1/2033			\$57,100	\$57,100	
12/1/2033	\$490,000	4.00%	\$57,100	\$547,100	\$604,200
12/1/2035	\$570,000	4.00%	\$37,000	\$607,000	\$644,000

Table 44. UTGO Bond Debt Service Schedule (Continued)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
6/1/2034			\$47,600	\$47,600	
12/1/2034	\$530,000	4.00%	\$47,600	\$577,600	\$625,200
6/1/2035			\$37,000	\$37,000	
6/1/2036			\$25,600	\$25,600	
12/1/2036	\$615,000	4.00%	\$25,600	\$640,600	\$666,200
6/1/2037			\$13,300	\$13,300	
12/1/2037	\$665,000	4.00%	\$13,300	\$678,300	\$691,600

LTGO Bond Debt Service

Debt service on the (yet to be issued) limited tax general obligation (LTGO) bond is estimated at \$200,000 annually. A debt service schedule will be inserted in the budget document after the bond is issued.

Bond Redemption Fund Budget

The bond redemption fund is funded through transfer of funds from the bond fund (for the unlimited tax general obligation (UTGO) bond) and the general fund (for the LTGO bond). The bond redemption fund budget is displayed in Table 45.

Table 45. Bond Redemption Fund Budget

Expenditures		Actual 2020	Adjusted 2021	Adopted 2022
591 22 70 01	UTGO Debt Service	\$401,250	\$411,600	\$426,500
591 22 70 01	LTGO Debt Service	\$0	\$0	\$200,000
Total Expenditures		\$385,300	\$401,250	\$626,500

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Compensated Absences Fund

Overview of the Compensated Absences Fund

This fund is used to account for assets held by the district for 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 for executive staff and sick leave for other full-time employees.
- 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 Fund Revenue

The compensated absences fund is funded through transfers from the general fund. Initially, fund balance was maintained to provide for long-term sick leave buyback for the district's executive staff. In 2019 the rate of transfer to the compensated absences fund was increased to meet current and future liabilities on a comprehensive basis.

Compensated Absences Liabilities

The district's executive staff will be paid for up to 240 hours of long term sick leave at 100% of their hourly rate. In addition, 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 officers on shift work, vacancy results in increased overtime expense to maintain staffing levels. In addition, the district's current succession plan (CWIFR, 2019a) 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.

Actual Versus Projected Compensated Absence Liability

The actual compensated absence liability in a given year is based on individual leave balances in long term sick leave (executive staff), paid time off (executive staff), and annual leave/vacation (IAFF members). The district's projected compensated absence liability in 2022 is approximately \$133,278 (actual liability will depend on leave accrual and use in the fourth quarter of the year). This liability is based on all full-time employees ceasing employment with the district in 2022. Fortunately, this is extremely unlikely.

Projected compensated absence liability is based on likely leave balances on separation and the date at which separation occurs. The district's projections are based on the following assumptions:

- Executive staff will have accumulated 240 hours of long-term sick leave prior to retirement.
- Executive staff will have 60% of their maximum paid time off accrual at retirement (maximum carryover plus annual accrual, less anticipated use) at retirement.
- IAFF members will have 60% of their maximum annual leave accrual (maximum carryover, plus accrual, less anticipated use) at retirement.
- Except for individuals who have stated an anticipated retirement date, members who are in the law enforcement officers and firefighters (LEOFF) retirement system will retire at age 52 or 20 years of service whichever comes last.
- Individuals who have not identified a retirement date and are in the public employee retirement system (PERS) are anticipated to retire at age 67.
- Liability is calculated at current salary and wage rates and is adjusted anytime that the district's salary and wage schedule, leave accrual, or long-term sick leave/sick leave buyback changes.

The beginning balance in the compensated absences fund in 2023 is projected to be \$105,816, covering 54.31% of projected compensated absences. However, analysis of the projected cash flow from this fund indicates that future balances in this fund will allow the district to meet its compensated absence liabilities over the next ten years. As workforce leave accruals and compensation changes, so to does the district's compensate absence liability. This liability 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 sustainably. 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), \$24,009 will need to be transferred from the general fund to the compensated absences fund in 2023.

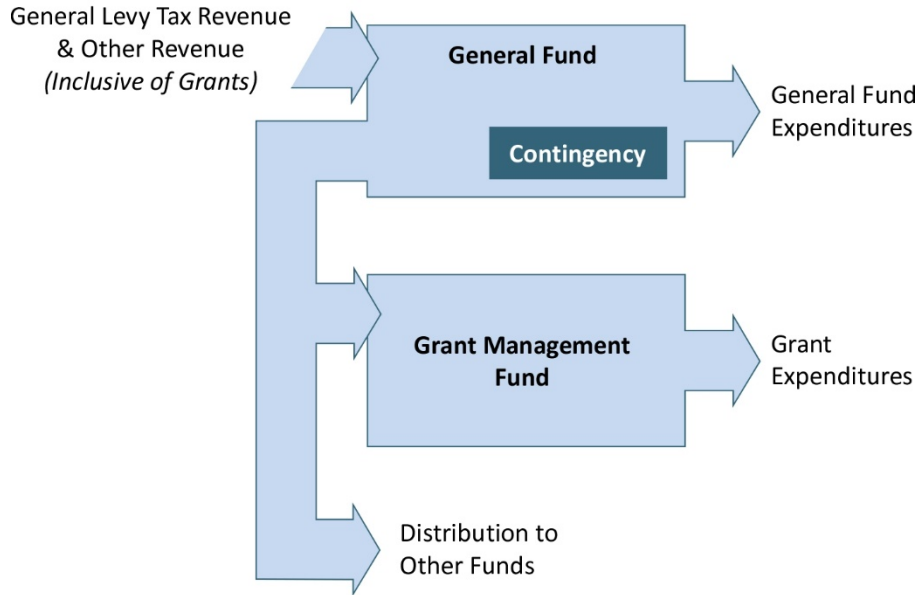
No expenditures are anticipated from the compensated absences fund in 2023.

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. Grant funds are deposited in the general fund and transferred out to the grant management fund as illustrated in Figure 35.

Figure 35. General Fund – Grants Management Fund Relationship



Grants Management Revenue & Expenditures

In 2021 the district received an AFG grant from DHS, FEMA in the amount of \$12,380.95 with a \$619.05 match by the district (total of \$13,000). This grant provided financial resources for expenditures related to the COVID-19 pandemic and to increase preparedness for continued illness related to SARS COV disease and/or future pandemic response. The district also received an AFG grant from DHS, FEMA in the amount of \$217, 143 with a \$10,857 match by the district. This grant provided financial resources for purchase and installation of diesel exhaust extraction systems in each of the district’s fire stations. The district requested grant funding of \$300,000, as such \$82,857 was transferred from the capital projects fund to the grants management fund for the district’s match and to meet the anticipated total cost of this project.

Grant Funded 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.

2022 Grants Management Budget

The district has not received any grants for the 2023 budget year. Should grants be received, the budget will be amended to reflect these awards.

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Appendix A - Tax Increase and Budget Adoption

Levy Certification

[Insert Levy Certification]

Tax Increase Resolution

[Insert Tax Increase Resolution]

Budget Adoption Resolution

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Appendix B - Financial Policies

The district has adopted comprehensive financial policies to guide budgeting and financial management. These policies are delineated in the district's financial standard operating guidelines (SOGs).

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, 2021). 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 that the long-term financial plan (incorporating financial policies) as an important policy document (CWIFR 2018, 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, 2021, 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 long-term financial plan 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, 2018a) 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" as specified in *RCW 42.56.080*.
- 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, 2017c):

- 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 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, 2017d)*:

- 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 (GFOA) 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, 2017e):

- 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, 2017f)*:

- It is the policy of Central Whidbey Island Fire & Rescue (CWIFR) to maintain accountability for its assets. The district shall maintain asset records and verify those records by a physical inventory at least annually.
- In addition, it is the policy of the district that the disposal of surplus property is accomplished through an efficient and appropriate process that is 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, 2017g)*:

- 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, 2017h)*:

- 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, 2017i)*:

- 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) 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, 2020c)*.

- 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 scheduled replacement of district vehicles and capital equipment at the end of their useful lives⁷.
- CWIFR will maintain sufficient balance in the compensated absences fund to meet anticipated payout requirements for unused compensated leave balance. The annual contribution rate to this fund shall be based on current salary, anticipated unused leave balances, and potential retirement date based on employee age, years of service, or announced retirement date.
- For employees hired after January 1, 2019 the district will fund compensated absence liability over the duration of the employee's career with payout anticipated on retirement eligibility based on age and years of service.
- 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, 2017j):

- 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* (CWIFR, 2017o).
- 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 *RCW 39.46*. Refunding bonds shall be issued in accordance with *RCW 39.53*.

⁷ This policy applies to projects funded through the capital projects fund. Other projects may be funded through judicious use of debt (such as major capital facilities projects or simultaneous replacement of multiple fire apparatus such as the projects funded with the District's unlimited tax general obligation (UTGO) bond in 2017.

- 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, 2017k)*:

- 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, 2017l)*:

- 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, & finance officer 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, 2017m)*:

- 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, 2017n)*:

- 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
- Adopted 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 fire 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 C – Long-Term Financial Plan Summary

Introduction

Central Whidbey Island Fire & Rescue's (CWIFR's) *Integrated Comprehensive Plan Volume 5-Long-Term Financial Plan* (CWIFR, 2022a) 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.

The district's long-term financial plan is tightly coupled with the other elements of the district's integrated comprehensive plan as previously illustrated in Figure 15 of this budget document. The district's integrated comprehensive planning process (CWIFR, 2018b) 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 2022 adopted budget summarizes and provides current year updates to key elements of long-term financial plan. Download the complete [CWIFR Integrated Comprehensive Plan Volume 5-Long Term Financial Plan](#) (CWIFR, 2022a).

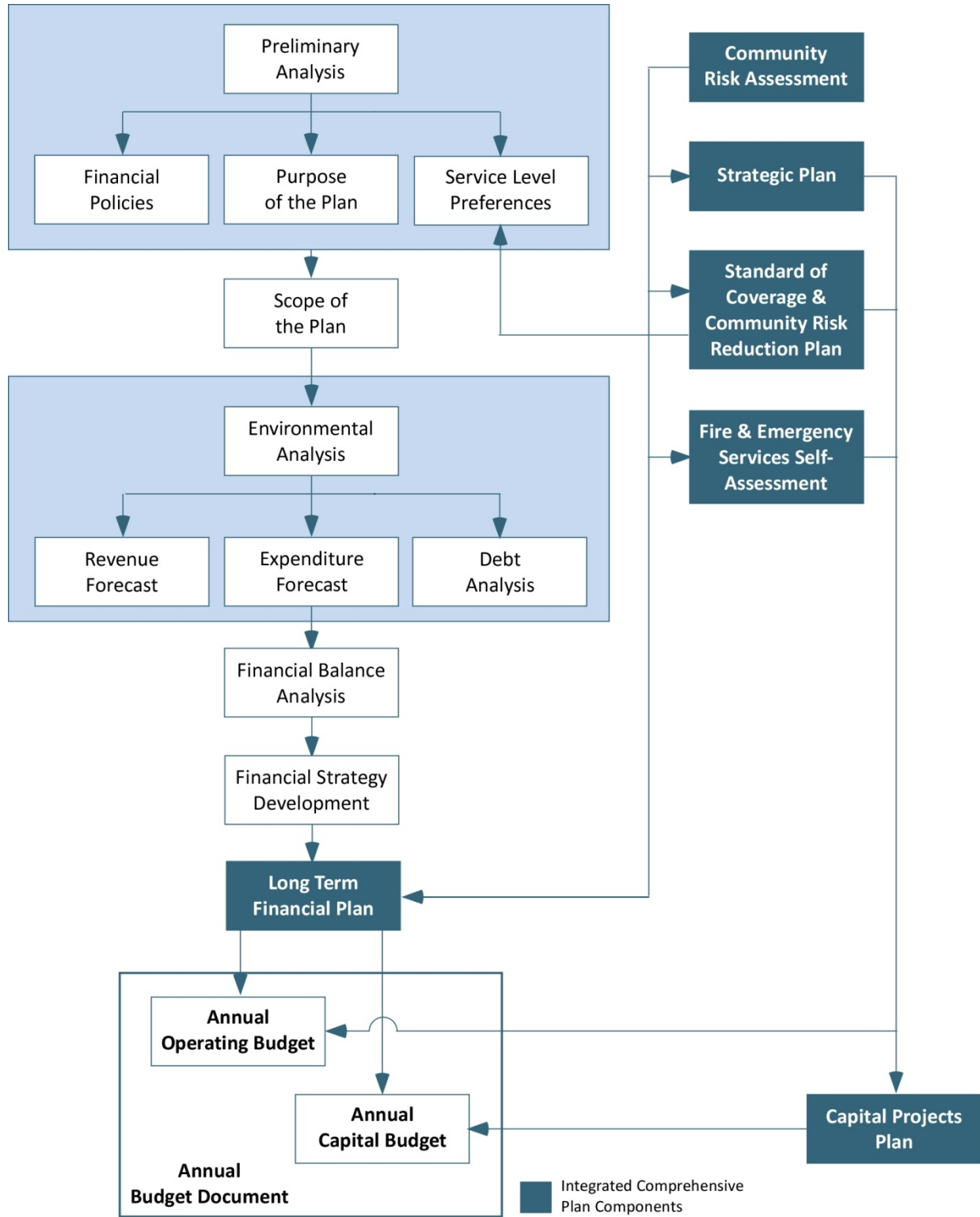
Long Term Financial Planning

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) (Kavanaugh, 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, 2020). 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, 2018b). Figure 37, illustrates the relationship between long-term financial plan, the other elements of the integrated comprehensive plan, and the district's annual operating and capital budgets.

Figure 36. Financial Planning Process



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

The district's long-term financial plan is reviewed annually as part of the annual budget process and comprehensively 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.

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 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 district's 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.

- The district's 2022 general levy rate is \$1.03/\$1000 assessed valuation (AV). The levy rate has been reduced from its peak level of \$1.38/\$1000 (AV) following the 2012 lid lift. This levy rate reduction resulted from increased property values and new construction.
- Revenue generated from the district's interlocal agreement with the Whidbey Island Hospital District (dba WhidbeyHealth) increased from \$281,000 to 285,000 annually, effective January 1, 2022. This agreement expires on December 31, 2024, but will be reopened in 2022 and 2023 for discussion of the fee for service.
- In 2022, the general fund beginning balance was approximately 110.02% of budgeted expenses. In 2023 the general fund beginning balance is anticipated to be at approximately 109.07% of budgeted expenses, exceeding the minimum set aside of 43% (33% plus 10% Contingency) established by the board of fire commissioners.

- In 2022, the district's general fund began to experience a negative cash flow (revenue-expense). The district's negative cash flow is the result of constitutional limitations in property tax increases (1% annually) and increased cost of service. This negative cash flow was anticipated in the district's long term financial plan to occur in 2021, but did not occur until 2022 due to increased revenue from interlocal agreements for all hazards mobilization.
- In 2023, the district's general fund beginning balance will start to decrease (based on negative general fund cash flow). However, the district will be able to sustain current service levels in the near- to mid-term due to adequacy of the general fund beginning balance.
- Adequate funding is available in the capital projects fund for near- to mid-term capital projects. The capital projects fund beginning balance will fluctuate considerably over the next several years based on the schedule of capital projects.
- Adequate funding is available in the compensated absences fund to meet anticipated liabilities on retirement of existing employees.
- 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 (2023) bond levy rate is \$0.17/\$1000 and is anticipated to decrease slowly over time due to increased property value and new construction.
- The district anticipates maintaining its AAA Bond Rating with Standard and Poor's.

While the district is financially healthy, it faces several fiscal pressures that will impact on its 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.
- Delays in construction of the new Station 53 resulted in substantial construction cost increases beyond those anticipated prior to passage of the district's unlimited tax general obligation bond used to fund this project. As such, additional debt will be required to complete this project.
- Increases in the state minimum wage and wages of comparable fire and rescue agencies have and will continue to impact personal services expense directly and indirectly.
- The district does not have enough revenue to fund identified capital facilities needs beyond those currently programmed and some programmed facility projects may need to be deferred to provide sufficient funding to complete construction of the new Station 53.

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 long-term 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. The district’s long-term financial plan covers a span of ten-years. Some of the planning assumptions extend for the full duration of the plan while others consider a shorter timeframe. To provide a common framework, assumptions may be categorized as short-term, mid-term, or long-term as illustrated in Table 46.

Table 46. Financial Assumption Timeframes

Category	Time Frame
Short-Term	1 to 1 ½ Years
Mid-Term	1 ½ to 5 Years
Long-Term	5 to 10 Years

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 global recession began in February 2020 because of the COVID-19 pandemic and ended in April of 2020. However, this recession has had long term impacts on the supply side of the economy (Weisenthal, 2022).

Assumption G2: Inflation remains high, but is likely to slow and begin to decline in 2023 and trend down to near the Federal Reserve target of 2.0% in 2024 through 2027 (Washington Economic and Revenue Forecast Council, 2022).

Assumption G3: Real estate values have increased and the real estate market will continue to be strong. Assessed valuation in Island County will continue to increase due to new construction and growth in property values over the next several years. However, growth in AV is likely to slow due to inflation and increased mortgage interest rates (Washington Economic and Revenue Forecast Council, 2022 & Redfin, 2022).

Assumption G4: Economic uncertainty remains high due to multiple factors including potential resurgence of COVID-19, recession resulting from federal reserve interest rate increase, potential escalation of the war in Ukraine, and increasing geopolitical tensions (Washington Economic and Revenue Forecast Council, 2022).

For additional detail supporting these assumptions, see the analysis of economic outlook in the district’s long-term financial plan.

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

Statutory Limitation Emergency Medical Services (EMS): The RCW allows an EMS levy to a maximum regular property tax rate of \$0.50/\$1000 of AV (RCW 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 property values. 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: With a levy rate below the statutory maximum of \$1.50/\$1000 AV for the general levy, growth in the district's revenue has been consistent, but will be unable to support current and projected demand for service beyond the short term.

Assumption R2: Revenue from the district's unlimited tax general obligation (UTGO) bond levy is not impacted by fluctuations in AV.

Assumption R3: In the near- to mid-term, average annual increase in total AV will be approximately 4.25% from year to year.

Assumption R4: In the long term, the average annual increase in AV due to new construction will be between \$20,000,000 and \$30,000,000 providing a limited increase in revenue above the statutory 1% property tax limitation. However, new construction

does not provide a sufficient additional revenue to support current and projected demand for service beyond the short term.

Assumption R5: In the long term, the district will collect slightly over 98% of property taxes levied (based on historical data for tax collection within the district).

Assumption R6: 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 midterm.

Assumption R7: 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- to mid-term.

Assumption R8: 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.

Assumption R9: Revenue generated through interlocal agreements with the Washington State Patrol (fire marshal's office), Washington Department of Natural Resources, and Washington Military Department (emergency management) for all-hazards mobilization and wildland firefighting operations will continue, and likely increase in the mid- to long-term.

For additional detail supporting these assumptions, see the analysis of economic outlook in the district's long-term financial plan.

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 four assumptions regarding expenditures.

Minimum Wage Statute: Initiative 1433 passed by the voters in 2016 tied increases in the minimum wage to the federal Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) (WA L&I, 2022a) and is set in September for the following year. In September 2022, the Department of Labor and Industries announced that the minimum wage in Washington for 2023 will be \$15.74 per hour (WA L&I, 2022b), an 8.66% increase from 2022.

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 sourced goods and services.

Assumption E1: The annual CPI-U and CPI-W are likely to increase higher than 8% in the short term and between 2.0% and 2.5% per year in the mid to long term (Washington Economic and Revenue Forecast Council, 2022 & BLS, 2022)

Assumption E2: The cost of equipment and services not included in the CPI-U or CPI-W are also likely to increase over 8% per year in the short-term and return to historical levels of approximately 2% inflation in the mid- to long-term (Washington Economic and Revenue Forecast Council, 2022 & BLS, 2022)

Assumption E3: The State's minimum wage is directly tied to increases in the CPI-W (RCW 49.46.020). While district staff are all paid above minimum wage, increases will continue upward pressure on wages across all classifications.

Assumption E4: The district has maintained a total compensation position in the labor market for the district's employees. 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.

Assumption E5: Meeting district's planned 3% average increase in budgeted expenditures on an annual basis is unlikely without reduction in internal or external service levels.

Assumption E6: Additional staffing to meet current and projected demand for services will significantly increase expense. The fully loaded first year cost for a firefighter is approximately \$101,200 (inclusive of wages and benefits). This cost increases to approximately 121,200 over a five-year period due to steps in the firefighter salary schedule. Initial cost to increase shift staffing to four personnel would require an initial cost of \$404,800 (currently two of the district's shifts are staffed with three full-time personnel and one is staffed with two full-time personnel).

For additional detail supporting these assumptions, see the analysis of economic outlook in the district's long-term financial plan. The district uses the national Consumer Price Index-All Urban Consumers (CPI-U) as recommended by the Bureau of Labor Statistics (MRSC, 2022 & BLS, 2020) as a basis for anticipating increases in personal service.

Based on board of fire commissioner's 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.

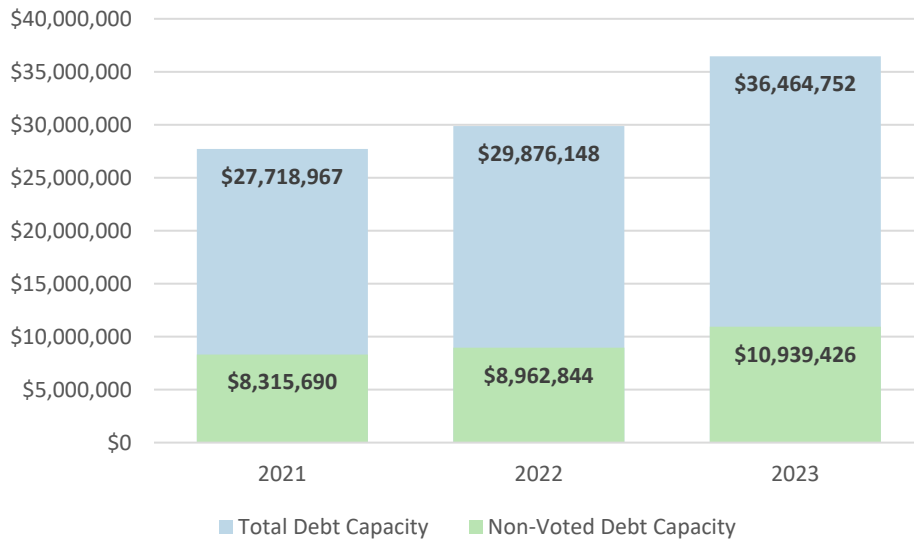
Debt Assumptions

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 as illustrated in Figure 37.

Figure 37. Central Whidbey Island Fire & Rescue Debt Limits



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 bond redemption fund reserved for the payment of general

obligation debt. Generally, cash outside of the bond redemption fund 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.

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

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

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 one (structural) fire engines. After passage of this bond measure, the district received the highest bond rating grade of AAA from Standard and Poor's. 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 four assumptions regarding debt:

Current Debt: In 2017, the district issued \$7,424,543 in unlimited tax general obligation (UTGO) bonds and 2022 debt will be \$5,770,000. 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 anticipates maintaining its AAA bond rating.

Assumption D2: The district anticipates issuing a \$2,650,000 limited tax general obligation (LTGO) bond late in the 4th quarter of 2022 or early 1st quarter of 2023. Funds from this bond will be used to complete the construction of the new Station 53 on Race Road. This debt was necessitated by increased costs resulting from permitting delays, impact of the COVID-19 pandemic, and related economic factors. This bond will have no prepayment penalty, allowing the district to pay off the bond should other sources of revenue become available.

Assumption D3: The district's non-voted (LTGO) debt and total debt will be well below statutory debt limits with non-voted debt at 24.22% of non-voted debt capacity and total debt at 15.82% of total debt capacity in 2022 (percentage of debt capacity used will decrease as the principal on these bonds is paid).

Assumption D4: The district does not anticipate addition of any additional unlimited tax general obligation (UTGO) debt within the duration of this plan.

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) have 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 board of fire commissioners and the district's 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 on an ongoing basis 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.

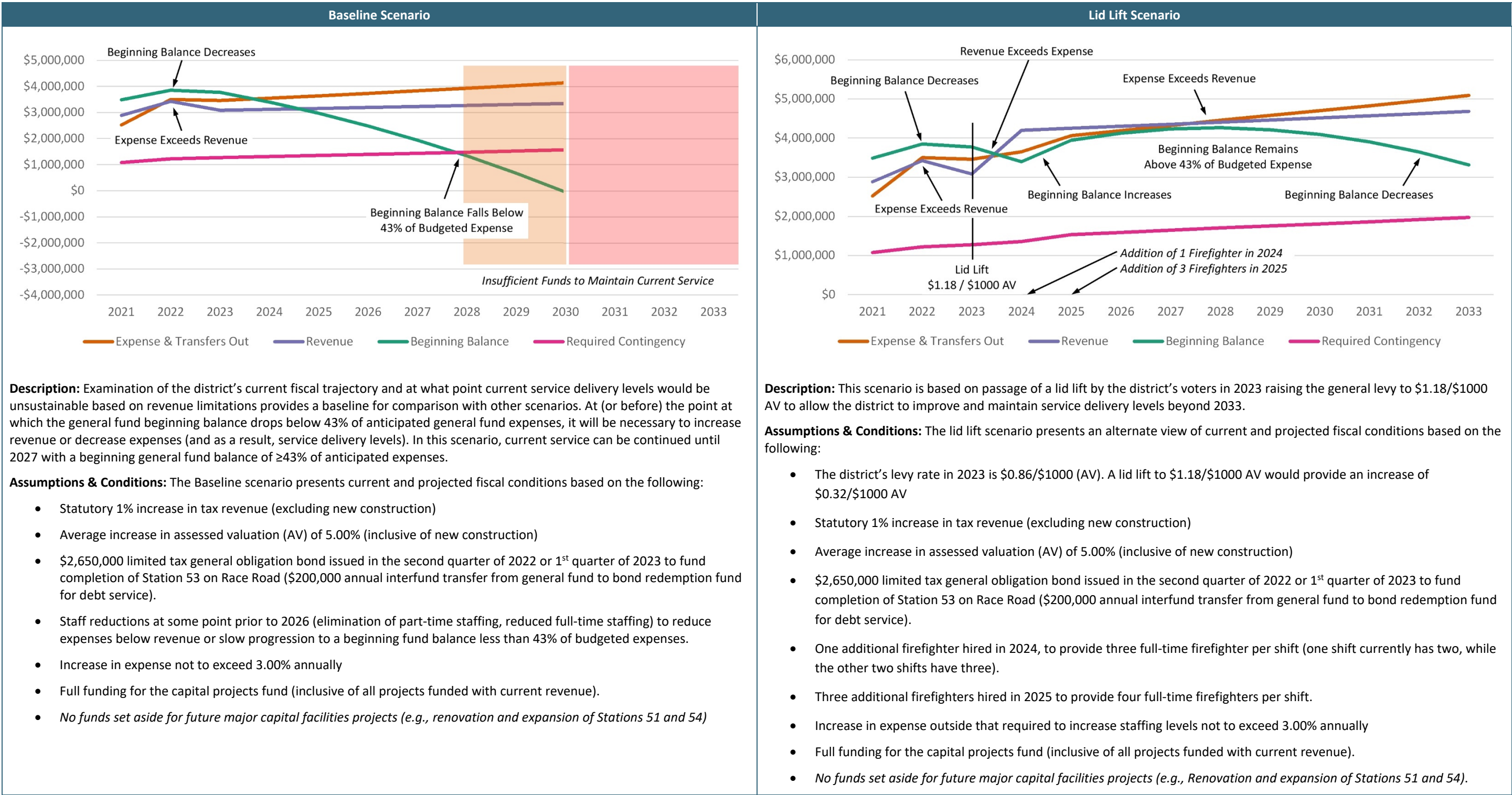
Overview of Scenarios

Table 47 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 of the baseline scenario is provided in *Integrated Comprehensive Plan Volume 5 – Long-Term Financial Plan* (CWIFR, 2022a).

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Table 47. Fiscal Scenarios



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Lid Lift Scenario

The district entered a negative cash flow condition in 2022. Under present fiscal conditions, the district will be able to maintain current service delivery levels until 2027. Absent an increase in revenue prior to that time, the district would need to reduce service delivery level 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 \$1.18/\$1000 in 2023 (lid lift) and presents an alternate view of current and projected fiscal conditions given the following assumptions:

- The district's levy rate in 2023 is \$0.86/\$1000 (AV). A lid lift to \$1.18/\$1000 AV would provide an increase of \$0.32/\$1000 AV.
- Statutory 1% increase in tax revenue (excluding new construction)
- Average increase in assessed valuation (AV) of 5.00% (inclusive of new construction)
- \$2,650,000 limited tax general obligation bond issued in the second quarter of 2022 or 1st quarter of 2023 to fund completion of Station 53 on Race Road (\$200,000 annual interfund transfer from general fund to bond redemption fund for debt service).
- One additional firefighter hired in 2024, to provide three full-time firefighters per shift (one shift currently has two, while the other two shifts have three).
- Three additional firefighters hired in 2025 to provide four full-time firefighters per shift.
- Increase in expense outside that required to increase staffing levels not to exceed 3.00% annually
- Full funding for the capital projects fund (inclusive of all projects funded with current revenue).
- *No funds set aside for future major capital facilities projects (e.g., Renovation and expansion of Stations 51 and 54).*

As illustrated in Table 48, this lid lift would permit the district to sustain current service delivery levels past 3033 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).

Justification for Increased Expense

Current staffing provides for a minimum of two personnel on-duty at any given time. This allows rapid response, but does not provide sufficient staffing to address the critical initial tasks required at a structure fire, vegetation fire, serious vehicle accident, or cardiac arrest. Similarly, two person on-duty staffing can only respond to one incident at a time. This becomes a challenge when the district receives multiple concurrent incidents, which occurs frequently. While the district depends on volunteer and off-duty members to augment on-duty personnel, timely initial response often has a significant impact on incident outcome.

Over the last ten years, the district has seen over a 50% increase in demand for emergency response services while population has increased only 10%. This increasing incident rate and total number of

incidents has resulted in an increasing number of concurrent incidents and places a significant workload on the district's limited staff.

The majority of the increased expense in this scenario is driven by increasing shift staffing over a two-year period to four personnel, a lieutenant and three firefighter/emergency medical technicians along with part-time staffing. This increase would allow the district to consistently maintain a staffing level of three or more personnel on shift at all times, significantly improving response capability.

A smaller component of the increased expense would pay the debt service on the district's limited tax general obligation (LTGO) bond which was required to complete the construction of Station 53 on Race Road. The expense of this project increased beyond initial estimates due to permitting delays and the impact of the COVID-19 pandemic and related supply chain issues. This fire station provides critical infrastructure for the district's service to the community as it is in a central location and houses the district's fleet maintenance and administrative functions as well as on-duty staffing for emergency response.

Table 48. Lid Lift Long Term Cash Flow Projection (Revision 13.0)

General Fund	Actual 2021	Adjusted 2022	Proposed 2023	Projected									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning General Fund Balance	\$3,486,831	\$3,850,578	\$3,773,183	\$3,397,631	\$3,942,123	\$4,126,769	\$4,235,411	\$4,264,758	\$4,211,414	\$4,092,481	\$3,905,082	\$3,646,249	\$3,312,928
Revenue													
Taxes-General Levy	\$2,439,524	\$2,502,242	\$2,555,248	\$3,660,534	\$3,697,139	\$3,734,111	\$3,771,452	\$3,809,166	\$3,847,258	\$3,885,731	\$3,924,588	\$3,963,834	\$4,003,472
Intergovernmental Revenue	\$7,934	\$8,450	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250	\$8,250
Charges for Service	\$370,133	\$467,600	\$475,130	\$484,087	\$496,341	\$509,094	\$522,369	\$536,192	\$550,589	\$565,587	\$581,215	\$597,504	\$614,484
Miscellaneous Revenue	\$66,952	\$107,892	\$42,809	\$41,748	\$45,557	\$47,520	\$49,128	\$50,367	\$51,221	\$51,782	\$52,037	\$51,973	\$51,578
Other Revenue	\$0	\$336,370	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Transfer In from Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer in from Capital Projects Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer In from Compensated Absences Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Revenues	\$2,884,543	\$3,422,554	\$3,083,937	\$4,197,118	\$4,249,787	\$4,301,474	\$4,353,699	\$4,406,476	\$4,459,818	\$4,513,849	\$4,568,590	\$4,624,061	\$4,680,285
Expenditures													
Budgeted Expenditures	\$2,506,858	\$2,835,852	\$2,961,971	\$3,155,047	\$3,567,497	\$3,695,122	\$3,826,576	\$3,961,973	\$4,080,832	\$4,203,257	\$4,329,355	\$4,459,236	\$4,593,013
Non-Expenditures													
Total Non-Expenditures	\$0	\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	\$2,319	\$2,388	\$2,460	\$2,534	\$2,610	\$2,688	\$2,768
Interfund Transfers (Out)													
Transfer to Contingency	\$0	\$114,788	\$10,825	\$17,492	\$39,308	\$10,565	\$10,868	\$11,179	\$9,440	\$9,722	\$10,012	\$10,311	\$10,619
Transfer to Capital Projects Fund	\$0	\$630,259	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449
Transfer to Capital Bond Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Bond Redemption Fund	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Transfer to Compensated Absences Fund	\$0	\$31,837	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009
Transfer to Grants Management Fund	\$13,937	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Transfers From General Fund	\$13,937	\$662,096	\$495,458	\$495,458	\$495,458	\$495,458	\$495,458	\$495,458	\$495,458	\$495,458	\$495,458	\$495,458	\$495,458
General Fund Ending Balance	\$3,850,578	\$3,773,183	\$3,397,631	\$3,942,123	\$4,126,769	\$4,235,411	\$4,264,758	\$4,211,414	\$4,092,481	\$3,905,082	\$3,646,249	\$3,312,928	\$2,901,973

Table 48. Lid Lift Long Term Cash Flow Projection (Revision 13.0) Continued

General Fund Contingency	Actual 2021	Adjusted 2022	Proposed 2023	2024	2025	2026	2027	Projected					
								2028	2029	2030	2031	2032	2033
Beginning Administrative Contingency Balance	\$168,797	\$168,797	\$283,585	\$296,147	\$315,455	\$356,700	\$369,462	\$382,608	\$396,147	\$408,033	\$420,276	\$432,885	\$445,874
Revenue													
Transfer in from General Fund	\$0	\$114,788	\$10,825	\$17,492	\$39,308	\$10,565	\$10,868	\$11,179	\$9,440	\$9,722	\$10,012	\$10,311	\$10,619
Miscellaneous Revenue	\$0	\$0	\$1,787	\$1,866	\$1,987	\$2,247	\$2,328	\$2,410	\$2,496	\$2,571	\$2,648	\$2,727	\$2,809
Total Contingency Revenue	\$0	\$114,788	\$12,612	\$19,358	\$41,295	\$12,812	\$13,195	\$13,590	\$11,936	\$12,292	\$12,660	\$13,038	\$13,428
Expenditures													
Budgeted Expenditures (Maintenance & Operations)	\$0	\$0	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Interfund Transfers (Out)													
Transfer to General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital Projects Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital Bond Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Compensated Absences Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Grants Management Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Transfers From General Fund Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Fund Contingency Ending Balance	\$168,797	\$283,585	\$296,147	\$315,455	\$356,700	\$369,462	\$382,608	\$396,147	\$408,033	\$420,276	\$432,885	\$445,874	\$459,251
Capital Projects Fund	Actual 2021	Adjusted 2022	Proposed 2023	2024	2025	2026	2027	Projected					
								2028	2029	2030	2031	2032	2033
Beginning Capital Projects Fund Balance	\$1,789,160	\$1,463,003	\$2,015,179	\$1,562,407	\$1,723,699	\$1,940,605	\$2,209,420	\$2,400,578	\$2,673,539	\$2,818,990	\$2,973,612	\$2,853,644	\$2,060,684
Revenue													
Transfer in from General Fund	\$0	\$630,259	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449	\$271,449
Transfer in from Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Miscellaneous Revenue (Investment Interest)	\$7,927	\$20,218	\$12,696	\$9,843	\$10,859	\$12,226	\$13,919	\$15,124	\$16,843	\$17,760	\$18,734	\$17,978	\$12,982
Total Capital Projects Fund Revenue	\$7,927	\$650,477	\$284,145	\$281,293	\$282,309	\$283,675	\$285,369	\$286,573	\$288,293	\$289,209	\$290,183	\$289,427	\$284,432
Expenditures													
Budgeted Expenditures (Capital)	\$334,084	\$15,444	\$736,917	\$120,000	\$65,404	\$14,859	\$94,211	\$13,612	\$142,842	\$134,587	\$410,151	\$1,082,387	\$6,729
Total Capital Projects Fund Expenditures	\$334,084	\$15,444	\$736,917	\$120,000	\$65,404	\$14,859	\$94,211	\$13,612	\$142,842	\$134,587	\$410,151	\$1,082,387	\$6,729
Interfund Transfers (Out)													
Transfer to General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Capital Bond Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Grants Management Fund	\$0	\$82,857	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Transfers From Capital Projects Fund	\$0	\$82,857	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Capital Projects Fund Balance	\$1,463,003	\$2,015,179	\$1,562,407	\$1,723,699	\$1,940,605	\$2,209,420	\$2,400,578	\$2,673,539	\$2,818,990	\$2,973,612	\$2,853,644	\$2,060,684	\$2,338,387

Table 48. Lid Lift Long Term Cash Flow Projection (Revision 13.0) Continued

Capital Bond Fund	Actual 2021	Adjusted 2022	Proposed 2023	Projected									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Capital Bond Fund Balance	\$7,426,934	\$5,427,297	\$4,091,888	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188
Revenue													
Taxes-Bond Levy	\$400,109	\$411,600	\$426,500	\$440,800	\$457,400	\$473,000	\$492,600	\$506,000	\$523,400	\$544,600	\$564,400	\$582,800	\$604,200
Other Revenue (Councilmanic Bond)	\$0	\$0	\$2,650,000										
Miscellaneous Revenue (Investment Interest)	\$40,262	\$93,218	\$30,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer In from General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer in from Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer in from Capital Projects Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Bond Fund Revenue	\$440,371	\$504,818	\$3,106,500	\$440,800	\$457,400	\$473,000	\$492,600	\$506,000	\$523,400	\$544,600	\$564,400	\$582,800	\$604,200
Expenditures													
Regular Budgeted Expenditures (Bond)	\$2,038,758	\$1,428,627	\$6,753,700										
Total Capital Bond Fund Expenditures	\$2,038,758	\$1,428,627	\$6,753,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interfund Transfers (Out)													
Transfer to Bond Redemption Fund	\$401,250	\$411,600	\$426,500	\$440,800	\$457,400	\$473,000	\$492,600	\$506,000	\$523,400	\$544,600	\$564,400	\$582,800	\$604,200
Ending Capital Bond Fund Balance	\$5,427,297	\$4,091,888	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188	\$18,188
Bond Redemption Fund	Actual 2021	Adjusted 2022	Proposed 2023	Projected									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Bond Redemption Fund Balance	\$127,493	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368
Revenue													
Transfer in from Bond Fund (UTGO Debt Service)	\$278,125	\$411,600	\$426,500	\$440,800	\$457,400	\$473,000	\$492,600	\$506,000	\$523,400	\$544,600	\$564,400	\$582,800	\$604,200
Transfer in from General Fund (LTGO Debt Service)	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Total Bond Redemption Fund Revenue	\$278,125	\$411,600	\$626,500	\$640,800	\$657,400	\$673,000	\$692,600	\$706,000	\$723,400	\$744,600	\$764,400	\$782,800	\$804,200
Expenditures													
Regular Budgeted Expenditures (Bond Redemption)	\$401,250	\$411,600	\$626,500	\$640,800	\$657,400	\$673,000	\$692,600	\$706,000	\$723,400	\$744,600	\$764,400	\$782,800	\$804,200
Ending Debt Service Balance	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368	\$4,368

Table 48. Lid Lift Long Term Cash Flow Projection (Revision 13.0) Continued

Compensated Absences Fund	Actual 2021	Adjusted 2022	Proposed 2023	Projected									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Compensated Absences Fund Balance	\$72,238	\$72,475	\$105,816	\$130,491	\$106,298	\$130,977	\$129,789	\$97,085	\$104,992	\$129,662	\$154,488	\$179,470	\$160,226
Revenue													
Miscellaneous Revenue (Investment Interest)	\$237	\$1,504	\$667	\$822	\$670	\$825	\$818	\$612	\$661	\$817	\$973	\$1,131	\$1,009
Transfer in from General Fund	\$0	\$31,837	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009	\$24,009
Total Compensated Absences Fund Revenue	\$237	\$33,341	\$24,676	\$24,831	\$24,679	\$24,834	\$24,827	\$24,621	\$24,670	\$24,826	\$24,982	\$25,140	\$25,018
Expenditures													
Budgeted Expenditures (Compensated Absences)	\$0	\$0	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Interfund Transfers (Out)													
Transfer to General Fund	\$0	\$0	\$0	\$49,024	\$0	\$26,022	\$57,531	\$16,714	\$0	\$0	\$0	\$44,383	\$37,701
Ending Compensated Absences Balance	\$72,475	\$105,816	\$130,491	\$106,298	\$130,977	\$129,789	\$97,085	\$104,992	\$129,662	\$154,488	\$179,470	\$160,226	\$147,543
Grants Management Fund	Actual 2021	Adjusted 2022	Proposed 2023	Projected									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Grants Management Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revenue													
Intergovernmental Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer in from General Fund (Grants and Match)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer in from Capital Projects Fund (Match)	\$82,857	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Grants Management Fund Revenue	\$82,857	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures													
Budgeted Expenditures (Grants Management)	\$82,857	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Grants Management Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
All Funds	Actual 2021	Adjusted 2022	Proposed 2023	Projected									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Ending Balance (All Funds)	\$10,986,518	\$10,274,019	\$5,409,233	\$6,110,131	\$6,577,606	\$6,966,639	\$7,167,585	\$7,408,648	\$7,471,723	\$7,476,013	\$7,134,804	\$6,002,268	\$10,274,019

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

Table 48. Lid Lift Long Term Cash Flow Projection (Revision 13.0) Continued

Fiscal Performance Measures	Actual 2021	Adjusted 2022	Proposed 2023	Projected									
				2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Fiscal Responsibility													
General Fund Revenue-General Fund Expense	\$363,747	-\$77,394	-\$375,552	\$544,491	\$184,646	\$108,643	\$29,347	-\$53,344	-\$118,932	-\$187,400	-\$258,833	-\$333,321	-\$410,955
General Fund Expenditure/Capita	\$320	\$357	\$369	\$390	\$437	\$442	\$462	\$470	\$475	\$482	\$492	\$497	\$510
% Change in General Fund Balance	10.43%	-2.01%	-9.95%	16.03%	4.68%	2.63%	0.69%	-1.25%	-2.82%	-4.58%	-6.63%	-9.14%	-12.40%
% Change in Capital Projects Fund Balance	-18.23%	37.74%	-22.47%	10.32%	12.58%	13.85%	8.65%	11.37%	5.44%	5.49%	-4.03%	-27.79%	13.48%
% Change in Compensated Absences Fund Balance	0.33%	46.00%	23.32%	-18.54%	23.22%	-0.91%	-25.20%	8.14%	23.50%	19.15%	16.17%	-10.72%	-7.92%
General Fund Cash Flow/General Fund Revenue	12.61%	-2.26%	-12.18%	12.97%	4.34%	2.53%	0.67%	-1.21%	-2.67%	-4.15%	-5.67%	-7.21%	-8.78%
General Fund Ending Balance/General Fund Revenue	133.49%	110.24%	110.17%	93.92%	97.11%	98.46%	97.96%	95.57%	91.76%	86.51%	79.81%	71.65%	62.00%
Long Term Debt/Assessed Value	0.28%	0.25%	0.20%	0.18%	0.17%	0.15%	0.13%	0.12%	0.11%	0.09%	0.08%	0.06%	0.05%
Debt Service/Operating Revenue	13.91%	12.03%	20.31%	15.27%	15.47%	15.65%	15.91%	16.02%	16.22%	16.50%	16.73%	16.93%	17.18%
% Full Funding of Contingency	67.33%	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	105.26%	78.17%	95.83%	86.35%	89.31%	89.36%	92.48%	94.24%	97.23%	96.94%	95.24%	99.24%	99.97%
% Full Funding of Compensated Absences Fund	49.20%	42.43%	54.31%	59.63%	54.84%	60.12%	60.14%	53.25%	55.37%	60.70%	65.01%	68.60%	66.41%
Adequacy & Sustainability of Funding													
General Fund Balance as a % of GF Expense	138.32%	110.02%	109.07%	93.02%	96.97%	98.42%	97.94%	95.63%	91.98%	87.05%	80.89%	73.55%	65.07%
Revenue/Capita	\$425.25	\$497.74	\$443.45	\$574.41	\$578.16	\$573.49	\$587.08	\$584.54	\$581.77	\$582.59	\$585.44	\$583.33	\$588.80
Intergovernmental Revenues/Total Revenues	0.24%	0.21%	0.23%	0.18%	0.17%	0.17%	0.17%	0.17%	0.16%	0.16%	0.16%	0.16%	0.16%
Property Tax/Total Revenues	85.20%	73.79%	83.86%	88.19%	88.01%	87.84%	87.68%	87.52%	87.36%	87.22%	87.07%	86.96%	86.92%
General Levy Rate	\$1.09	\$1.03	\$0.86	\$1.18	\$1.14	\$1.09	\$1.05	\$1.01	\$0.97	\$0.93	\$0.90	\$0.86	\$0.83
% of General Levy Rate/Maximum Levy Rate (\$1.50)	72.54%	68.80%	57.66%	78.67%	75.67%	72.79%	70.01%	67.35%	64.78%	62.31%	59.94%	57.66%	55.46%
Bond Levy Rate	\$0.19	\$0.18	\$0.17	\$0.15	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14	\$0.13	\$0.13	\$0.13	\$0.13
Total Levy Rate (General + Bond Levy Rates)	\$1.28	\$1.21	\$1.04	\$1.33	\$1.28	\$1.23	\$1.19	\$1.15	\$1.11	\$1.07	\$1.03	\$1.00	\$0.96

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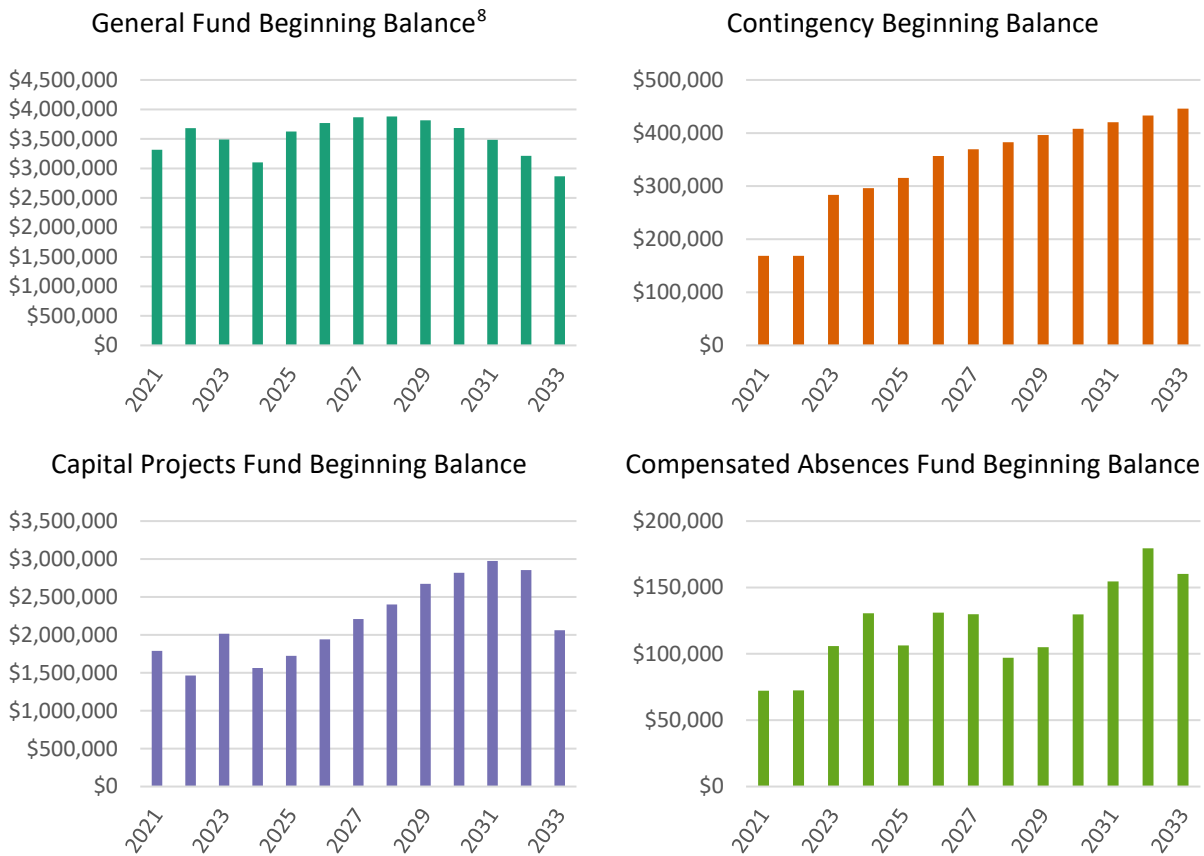
General Fund Cash Flow

As illustrated in Table 52, the district experiences a negative cash flow (revenue minus general fund expense and transfers to other funds) in 2022. Passage of a lid lift in 2023 returns the district to a positive cash flow and maintains an adequate general fund beginning balance (greater than 43% of anticipated expenses) well beyond 2033.

Beginning Fund Balance Trends

As in the baseline scenario, the general fund beginning balance began a continual decline in 2022. However, passage of a lid lift in 2023 will reverse this trend with positive cash flow continuing beyond the end of this long-term financial plan in 2033. 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. Beginning balance trends are illustrated in Figure 38.

Figure 38. Beginning Balance Trends



⁸ This chart illustrates the general fund beginning balance less contingency (which is illustrated separately).

The bond fund beginning balance will decrease as capital projects funded by the district's voter approved, unlimited tax general obligation (UTGO) and limited tax general obligation (LTGO) bonds are completed. Subsequently, the beginning balance of both the bond and bond redemption 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 a policy to maintain a minimum general fund beginning balance of 43% of maintenance and operations expenses, inclusive of a 10% contingency reserve (CWIFR, 2017b, CWIFR, 2020c). As illustrated in Table 52, given a lid lift raising the levy rate to \$1.18/\$1000 assessed valuation (AV) in 2023 the district will maintain a general fund beginning balance above this minimum beyond 2033 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 within the lid lift scenario. However, increased property tax revenue in 2023 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 2033.

Considerations

Increasing revenue through use of a lid lift will allow the district to improve service delivery levels and sustain those levels of service beyond 2033. It is possible to increase the regular levy rate less than \$1.18. However, this would limit the capability of the district to improve service and/or significantly reduce the time that improved service levels could be maintained without the need for a subsequent lid lift.

The Bottom Line

Use of a lid lift is a viable option to improve service delivery. Increased revenue provided by a lid lift would be 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

Central Whidbey Island Fire & Rescue (CWIFR) 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 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 currently has a negative cash flow and resulting decrease in general fund beginning balance over the next several years. The current general fund balance should allow the district to sustain current service delivery levels until 2027 but will require an increase in revenue or decrease in expenses prior to then to maintain a balanced budget. The general fund has insufficient revenue to improve service delivery to meet current and projected demand.

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 negotiated with WhidbeyHealth to continue its interlocal agreement to staff a basic life support ambulance under the current terms and conditions through December 31, 2024, opening the agreement to discuss fee for service in 2022 and 2023.

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.

The district entered interlocal agreements with the Washington State Patrol for all-hazards mobilization, Washington Department of Natural Resources (WA DNR) for wildland firefighting support, and the Washington Military Department (emergency management) for interstate mobilization in 2020. These

three agreements provide for services on an as needed basis. Growth in revenue from these agreements between 2020 and 2021 has been substantial, but is dependent on the frequency and extent of all-hazards mobilizations (largely for wildland fires). Given the increasing severity of wildfires in the western United States it is likely that demand for both in-state and interstate mobilizations will continue.

Central Whidbey Island Fire & Rescue (CWIFR) 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 2023 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 net 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 community's demand for service. This 3% net increase excludes expenses offset by specific revenue such as through in-state all hazards mobilization, wildland firefighting support, and interstate mobilization.

The district entered into an interlocal agreement with South Whidbey Fire/EMS for information technology services in 2021. This agreement should be expense neutral in comparison to previous contract information technology services, but is anticipated to significantly improve service and interoperability between our two agencies.

Appendix D - 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.

Adjusted Budget: The adjusted budget is an annual financial plan as revised by the board of fire commissioners during the fiscal year. Adjustments may include reduction or increase in line items on a net-zero (no change to the appropriated total) or may involve an interfund transfer or increase in appropriation (usually as the result of an increase in revenue or new revenue stream).

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. Central Whidbey Island Fire & Rescue (CWIFR) operates one transport capable aid unit (under an interlocal agreement with WhidbeyHealth). In addition, the district has seven licensed aid vehicles (three command units, three type one engines, and one rescue).

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.

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 Balance: See beginning cash balance.

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 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 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 expenditures for a given period and the 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 (BARS): The manual the State of Washington requires governmental entities (i.e., counties and cities) to use for financial reporting and which may also be used for budgeting and accounting.

CAD: See computer aided dispatch system

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. Volunteer captains may be certified as emergency medical technicians. The district does not currently have any full-time captains.

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).

Consumer Price Index (CPI): A statistical description of price levels provided by the United States 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

Core Competency: As used within the Commission on Fire Accreditation International accreditation process, core competencies are performance measures that must be met to achieve accreditation.

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.

Criterion: As used within the Commission on Fire Accreditation International accreditation process, criterion are major elements of the fire and emergency services self-assessment process. Each criterion is comprised of core competencies and performance indicators.

CRR: See community risk reduction.

Bond Redemption 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.

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., administrative, operations, community risk reduction, professional development, facilities, and fleet maintenance).

Division Chief: Chief officer serving as third in command to the fire chief and is the district' professional development division manager.

Emergency Medical Technician: An emergency responder certified as an emergency medical technician (EMT) at the basic, intermediate, or paramedic level.

EMT: See emergency medical technician

Engine: Fire apparatus equipped with a pump, water tank, and hose. CWIFR has two types of fire engines, type one (structural) and type five (wildland). CWIFR's Type one engines are designated by the letter "E" and have 1250 or 1500 gallon per minute pumps, 700 or 750-gallon water tanks and a substantial complement of hose and tools. CWIFR's type five engines are designated by the letter "B" (brush) have a 125 gallon per minute pump, a 400-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 placed 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, division 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. Central Whidbey Island Fire & Rescue's (CWIFR's) facilities plan examines facilities requirements based on a 50-year service delivery timeframe.

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 Chief: Chief executive officer of the district.

Firefighter/EMT: A firefighter who is also certified as an emergency medical technician (EMT) basic. Full-time and part-time firefighters are certified as EMT, 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 one FTE. Other frequently budgeted levels are 20 hours per week (one-half 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.

ILA: See interlocal agreement.

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

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.

Island County Emergency Communications Center (ICOM): 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).

IT: See Information Technology.

Levy Lid Lift: Initiative Measure No. 747 required state and local governments to limit property tax levy increases to one percent 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. 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.

MDT: See Mobile Data Tablet

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 and the field.

Mobile Data Tablet: A tablet computer connected to the CAD through a cellular connection used to send and receive data between the dispatch center and the field.

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 permitted 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.

Performance Indicator: As used within the Commission on Fire Accreditation International accreditation process, performance indicators are performance measures that should be met to achieve accreditation.

The district's strategic plan and budget document also contain performance indicators not directly related to accreditation but are leading or lagging measures of district performance.

PERS: See public employees retirement system.

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

Proposed Budget: The proposed budget is an estimate of the future costs, revenues and resources submitted by the fire chief to the board of fire commissioners.

PTO: See paid time off.

Public Employees Retirement System: 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. Central Whidbey Island Fire & Rescue's (CWIR's) full-time firefighters, lieutenants, and firefighter/mechanic 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 Five Wildland Engine: A small fire engine designed for vegetation (brush) fires meeting National Incident Management System (NIMS) performance and equipment requirements for these types.

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

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

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

Unit Designation: The unit designation (e.g., E51) identifies the nature of the unit (e.g., engine, water tender, command unit, support vehicle) and the station assignment (e.g., Station 51) or specific unit (e.g., C501 is the fire chief).

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

UTGO: See unlimited tax general obligation bond

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

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

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 Incentive Program: Volunteers receive an annual stipend based on their seniority and activity level above the minimum required to receive a quarterly stipend.

Volunteer Quarterly Stipend: Volunteers who meet minimum activity requirements for service, training, and other activity are paid a quarterly stipend based on their rank, role, and qualifications as specified in Standard Operating Guideline 1.2.5 Volunteer Personnel (CWIFR, 2017p).

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. Central Whidbey Island Fire & Rescue's (CWIFR's) water tenders are equipped with a 750 gallon per minute pump and a 2,500-gallon water tank.

Whidbey Island Public Hospital District: Hospital district on Whidbey Island providing a range of medical services including a level III trauma center, and advanced life support (ALS) ambulance service. The hospital district does business as WhidbeyHealth.

WhidbeyHealth: See Whidbey Island Public Hospital District.

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