

# **2022 Fourth Quarter Report & Proposed Budget Adjustments October 13, 2022**

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## Introduction

Earlier this year, Central Whidbey Island Fire & Rescue (CWIFR) received funds under an insurance settlement for replacement cost for Marine 5 which was irreparably damaged in an accident during marine rescue operations and additional revenue from sale of the vessel at auction. In addition, the district received unbudgeted revenue from 2021 state and emergency management assistance compact (EMAC) mobilizations and sale of three surplus type one engines. Recognition of this unbudgeted revenue will provide a clearer picture of the district's financial position in the 2023 budget process.

In the third quarter of 2022, South Whidbey Fire/EMS (SWFE) requested assistance with finance services due to the unanticipated departure of their finance officer. CWIFR entered into an interlocal agreement to provide those services on a cost-of-service basis. Revenue from this agreement require new revenue line item. In addition, two expense line items will need to be created, one for administrative overtime (paid to the non-exempt) administrative assistant/fiscal specialist) and special assignment compensation (paid to the exempt finance officer).

In addition to these changes, there are a number of other adjustments that are recommended on a net-zero impact to the budget basis.

### Budget Adjustment Format

District executive staff have worked to provide clear, simple explanation for proposed adjustments in the proposed budget change report and have provided expanded justification for major changes as required by *Standard Operating Guideline (SOG) 1.3.1 Budget* (defined as an adjustment of any line that is greater than \$2000).

The *2022 Fourth Quarter Report and Proposed Budget Adjustment* is comprised of this narrative report and the proposed budget changes.

### Budget Adjustment Overview

This report and proposed budget adjustment details proposed adjustments to the general fund budget on a line-by-line basis including:

- Original (Adopted) Budget Amount
- Proposed (Adjusted) Budget Amount
- Difference (Increase or Decrease)
- Remarks providing explanation and justification

If a change in a line (increase or decrease) is in excess of \$2,000 additional explanation and justification for this proposed adjustment is provided.

## General Fund Adjustments

### General Fund Revenue

The district had significant revenue during the year related to prior year's mobilizations, insurance settlement on the rescue boat, and sale of surplus capital assets..

#### ***342 50 00 00 State & EMAC Mobilization***

The district received \$120,545.62 for mobilizations that occurred in 2021 which was not included in the budgeted revenue for this line. Revenue for mobilizations in 2022 has already exceeded budgeted revenue.

It is recommended that revenue in this line be increased by \$120,600.

#### ***395 20 00 00 Compensation for Loss/Damage***

The district received an insurance settlement of \$333,870 for the total loss of the rescue boat during marine rescue operations.

#### ***369 10 00 00 Sale of Surplus***

The district received \$56,500 for sale miscellaneous surplus fire and rescue equipment.

It is recommended that revenue in this line be increased by \$56,500

#### ***341 81 00 00 Financial Services (New Revenue Line)***

The district entered an interlocal agreement with South Whidbey Fire/EMS (SWFE) to provide temporary financial services. The district anticipates that this agreement will result in revenue of approximately \$00,000.

It is recommended that this line be created with a budgeted revenue of \$00,000.

### General Fund Expense

Increases in multiple lines within the General Fund Budget total \$88,390. This is offset by decreases in other lines totaling \$88,390 resulting in net zero adjustment of the budget.

#### ***522 10 12 04 Administrative Assistant/Fiscal Specialist Wages***

The district entered an interlocal agreement with South Whidbey Fire/EMS (SWFE) to provide temporary financial services. To meet the increased workload of this interlocal agreement, the district temporarily increased the administrative assistant/fiscal specialist's hours of work from 30 hours/week to 40 hours/week and increased her wages from \$23.41/hour to 25.00/hour in lieu of benefits for this temporary full-time assignment.

It is recommended that this line be created but not yet funded. This expense will be funded from revenue generated through the interlocal agreement with SWFE for financial services.

#### ***522 10 21 01 Administrative Overtime (New Expense Line)***

This line would provide for payment of overtime to non-exempt administrative staff when they work in excess of 40-hours per week. In the current year, this line would be funded through the interlocal agreement with SWFE for provision of temporary financial services in cases where the administrative

assistant/fiscal specialist was required to work overtime to meet workload demands of both CWIFR and SWFE.

It is recommended that this line be created but not yet funded. This expense will be funded from revenue generated through the interlocal agreement with SWFE for financial services.

***522 10 21 02 Executive Staff Special Assignment Compensation (New Expense Line)***

This line would provide for payment of compensation for exempt administrative staff when working in excess of 40-hours per week in a special assignment with external funding. Examples would include executive staff on state or emergency management assistance compact (EMAC) deployment or the interlocal agreement to provide temporary financial services to SWFE.

It is recommended that this line be created but not yet funded. This expense will be funded from revenue generated through the interlocal agreement with SWFE for financial services.

***522 10 31 02 Computer Software***

The districts e-mail spam filtering software will expire in the 4<sup>th</sup> quarter of 2022. The ongoing expense of renewing the license for this software is reduced by purchasing a three-year license at a cost of \$3,408 rather than renewing annually at the single year price. The district's firewall for Station 53 is no longer supported by the manufacturer and will need to be replaced in 2023. However, the manufacturer is currently offering free replacement of the hardware with a three-year subscription to the related firewall software (which would be required in any case) if purchased in 2022 at a cost of \$11, 874. This results in a savings of approximately \$7,000 over delaying the purchase until 2023 and purchasing the hardware and software separately.

It is recommended that this line be increased by \$15,000.

***522 10 65 01 Computer Hardware***

No desktop computers were replaced in 2022.

It is recommended that this line be reduced by \$2,500.

***522 10 41 02 Legal***

Legal expenses were higher than anticipated due to ongoing labor relations issues earlier in 2022.

It is recommended that this line be increased by \$5,000.

***522 10 42 03 Telephone***

Telephone expense has been slightly higher than anticipated and additional work was required during the move from Station 53.

It is recommended that this line be increased by \$4,000

***522 10 42 02 Cable/Internet***

Cable and internet expense was higher than anticipated due to price increases and the need to increase internet speed at Station 51 due to higher bandwidth requirements resulting from increased staffing at that station.

It is recommended that this line be increased by \$2,000.

***522 10 46 01 Liability/Umbrella Insurance***

The district's insurance expense increased to a greater extent than anticipated in 2022.

It is recommended that this line be increased by \$4,000/

***522 20 20 03 Part-Time Firefighter Wages***

The district has experienced ongoing challenges in maintaining full part-time staffing (six part-time firefighters). As such the expense of staffing by part-time firefighters has been considerably lower than budgeted.

It is recommended that this line be decreased by \$48,530.

***522 20 22 03 Part-Time Firefighter L&I***

See the discussion of part-time firefighter wages.

It is recommended that this line be decreased by \$5,000.

***522 20 24 03 Part-Time Firefighter PERS***

See the discussion of part-time firefighter wages.

It is recommended that this line be decreased by \$5,600.

***522 20 35 06 Personal Protective Equipment***

Personal protective equipment replacement costs have been less than anticipated in 2022.

It is recommended that this line be reduced by \$11,000

***522 20 35 08 Computer Hardware***

Due to the need for compatibility with the Spillman computer aided dispatch (CAD) preplan module and failure of multiple older Apple I-Pad tablets being used as MDCs in apparatus, new Microsoft Surface Pro computers were purchased as MDCs (similar to those used by the Island County Sheriff's Office). Installation of these computers in the district's type one engines (Engine 51, 53, and 54) and command vehicles also required installation of antennas, cellular modems, and related hardware.

It is recommended that this line be increased by \$17,500.

***522 20 41 04 Medical & Psychological***

Increased volunteer recruitment has resulted in higher than anticipated expense for medical physical examinations.

It is recommended that this line be increased by \$5,000.

***522 20 42 03 Data Cards for MDCs***

Expense for MDC data card has been higher than anticipated and the district has added several new MDCs.

It is recommended that this line be increased by \$2,500.

***522 45 31 02 Fire Training Supplies***

Expense in this line was the result of unbudgeted training prop construction to support victim rescue scenarios.

It is recommended that this line be increased by \$2,500.

***522 45 49 07 Tuition***

This line was budgeted in anticipation of higher education reimbursement. Some of the remaining balance will support the overage in Fire Training Supplies.

It is recommended that this line be decreased by \$2,500.

***522 45 12 01 Training Overtime***

Additional expense in this line will be necessary to support two major training initiatives. A Structural Collapse training course, and a Peer Support Team training course will require overtime to cover attendance and backfill positions.

It is recommended that this line be increased by \$10,000.

***522 45 43 03 Special Operations Training (T/L/M)***

Remaining budget is due to a change in opportunity for training. The line was budgeted in anticipation of external training. Instead, internal training will fill the need.

It is recommended that this line be decreased by \$4,000.

***522 45 49 03 Special Operations Training Registrations***

Funds in this line item were budgeted for external training. Instead, internal training will fill the need.

It is recommended that this line be decreased by \$6000.

***522 45 41 01 Consulting Services***

Funds are necessary in this line to support Peer Support Team instruction. The funds will be used to pay associated travel and fees for the instructor.

It is recommended that this line be increased by \$2000.

***522 50 32 03 Station 51 Propane***

Propane use is higher than originally budgeted due to increase occupancy. In addition, propane cost has also increased..

It is recommended that this line be increased by \$2,500.

***522 50 35 04 Grounds Equipment***

Expense in this line was the result of unbudgeted maintenance and repair of grounds equipment and purchase of trimmers and blowers for each station to increase the efficiency of grounds maintenance by the duty crew.

It is recommended that this line be increased by \$2,300.

***522 60 48 01 Apparatus Repair and Maintenance***

Due to several unanticipated repairs, repair and maintenance has been higher than anticipated.

It is recommended that this line be increased by \$8,000.



**Proposed Budget Changes**

**Revenue**

Line	Description	Budgeted	Revenues	Remaining	% Received	Adjustment	Notes
342 50 00 00	State & EMAC Mobilization	\$50,000.00	\$120,545.62	(\$70,545.62)	241.09%	\$120,600.00	Revenue from 2021 in-state and emergency management assistnace compact mobilization
395 20 00 00	Compensation for Loss/Damage	\$0.00	\$333,870.00	(\$333,870.00)		\$333,870.00	Revenue from Marine 5 insurance settlement
369 10 00 00	Sale of Surplus	\$0.00	\$56,500.00	(\$56,500.00)		\$56,500.00	Sale of three type one engines, rescue boat, and miscellaneous surplus equipment
341 81 00 00	<i>Financial Services (New Line)</i>	\$0.00	\$0.00	\$0.00		\$0.00	Temporary finance officer services provided to South Whidbey Fire/EMS
<b>Total</b>						<b>\$510,970.00</b>	

**Expense**

Line	Description	Budgeted	Expended	Remaining	% Expended	Adjustment	Notes
522 10 20 01	<i>Administrative Overtime (New Line)</i>	\$0.00		\$0.00			Administrative assistant/fiscal specialist (SWFE interlocal Agreement)
522 10 20 02	<i>Exec Special Assignment (New Line)</i>	\$0.00		\$0.00			Executive Staff Special Assignment Comp (SWFE interlocal agreement or mobilization)
522 10 31 02	Computer Software	\$13,794.00	\$8,473.00	\$5,321.00	61.43%	\$15,500.00	Barracuda (\$3,408) and Firewall Software (\$11,874) - 3 Year Updates for Each
522 10 35 01	Computer Hardware	\$4,200.00	\$653.69	\$3,546.31	15.56%	(\$2,500.00)	Desktop computers not replaced this year
522 10 41 02	Legal	\$16,500.00	\$20,795.59	(\$4,295.59)	126.03%	\$5,000.00	Increase legal expend due to labor relations
522 10 41 06	Information Technology	\$26,610.00	\$11,667.66	\$14,942.34	43.85%	\$50.00	May need adjustment due to work during move and contract inventory of network
522 10 41 09	Accreditation Costs	\$570.00	\$600.00	(\$30.00)	105.26%	\$30.00	Increased cost for registered agency status
522 10 42 02	Internet Domain Name	\$60.00	\$106.52	(\$46.52)	177.53%	\$50.00	Error in charge, unable to correct
522 10 42 03	Telephone	\$8,716.00	\$7,297.99	\$1,418.01	83.73%	\$4,000.00	Likely will need adjustment due to work during mmove and increase phone expense
522 10 42 05	Cable/Internet	\$7,632.00	\$5,996.53	\$1,635.47	78.57%	\$2,000.00	Likely will need adjustment due to increase internet speed (but maybe not due to 53)
522 10 46 01	Liability/Umbrella	\$53,146.00	\$57,078.00	(\$3,932.00)	107.40%	\$4,000.00	Increased insurance cost
522 10 49 08	Finance Charges	\$200.00	\$305.52	(\$105.52)	152.76%	\$200.00	Unanticipated finance charges
522 20 10 03	Part-Time Firefighter Wages	\$163,171.00	\$62,283.00	\$100,888.00	38.17%	(\$47,930.00)	Limited number of part-time firefighters employed in 2022
522 20 22 03	Part-Time FF L&I	\$18,757.00	\$7,922.21	\$10,834.79	42.24%	(\$5,000.00)	Limited number of part-time firefighters employed in 2022
522 20 24 03	PT FF PERS	\$21,163.00	\$6,384.15	\$14,778.85	30.17%	(\$5,600.00)	Limited number of part-time firefighters employed in 2022
522 20 31 01	Fire Supplies	\$2,155.00	\$3,081.33	(\$926.33)	142.99%	\$1,000.00	Purchase on non-flurorinated foam
522 20 35 05	Personal Protective Equipment	\$40,161.00	\$4,890.22	\$35,270.78	12.18%	(\$11,000.00)	
522 20 35 08	Computer Equipment	\$1,300.00	\$17,601.39	(\$16,301.39)	1353.95%	\$17,500.00	MDCs and Related Equipment
522 20 41 03	Recruitment & Testing	\$1,770.00	\$1,860.15	(\$90.15)	105.09%	\$300.00	Additional Volunteer Recruitment
522 20 41 04	Medical & Psychological	\$6,830.00	\$11,468.00	(\$4,638.00)	167.91%	\$5,000.00	Additional Volunteer Recruitment
522 20 42 03	Data Cards for MDCs	\$4,200.00	\$4,175.02	\$24.98	99.41%	\$2,500.00	Increased cost and number of devices
522 20 43 01	All Hazard Mobe TLM	\$100.00	\$772.33	(\$672.33)	772.33%	\$700.00	Reimbursed expense for travel, lodging, and meals during mobilization

2022 FOURTH QUARTER PROPOSED BUDGET ADJUSTMENTS

Line	Description	Budgeted	Expended	Remaining	% Expended	Adjustment	Notes
522 20 48 02	Communications Equipment R&M	\$6,823.00	\$7,405.89	(\$582.89)	108.54%	\$600.00	Increased repair and maintaince cost for radios
522 45 12 01	Training OT	\$9,087.00	\$4,050.24	\$5,036.76	44.57%	\$10,000.00	Additional cost to support two classes (held internally)
522 45 31 02	Fire Training Supplies	\$925.00	\$2,985.67	(\$2,060.67)	322.78%	\$2,500.00	Additional training supplies purchased (lumber)
522 45 35 03	Special Operations Training Equipment	\$1,500.00	\$1,623.94	(\$123.94)	108.26%	\$1,000.00	Additional cost for internal class
522 45 35 05	Computer Hardware	\$160.00	\$402.18	(\$242.18)	251.36%	\$250.00	Cost for new projector
522 45 41 01	Consulting Services	\$0.00	\$0.00	\$0.00		\$2,000.00	Add funds for Peer Support Instructor
522 45 43 03	Special Operations Trng (Tvl/Lodge/Meals)	\$4,400.00	\$0.00	\$4,400.00	0.00%	(\$4,000.00)	Funds not used for external class
522 45 43 08	Vision Trng (Tvl/Lodge/Meals)	\$1,000.00	\$0.00	\$1,000.00	0.00%	(\$1,000.00)	Funds to begin Peer Support
522 45 49 03	Special Operations Training Registrations	\$6,600.00	\$0.00	\$6,600.00	0.00%	(\$6,000.00)	Funds not used for external class
522 45 49 07	Tuition	\$7,500.00	\$1,351.48	\$6,148.52	18.02%	(\$3,760.00)	Decreased college enrollment this year
522 45 49 08	Professional Memberships	\$130.00	\$140.00	(\$10.00)	107.69%	\$10.00	Increased cost for memberships
522 45 49 10	Vision Training	\$1,000.00	\$0.00	\$1,000.00	0.00%	(\$1,000.00)	Funds to begin Peer Support
522 50 32 03	Station 51 Propane	\$8,000.00	\$6,667.86	\$1,332.14	83.35%	\$2,500.00	Increased occupancy and cost of propane
522 50 35 02	Facilities Equipment & Tools	\$1,000.00	\$1,657.82	(\$657.82)	165.78%	\$800.00	Purchase of portable air conditioners for Station 51
522 50 35 04	Grounds Equipment	\$0.00	\$2,253.25	(\$2,253.25)		\$2,300.00	Repair of grounds equipment and purchase of weed trimmers and blowers (\$1,498.17)
522 60 48 01	Apparatus R&M	\$32,900.00	\$38,924.23	(\$6,024.23)	118.31%	\$8,000.00	Increase repair expense
<b>Total</b>						<b>\$0.00</b>	