

# Central Whidbey Island Fire-Rescue



## 2024 Amended Budget-in-Brief

Amended 4/17/24

Professionalism • Integrity • Compassion • Excellence

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## Complete Adopted Budget & Long-Term Financial Plan

Access the complete adopted budget, long-term financial plan, and other detailed information on the district from our web site: [www.cwfire.org](http://www.cwfire.org).

## Mission, Vision, & Values

### Mission

Partner with our community to proactively reduce risk from fire, illness, injury and other hazards.

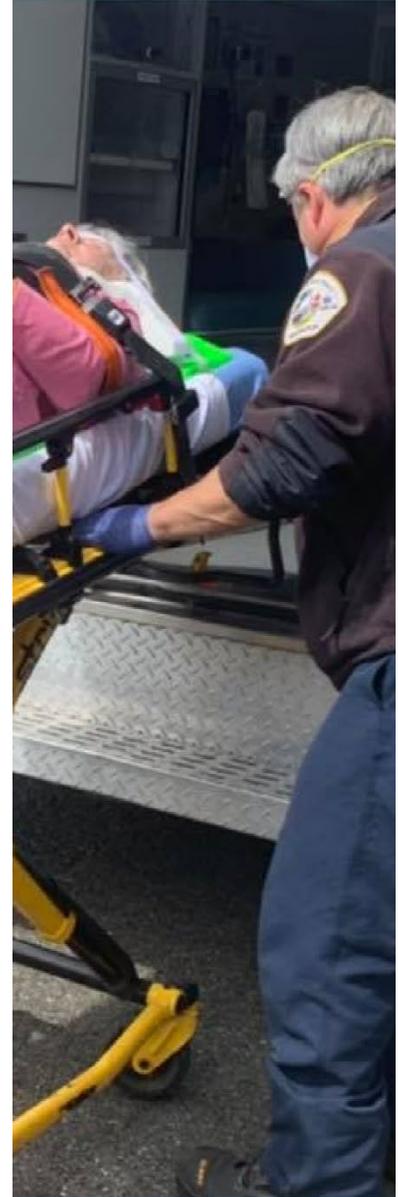
### Vision

Delivery of world class fire & rescue services.

### Values

The district’s governance, leadership, and operations are guided by our values of professionalism, integrity, compassion and excellence. These values have been woven throughout Central Whidbey Island Fire & Rescues human resources and operational processes.

Professionalism  
Integrity  
Compassion  
Excellence



World class fire  
& rescue service

## Budget Message

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 10,000 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 ten consecutive years.

The 2024 proposed district budget increased general fund expenditures by 5.39%. While this increase is slightly higher than the long-term financial plan goal of 3% per year, voters in the 2023 November 7<sup>th</sup> general election voted to add four more firefighters, increasing the general levy rate from \$.86 to \$1.18. As such, when we begin adding these positions as tax revenue comes in, there will be an anticipated general fund expense increases associated with adding staff. These increases are covered by the increase in revenue generated from the 2023 levy lid lift. It is worth noting that personal services expense such as salaries and benefits comprise the largest percentage of the district budget, as such, the majority of 2024 and anticipated 2025 expenditure increases will be for filling the positions that were approved by the voters in the November 7<sup>th</sup> 2023 general election.

Based on preliminary data from the Island County Assessor, assessed valuations (AVs) increased 10.6%. 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.

The general levy rate (approved by voters November 7<sup>th</sup> 2023) will be \$1.18/\$1000, and the bond levy rate will be \$0.14/\$1000. The actual increase in AVs and impacts to levy rates will not be determined by the assessor's office until after January 1, 2024.

## 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 in 2022. Thank you!

Work is nearly complete 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.

Our plan to cover these costs and reduce impacts to taxpayers was to approve the use of an LTGO bond to initially cover the economic impact on construction costs. Soon after the LTGO Bond was approved by the fire commissioners, The District received a \$2.7 million dollar LCP grant from the State of Washington to payback this loan immediately and alleviate financial and operational impact to our taxpayers. This allowed us to re-divert anticipated LTGO repayments back into other vital emergency service delivery projects.

### **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 11 years. Similar to combination career and volunteer fire and rescue agencies across the county, CWIFR continues to face an uphill battle to ensure adequate volunteer staffing and turnover among part-time firefighting staff continues to impact operations. Similar to other local governments in Washington, CWIFR lives with the 1% constitutional limitation on increases in property tax revenue.

Despite these challenges, CWIFR continues to make progress in improving our capability to provide service to the community in a fiscally prudent manner. In 2023, the district took delivery of our new marine rescue vessel, replacing the previous vessel that was damaged beyond repair due to mechanical failure during rescue efforts in a major storm in 2022. The new rescue vessel was purchased using the insurance settlement through the company who insures the district's fleet. The district is also nearing completion of construction of the new headquarters Station 53 on Race Road. While this project has presented some challenges and major delays along the way, the district anticipates to be in the new facility by the end of 2023.

Due to the delays in permitting, the impact of the COVID-19 pandemic, and related ongoing supply chain issues, the cost of construction for Station 53 increased \$2,700,000 more than anticipated. The commissioners approved a (councilmanic), limited tax general obligation (LTGO) bond to fund completion of this project. The district also received a \$2.75 million dollar grant from Washington State for repayment of this LTGO bond. This bond will be paid off as soon as state funding is dispersed. This grant will save the district approximately \$210,000 dollars per year for the next 20 years in general fund repayment expenditures.

CWIFR welcomes feedback on our budget document. Please contact me via e-mail ([jhelm@cwfire.org](mailto:jhelm@cwfire.org)), telephone (360) 678-3602, or stop by our headquarters station (once construction is completed) at 1164 Race Road.

Sincerely, Chief Jerry Helm, BS, FO



**Government Finance Officers Association  
Distinguished Budget Presentation Award  
2014 - 2023**

## Central Whidbey Island Fire & Rescue

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. 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. 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.

### Service Area

Central Whidbey Island Fire & Rescue (CWIFR) serves an area of 50 square miles with and a population of approximately 9,000 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.



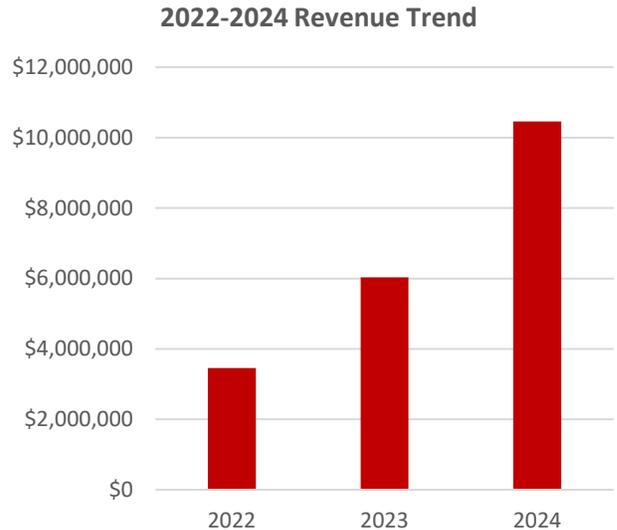
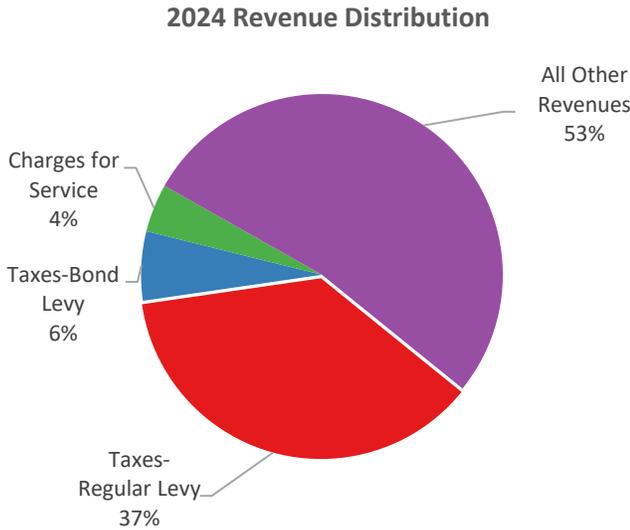
### Services Provided

Central Whidbey Island Fire & Rescue (CWIFR) is an all-hazards service providing fire protection, emergency medical services, hazardous materials response, and rescue services. In addition, the district has established prevention at the core of our service to the community.



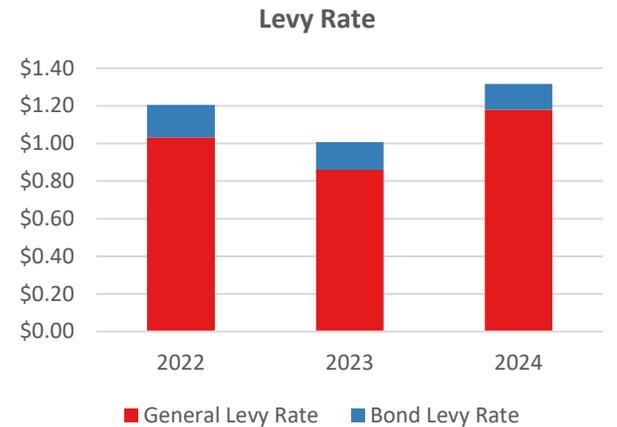
## Revenue

The district generally has three major revenue streams, property taxes from the district’s regular and bond levies and charges for services. 2023 revenue distribution shows a one-time increase in other revenue of issuing a \$2,700,000 bond to complete construction of the new Station 53. Debt service for this bond will be paid off with Washington State LCP grant funds as soon as they are available to the district in 2024.



### Property Taxes

The *Washington State Constitution* and related laws strictly limit the amount of property tax that local taxing districts can levy. There are two important property tax limitations for fire districts. Annual increases in property taxes levied limited to a 1% increase each year (plus revenue from new construction), and fire districts are limited to a maximum regular property tax rate of \$1.50/1,000 of Assessed Value (AV). The district has two tax levies, the regular levy and the voter approved bond levy (for specific capital improvements). The district’s levy rates increase or decrease depending on assessed value. As assessed value increases, the levy rate goes down and if assessed value decreases, the levy rate goes up. This provides stable tax revenue.



### Charges for Service

CWIFR has an interlocal agreement with WhidbeyHealth Medical Center to staff a basic life support ambulance, agreements with the Town of Coupeville and Island County for fire inspection services, and the State of Washington for all-hazards mobilization and wildfire response.

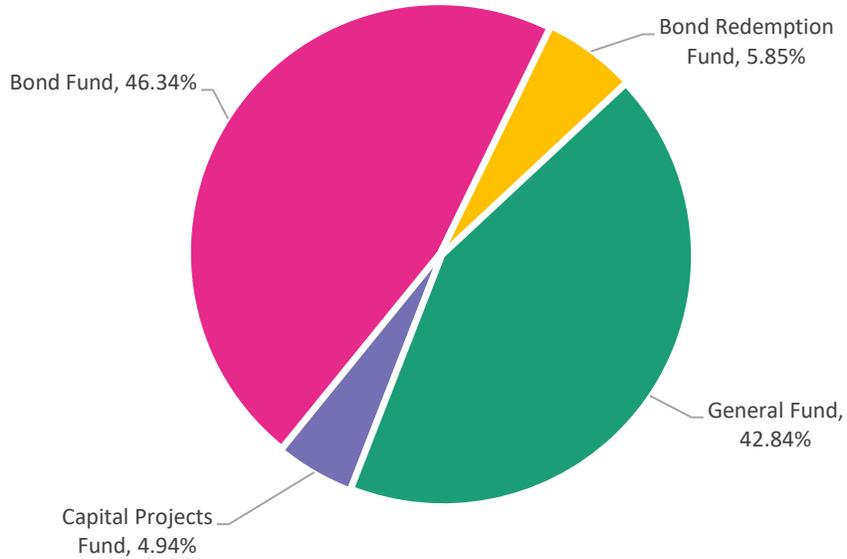
### Other Revenues

Other revenues include bond revenue, investment interest, space and facilities rental, reimbursement for shared utility cost at Station 51 (which is co-owned with WhidbeyHealth) and sale of surplus assets.

## Expenditures

CWIFR’s budget is divided into multiple funds, each with a specific purpose. In 2024 the district’s budget is \$7,139,552 (see last page for detail) inclusive of both operating expenditures (general fund), capital projects (Capital and Bond Funds) and debt service bonds (bond redemption fund).

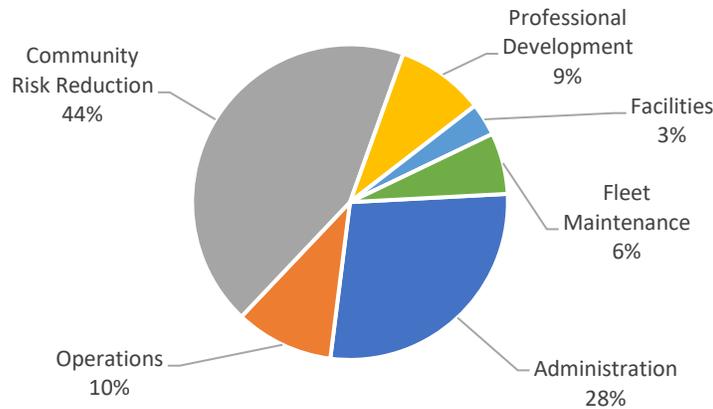
2024 Expense Distribution



## General Fund

The general fund is the district’s principal operating fund. This fund accounts for all current expenditures (e.g., personal services and materials and services) not specifically accounted for in other funds. CWIFR’s general fund budget for 2024 is \$3,234,474

2024 General Fund Expense Distribution



## Capital Projects Fund

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). Effective capital planning makes 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.

In 2012 district established the capital projects fund to increase transparency and accountability of fiscal resources used for capital projects. This fund functions like a savings account to accumulate funds for future capital projects. In 2024, this fund is projected to be 90.17% fully funded for future capital projects and cash flow is sufficient to meet current capital project requirements. Capital projects planned in 2023 included replacement of the district's rescue boat which was irreparably damaged in an accident during marine rescue operations, fleet maintenance truck, utility terrain vehicle (UTV), and portable radios. The UTV replacement project was placed on hold due to a new interlocal agreement to co-staff the UTV owned by WhidbeyHealth Hospital. Both agencies currently own a UTV, and it did not make much sense for two brand new UTVs in the district. This new agreement is currently under review and anticipated to be finalized in the beginning in 2024. This will then free up the money set aside for the UTV to be used for other more mission critical assets.

## Bond & Debt Service Fund

In 2017, the district's voters approved a bond for purchase of three type one fire engines and to expand facilities at the Race Road fire station. The three fire engines built by Rosenbauer America were delivered in the 4<sup>th</sup> quarter of 2021. Architectural and engineering studies determined that replacing the existing facility would be more cost effective than renovation due to current seismic code requirements. The long delay in the permitting process along with the impacts of the COVID-19 pandemic and related supply chain issues resulted in this project costing \$2,700,000 more than anticipated. This created the need for the district to issue a \$2,700,000 non-voted limited tax general obligation (LTGO) bond to complete this critical project. Debt service on the LTGO bond will be approximately \$210,000/year for the next 20 years. Fortunately, this LTGO bond will be paid off in 2024 with Washington State LCP Grant funding obtained through cooperation between Rep. Dave Paul, Rep. Clyde Shavers, Sen. Ron Muzzall and Fire Chief Jerry Helm.

### New Race Road Fire Station



## Compensated Absence Fund

The compensated absence fund is used to manage the district's liability for payout to employees for accrued compensated absences upon retirement or other separation from employment.

## Budget Summary

### 2024 Budget Summary

General Fund	Actual 2022	Actual 2023	Proposed 2024
Beginning General Fund Balance	\$3,850,578	\$3,590,122	\$3,025,429
Revenues	\$3,390,662	\$3,071,816	\$4,412,836
Expenditures	\$2,564,913	\$2,577,038	\$3,226,497
Non-Expenditures	\$623	\$2,143	\$2,000
Transfers to Other Funds	\$1,087,582	\$1,057,328	\$335,137
<b>Total Ending General Fund Balance</b>	<b>\$3,590,122</b>	<b>\$3,025,429</b>	<b>\$3,874,632</b>
<b>Contingency</b>			
Contingency Set Aside	\$283,585	\$283,585	\$322,650
<b>Capital Projects Fund</b>			
Beginning Capital Projects Fund Balance	\$1,462,903	\$2,396,272	\$2,447,005
Revenue	\$14,385	\$35,113	\$20,218
Expenditures	\$21,973	\$554,937	\$371,917
Transfers out to Grant Mgmt	\$0	\$82,857	\$0
Transfer in from General Fund	\$940,957	\$653,414	\$271,449
<b>Ending Capital Projects Fund Balance</b>	<b>\$2,396,272</b>	<b>\$2,447,005</b>	<b>\$2,366,755</b>
<b>Bond Fund</b>			
Beginning Bond Fund Balance	\$5,550,422	\$4,928,898	\$1,057,963
Revenue	\$469,404	\$3,492,721	\$3,440,123
Expenditures	\$679,328	\$6,688,463	\$3,490,142
Transfers to Other Funds	\$411,600	\$675,193	\$602,699
Ending Bond Fund Balance	\$4,928,898	\$1,057,963	\$405,245
<b>Bond Redemption Fund</b>			
Beginning Bond Redemption Fund Balance	\$4,368	\$4,368	\$48,574
Revenue	\$411,600	\$675,193	\$602,699
Expenditures	\$411,600	\$630,987	\$646,905
Ending Bond Redemption Fund Balance	\$4,368	\$48,574	\$4,368
<b>Compensated Absences Fund</b>			
Beginning Compensated Absences Balance	\$72,475	\$105,000	\$108,713
Revenue	\$688	\$783	\$1,504
Expenditures	\$0	\$56,162	\$50
Transfer in from General Fund	\$31,837	\$59,092	\$24,622
Ending Compensated Absences Balance	\$105,000	\$108,713	\$134,789
<b>Grants Management Fund</b>			
Beginning Grants Management Balance	\$0	\$131,204	\$31,114
Revenue	\$218,974	\$0	\$0
Expenditures	\$87,770	\$182,947	\$0
Transfer in from Capital Projects	\$0	\$82,857	\$0
<b>Ending Grants Management Balance</b>	<b>\$131,204</b>	<b>\$31,114</b>	<b>\$31,114</b>
<b>All Funds</b>			
<b>Total Ending Balance (All Funds)</b>	<b>\$11,439,449</b>	<b>\$7,002,384</b>	<b>\$7,139,552</b>