

CENTRAL WHIDBEY ISLAND FIRE & RESCUE



ADOPTED DISTRICT BUDGET IN BRIEF

11/14/24



PROFESSIONALISM - INTEGRITY - COMPASSION - EXCELLENCE

Table of Contents

Budget Message	3
Central Whidbey Island Fire & Rescue	5
Revenues	6
Expenditures	7

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.

Mission, Vision, & Values

Mission

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

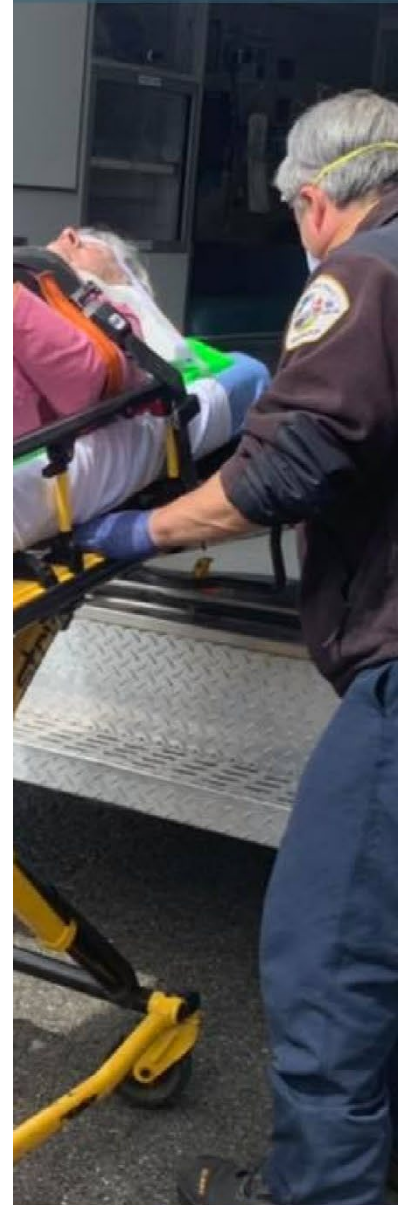
Vision

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 the only AAA bond rating from Standard and Poor's in Island County. CWIFR has also received the Distinguished Budget Presentation Award from the Government Finance Officers Association for eleven consecutive years.

The 2025 proposed district budget increased general fund expenditures by 17.02%. While this increase is significantly higher than the long-term financial plan goal of 3% per year, voters in the 2023 November 7th general election voted to add four more full time firefighters, increasing the general levy rate from \$.86 to \$1.18. As such, adding these positions has increased our general fund expense associated with this additional staff. These increases are covered by the increase in revenue generated from the November 2023 levy lid lift. It is worth noting that personal services expense such as salaries, benefits, and insurance comprise the largest percentage of the district budget, as such, the majority of the 2025 expenditure increases are for the costs associated with filling the positions that were approved by the voters in the November 7th 2023 general election.

Based on preliminary data from the Island County Assessor, assessed valuations (AVs) increased 2.57% from the previous year. It's important to note that the district is normally limited to a 1% revenue increase per year by law. Included in the November 2023 lid lift was an inflation pacer that allows the district to increase its revenue based upon the June-to-June Seattle Tacoma CPI-W. This was calculated and published at 3.6% allowing the district to keep up with inflation for 2025 and raise revenue by 3.6% instead of the typical 1%.

The general levy rate for 2025 will be \$1.20/\$1000, and the bond levy rate will be \$0.13/\$1000. The actual increase in AVs and impacts to levy rates will not be determined by the assessor's office until after January 1, 2025.

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 many delays, but we finally received the engines in 2022 and they are currently in service. Work is also now complete on Station 53 as well! With the application of the \$2.7 million dollar LCP grant we received from the State of Washington to we were able to mitigate the project's cost increases and payoff the LTGO bond well ahead of the 20-year repayment timeline. This alleviated financial and operational impact to our taxpayers and 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. In just this year alone, we have hit new 5-year highs in 7 of the previous 9 months. If this average pace continues, we will exceed 2000 emergency responses for the first time in our history for the 2024 calendar year. 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 that continues to impact operations. Similar to other local governments in Washington, recruitment and retention of volunteer members continues to be both a priority and a challenge.

Despite these challenges, CWIFR continues to make progress in improving our capability to provide service to the community in a fiscally prudent manner. The addition of the four new firefighter positions approved by voters in November of 2023 is on pace to be completed January 1st of 2025. This brings on duty staffing up to four personnel per shift. Also, utilizing the BLS (Basic Life Support) staffing contract that we have with Whidbey Health to staff an ambulance, we will attempt to fund three more full time employees that will bring the number of full-time employees per shift to 5. The value of this interlocal staffing agreement is vital to both CWIFR and Whidbey Health. By working together, we are able to split the cost of adding another transport unit to the system, as well as help cross staff fire apparatus when needed. This added capacity is also critical in handling the concurrent calls for service that the district receives. Our ability to respond to the second or third back-to-back call is becoming more and more of a challenge. To date, we have received 1525 calls for service in 2024. Of those, 612 or 40% have been when another call is already happening.

The district also faces the challenge of capital project financial planning. In 2022 when the three new fire engines were purchased, a 2017 voter approved bond was used for the purchase. This temporarily removed them from the capital project amortization schedule. This amortization schedule ensures the district has saved enough money to replace them in 25 years when they reach their end of usable life. This forethought and financially prudent approach meant adding an additional \$150,000 dollars to the annual capital projects fund transfer. While this is within the district's capabilities, it does have an impact on the overall district budget.

CWIFR welcomes feedback on our budget document. Please contact me via e-mail (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*

PRESENTED TO

**Central Whidbey Island Fire & Rescue
Washington**

For the Fiscal Year Beginning

January 01, 2024

Christopher P. Morrell

Executive Director

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.



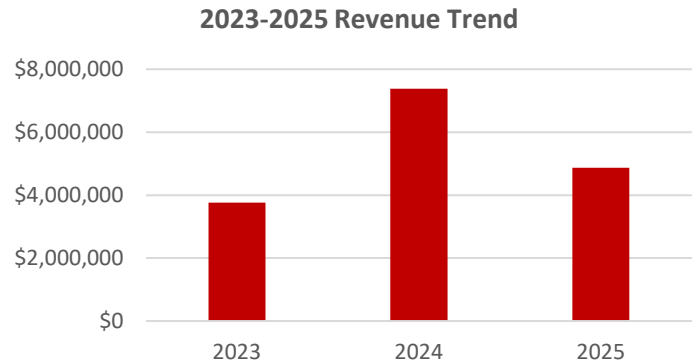
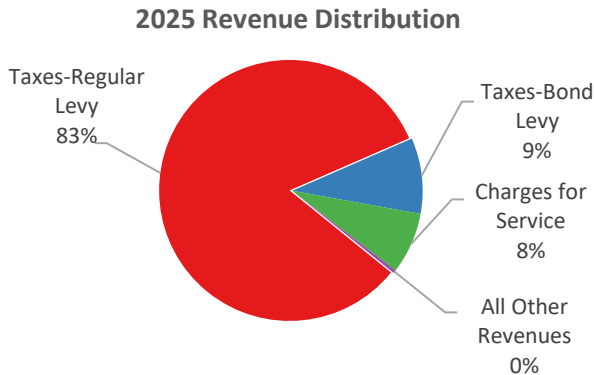
Services Provided

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.



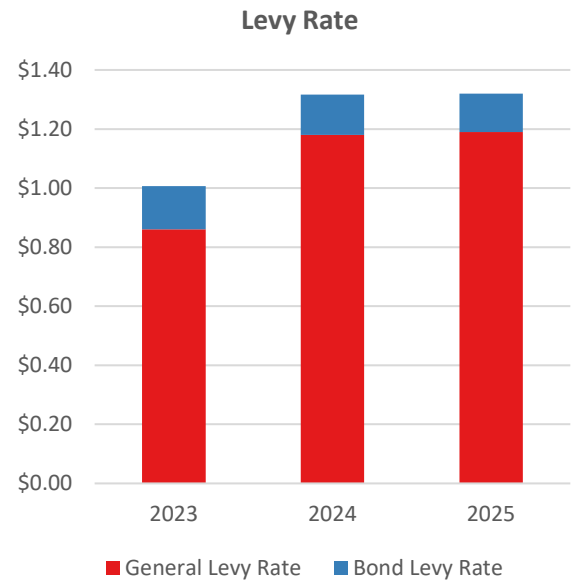
Revenue

The district generally has three major revenue streams, property taxes from the district's regular and bond levies and charges for services. 2024 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 was paid off with the Washington State LCP grant funds in September of 2024. As reflected in the graphs below, the revenue trend has returned to a more consistent path.



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 are limited to a 1% increase each year (unless a temporary inflation pacing mechanism is approved by voters), and fire districts are limited to a maximum regular property tax rate of \$1.50/1,000 of Assessed Value (AV). As you can see from the chart to the right, the voter approved inflation pacer of 2023 has allowed the district to maintain the current overall levied amount from 2024 to 2025. 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 and predictable tax revenue.



Charges for Service

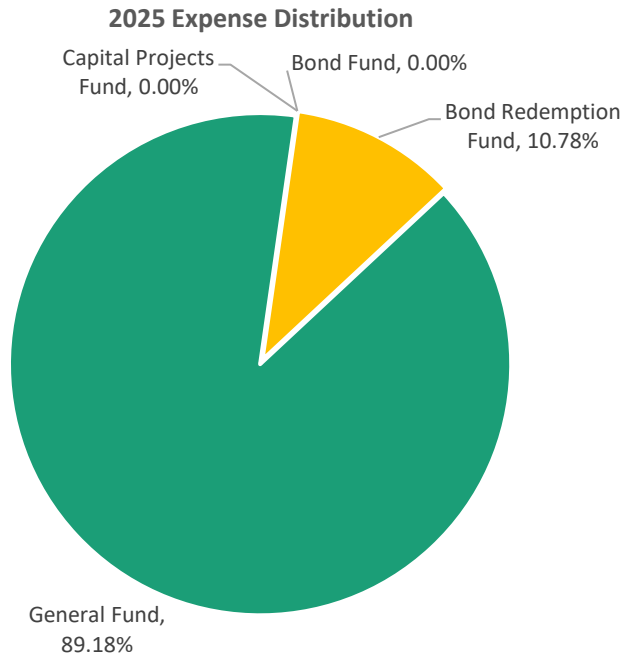
CWIFR has an interlocal agreement with WhidbeyHealth Medical Center to staff a basic life support ambulance, agreements with the Town of Coupeville and Island County for fire inspection services, and the State of Washington for all-hazards mobilization and wildfire response.

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.

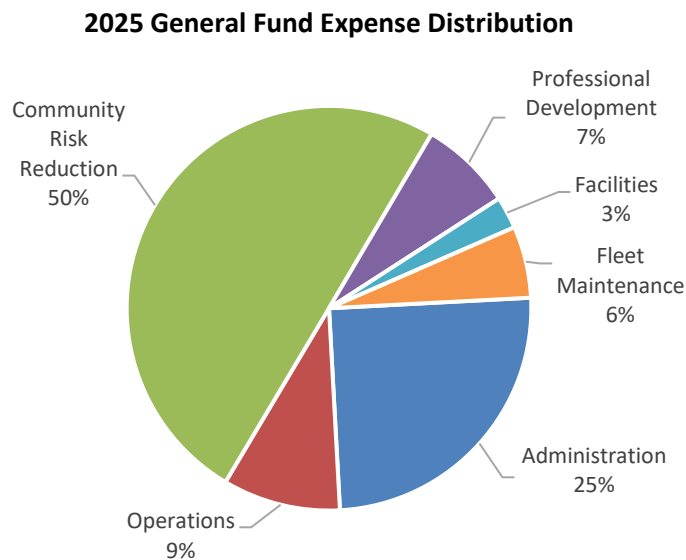
Expenditures

CWIFR's budget is divided into multiple funds, each with a specific purpose. In 2025 the district's budget is \$4,224,264 (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).



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 2025 is \$3,784,839.



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 2025, this fund is projected to be 100% fully funded for future capital projects and cash flow is sufficient to meet current capital project requirements. Capital projects planned in 2024 included replacement of apparatus 9402 (R51), utility terrain vehicle (UTV), and portable radios. The UTV replacement project was placed on hold due to a tentative 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 UTVs in the district. This new agreement is currently under review and anticipated to be finalized in 2025. The district also elected to replace R51 with the current owned 2012 Chevy 2500 pickup truck, purchase a 1-ton pickup truck as a tow vehicle for the new marine unit, and replace an older command vehicle. This shifting around of purchases allowed the district to save nearly \$15,000 and cover the unanticipated cost increases for replacing of the portable radios.

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 4th 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 \$240,000/year for the next 20 years. Fortunately, this LTGO bond was paid off in September 2024 with utilization of a 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

2025 Budget Summary

General Fund	Actual 2023	Adjusted 2024	Proposed 2025
Beginning General Fund Balance	\$3,773,183	\$2,940,800	\$3,874,631
Revenues	\$2,957,728	\$4,381,774	\$4,554,534
Expenditures	\$3,069,065	\$3,234,474	\$3,784,839
Non-Expenditures	\$2,060	\$2,158	\$2,223
Transfers to Other Funds	\$718,987	\$514,500	\$569,286
Total Ending General Fund Balance	\$2,940,800	\$3,874,631	\$4,072,817
Contingency			
Contingency Set Aside	\$306,907	\$323,447	\$378,484
Capital Projects Fund			
Beginning Capital Projects Fund Balance	\$2,364,707	\$2,447,005	\$2,366,755
Revenue	\$504,775	\$291,667	\$554,560
Expenditures	\$203,751	\$371,917	\$0
Transfers to Other Funds	\$0	\$0	\$0
Ending Capital Projects Fund Balance	\$2,447,005	\$2,366,755	\$2,921,315
Bond Fund			
Beginning Bond Fund Balance	\$4,091,888	\$73,188	\$910,198
Revenue	\$3,161,500	\$440,800	\$457,400
Expenditures	\$6,753,700	\$62,829	\$0
Transfers to Other Funds	\$426,500	\$440,800	\$457,400
Ending Bond Fund Balance	\$73,188	\$10,359	\$910,198
Bond Redemption Fund			
Beginning Bond Redemption Fund Balance	\$4,368	\$4,368	\$4,368
Revenue	\$630,987	\$440,800	\$457,400
Expenditures	\$630,987	\$440,800	\$457,400
Ending Bond Redemption Fund Balance	\$4,368	\$4,368	\$4,368
Compensated Absences Fund			
Beginning Compensated Absences Balance	\$105,816	\$74,236	\$135,774
Revenue	\$25,289	\$25,090	\$26,462
Expenditures	\$50	\$50	\$0
Transfers to Other Funds	\$56,868	\$0	\$0
Ending Compensated Absences Balance	\$74,286	\$99,376	\$162,236
Grants Management Fund			
Beginning Grants Management Balance	\$0	\$0	\$31,114
Revenue	\$0	\$2,700,000	\$0
Expenditures	\$0	\$2,700,000	\$0
Ending Grants Management Balance	\$0	\$0	\$31,114
All Funds			
Total Ending Balance (All Funds)	\$6,472,782	\$7,395,348	\$8,480,532