

ISLAND COUNTY
FIRE PROTECTION DISTRICT NO. 1



2026 BUDGET OVERVIEW

REVENUE AND EXPENDITURE BREAKDOWN
& FISCAL MANAGEMENT STRATEGIES



**CAMAÑO ISLAND
FIRE & RESCUE**

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OUR MISSION

We work as a team to serve, protecting you and your property

OUR VISION

The safest rural community in the state – a model of excellence in service

OUR VALUES

SELFLESS SERVICE

- We put others first
- We always act with compassion and empathy
- We act with courage, choosing action over personal comfort

INTEGRITY

- We live up to the values of Camano Island Fire & Rescue
- We are honest and have no hidden agendas
- We do what we say we are going to do
- We fulfill our promises

RESPECT & PROFESSIONALISM

- We recognize the inherent value in those we serve
- We always act professionally
- We always put our best foot forward
- We are constantly improving ourselves

HUMILITY

- We encourage
- We recognize strengths and work at improving weaknesses
- We are genuinely curious; we ask questions so we can learn
- We get better every shift

TRUST & RELIABILITY

- We work at being reliable
- We communicate directly, regardless of rank
- We go to the source
- We approach one another with genuine, respectful curiosity

STEWARDSHIP

- We take care of it better than if we owned it
- We always leave it better than we found it



DEPARTMENT OVERVIEW

Camano Island Fire & Rescue (CIFR) operates as a legally organized fire protection district under Title 52 of the Revised Code of Washington (RCW). Camano Island voters play a large role in shaping how Camano Fire provides its services.

The district is governed by a voter-elected five-member board of commissioners. Each commissioner serves a six-year term of office.

The board sets level of service targets, establishes policy, and provides direction to the fire chief, who is responsible for the day-to-day operations and fiscal management of the fire district. As a fire district, per RCW 39.69.101, CIFR is considered a municipal corporation independent from Island County and receives no funding from Island County government.

Camano Fire is an all-hazards fire district providing fire suppression (structural and wildland), emergency medical services (EMS) that include basic and advanced life support, hazardous materials response, marine and technical rope rescue, public education, and basic fire prevention services. As of 2025, CIFR is staffed with 35 career, 16 part-time, and 10 volunteer firefighters. Firefighters are overseen by 2 fire chiefs and supported by a maintenance/apparatus division as well as administrative staff.

As a fire district, Camano Fire receives no funding from Island County Government.

CIFR serves the entire 40 square miles of Camano Island. The district operates four fire stations and provides services to more than 17,000 residents and numerous visitors. The district values its strong partnerships with community organizations. CIFR hosts and participates in community events and manages a CARES program that connects residents with healthcare support to reduce their reliance on 911.

BUDGET TIMELINE

September: Review department budget requests, prepare & enter preliminary budgets



August: Program managers develop proposed budgets; commissioners meet to discuss budget

November: Present final budget for public hearing and budget adoption. Commissioners approve final budget and file paperwork with Island County.



October: Meet with Finance Committee to review budget. First presentation of proposed budget to commissioners. Second budget review optional.



FISCAL OVERSIGHT

The Board of Fire Commissioners is responsible for financial accountability to the public and ensures that effective financial management controls are in place. The board approves the district's annual operating budget and confirms that budget priorities align with the district's strategic plan.

Camano Fire operates on a modified cash accounting system instead of Generally Accepted Accounting Principles (GAAP), as per state requirements. CIFR transactions are recorded when services or products are delivered, not when they are ordered. That means funds are allocated for future payments, but will remain in the general fund until payment is actually issued.

The fire chief is responsible for day-to-day management of the operating budget. In coordination with the district's finance manager, the chief prepares monthly and quarterly reports for Board review and makes sure staff follow internal financial controls.

As a municipal entity in the state of Washington, the district must file an annual financial report with the State Auditor's Office (SAO). This report provides financial information in a standardized format that allows comparison across similar agencies.

Financial Health ①

All Governmental Funds 4 indicators



The district's financial data is available via the SAO Financial Intelligence Tool (FIT), which provides financial transparency into local governments.



Search for 'Camano Island Fire and Rescue'

Click <https://portal.sao.wa.gov/FIT> and search for "Camano Island Fire and Rescue" to see the district's financial report and other information.

As with all municipal entities, CIFR is also regularly audited by the SAO. The SAO provides CIFR with an annual financial and accountability audit; CIFR has a long track record of clean audits.

Click <https://sao.wa.gov/reports-data/audit-reports> and search for "Island County Fire Protection District #1" to access and view CIFR audits.



Search for 'Island County Fire Protection District #1'

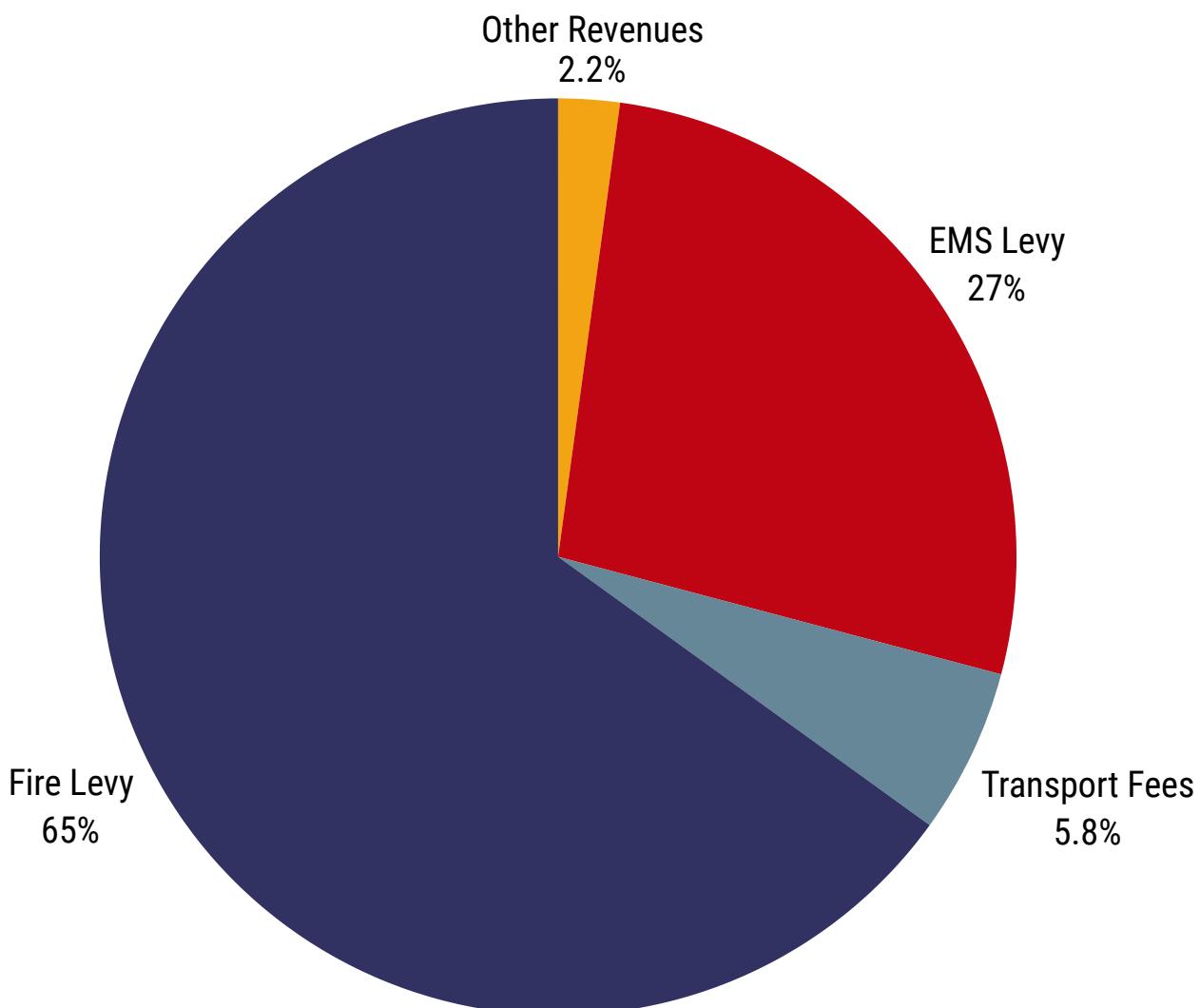
OPERATING BUDGET REVENUES

The majority of funding for Camano Fire's annual operating budget comes from the collection of property taxes from the district's Regular (Fire) and EMS levies. Property tax revenues comprise 92.0% of the district's annual budget. The next largest source, 5.8%, comes from ambulance transport fees. The balance of the remaining revenues, 2.2%, comes from grants, fees from the high school fire cadet program, apparatus repair services performed for other fire districts, facility rentals, CPR class fees and other miscellaneous sources

92.0%

percentage of Camano Fire budget that comes from EMS and Fire levy revenues

BUDGETED REVENUES BY SOURCE



PROPERTY TAXES

The Washington State Constitution and related laws set strict rules on how much property tax fire districts can collect. There are two main limits for fire districts.

First, they can only raise property taxes by 1% each year, plus any money from new construction. They can only raise taxes by more than 1% with voter approval. This is called a levy lid lift.

Second, fire districts can charge no more than \$1.50 per \$1,000 of property value for their regular fire tax and no more than \$0.50 per \$1,000 of property value for their EMS tax.

CIFR collects the **Regular (fire) levy** and the **EMS levy**, plus a 2007 voter-approved bond. Because of the 1% limit, the amount CIFR collects varies based on changes in property values. When property values go up, the tax rate goes down, and when property values go down, the rate goes up. Since property values on Camano have risen for several years, tax rates have decreased.

In 2023, Camano voters approved a fire levy lid lift, resetting the rate to \$1.25 per \$1,000 of assessed value for 2024.

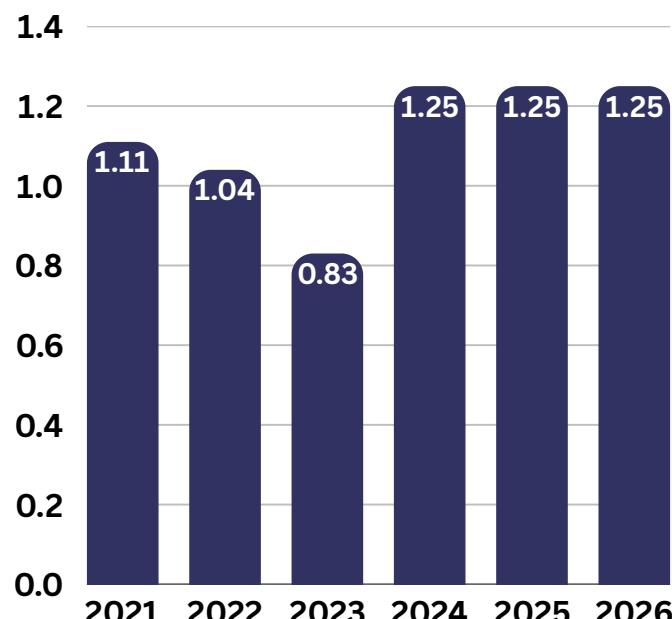
In 2025, Camano voters approved an EMS levy resetting the rate to \$0.50 per \$1,000 of assessed value in 2026.

1%

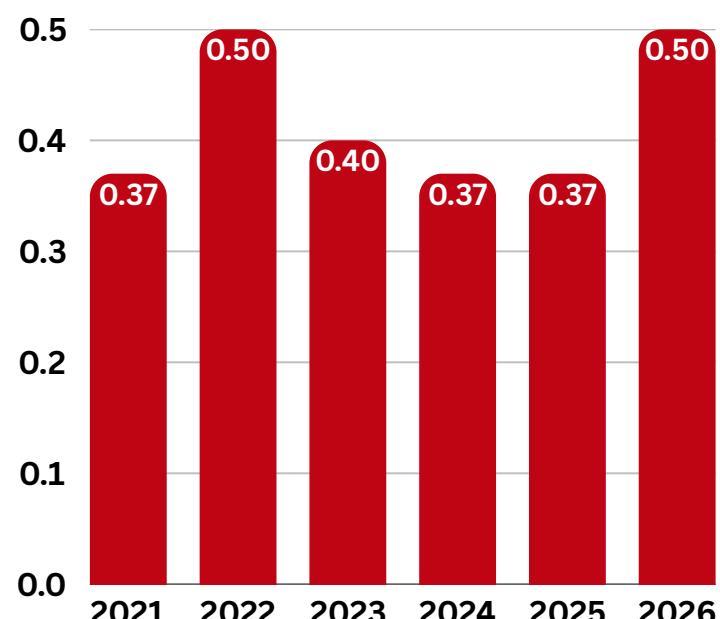
the highest property tax increase fire districts can receive annually *without voter approval*

LEVY RATE CHANGE OVER TIME

REGULAR FIRE LEVY



EMS LEVY



TRANSPORT SERVICES

As a full-service fire district, CIFR provides both Advanced Life Support (ALS) and Basic Life Support (BLS) transport services to local hospitals. The district collects transport fees from public and private insurance, which make up 5.8% of its annual revenue budget. After receipt of a resident's health insurance payment, we do not bill residents for out-of-pocket expenses related to transport services.



OTHER REVENUES

Other revenue sources include but are not limited to: Mobilization fees for all-hazards and wildfire response, fees charged to outside districts for apparatus repairs and fire cadet instruction, facility rental fees, CPR class fees, grants & donations, and reimbursements for instructor training. In 2025, the Medic One Foundation established a dedicated fund to accept tax-deductible donations that will directly support training, equipment, and emergency care for Camano Fire.



RESERVE FUND

The reserve fund is used to prepare for unforeseen circumstances that may impact the financial health of the district and its ability to provide services. Reserve funds can be moved to the operating budget by a vote of the Board of Fire Commissioners. The district's reserve fund for 2026 is \$4,340,000 and comprised of 3 allocations:

TRUE RESERVES – The Board of Fire Commissioners has established a goal of 15% of the district's annual expenses be set aside in reserve. This amount would cover approximately 6 weeks of operating funds. That allows the district to cover short-term needs or secure longer-term funding if required.

PAYROLL LIABILITY FUND – Each year as part of the SAO's annual financial report, the district compiles its anticipated financial liability for employee-compensated absences. Absences can include approved use of paid vacation or sick leave, or leave payouts made to employees who leave the agency. The district sets aside reserve funds each year to cover expenses should a worst-case-scenario happen.



15%

The percentage of annual expenses set aside in true reserves to cover 6 weeks of operating costs.

PLANNED BUDGET INCREASES –

Washington State law only allows fire districts to raise property taxes by 1% each year, plus any money from new construction.

Because annual costs typically increase by more than 1% each year, the district saves any unspent funds to cover the shortfall in subsequent years. This allows the district to defer requests for levy lid lifts by two to three years rather than asking voters to approve annual increases.

FUND BALANCES

Camano Fire's budget runs from January 1 to December 31 of each year. Property Tax collections account for more than 92% of the operating budget's revenues. The majority of these revenues are collected only twice a year, in April and October.

Similar to your personal savings budget, Camano Fire maintains a similar savings account known as a Fund Balance. Fund Balances allow CIFR to continue to maintain daily operations while waiting for anticipated revenues to come in.

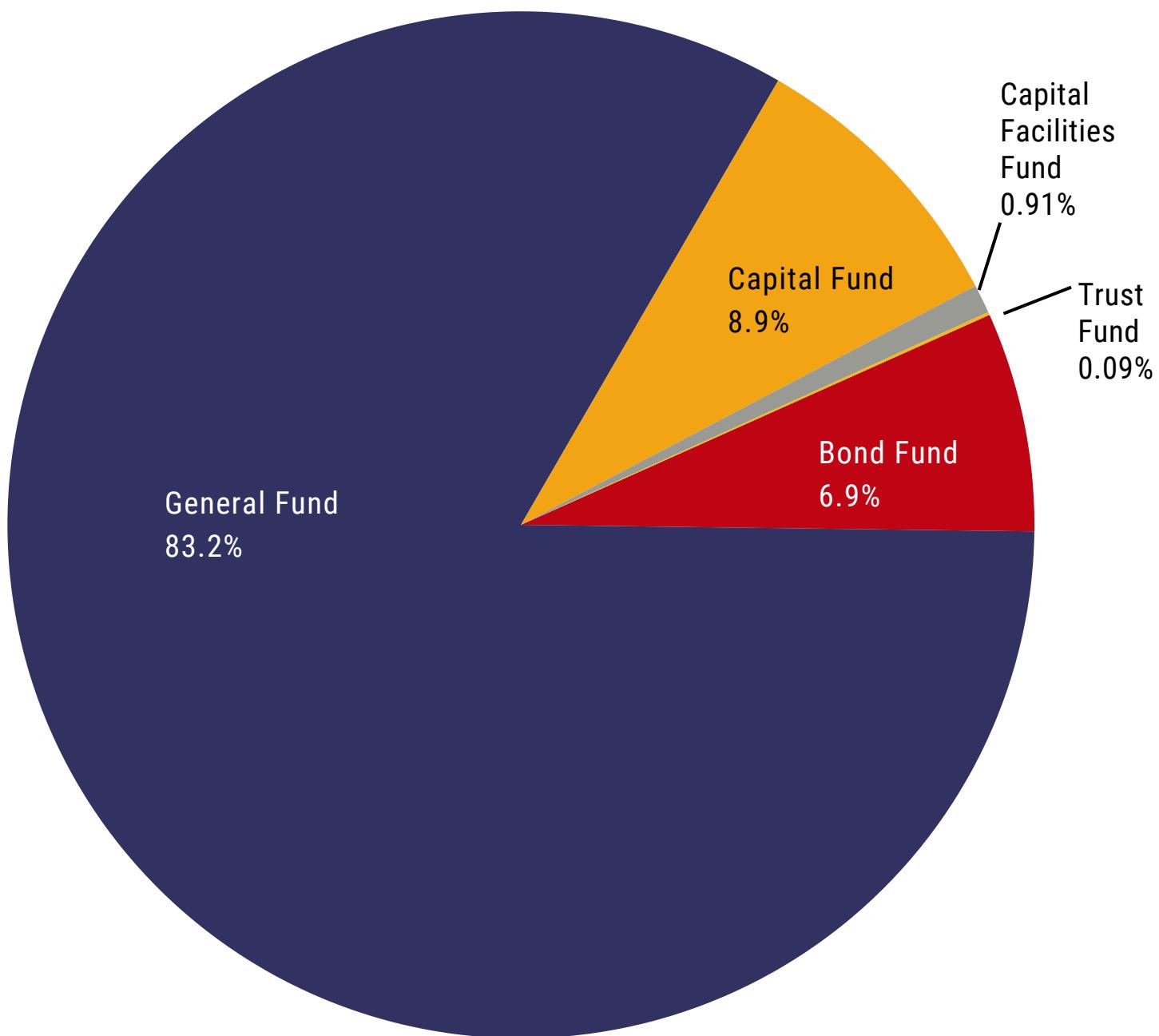
Each year, Camano Fire prepares an estimated Fund Balance for each of its 6 Funds. In the General Fund (operating budget), the estimated amount is based on the amount needed to cover budgeted costs for the first 4 months (until April tax collections are received). Actual Fund Balances are updated after prior year's revenues, expenditures and tax collections have been fully reconciled. Below are the 2026 Budgeted Beginning Fund Balances.

FUND PURPOSE	2026 BEGINNING FUND BALANCE
General Fund <i>CIFR's principal operating fund</i>	\$4,300,000
Capital Fund <i>Apparatus and equipment needs</i>	\$2,900,000
Capital Facilities Fund <i>Long-term maintenance needs</i>	\$2,520,000
Trust Fund <i>Continuing education scholarship fund</i>	\$17,000
Bond Fund <i>Repayment of voter-approved 2007 bond</i>	\$15,000
Reserve Fund <i>True Reserves, Payroll Liability, Planned Budget Increases</i>	\$4,340,000

EXPENDITURES

CIFR's annual budget is divided into multiple funds, each with a specific purpose. The General Fund is the principal operating fund. The Capital Fund is for purchases greater than \$5,000. The Capital Facilities Fund is for long-term facility maintenance (not annual operating expenses). The Trust Fund is for internal and external continuing education scholarships. The Bond Fund is for repayment of a \$10 million, 2007 voter-approved bond.

In 2026, the district's budget is \$15,995,394. This includes annual operating expenses (General Fund), capital equipment & projects (Capital Fund), facilities projects (Capital Facilities Fund), scholarships (Trust Fund), and Bond repayment (Bond Fund).

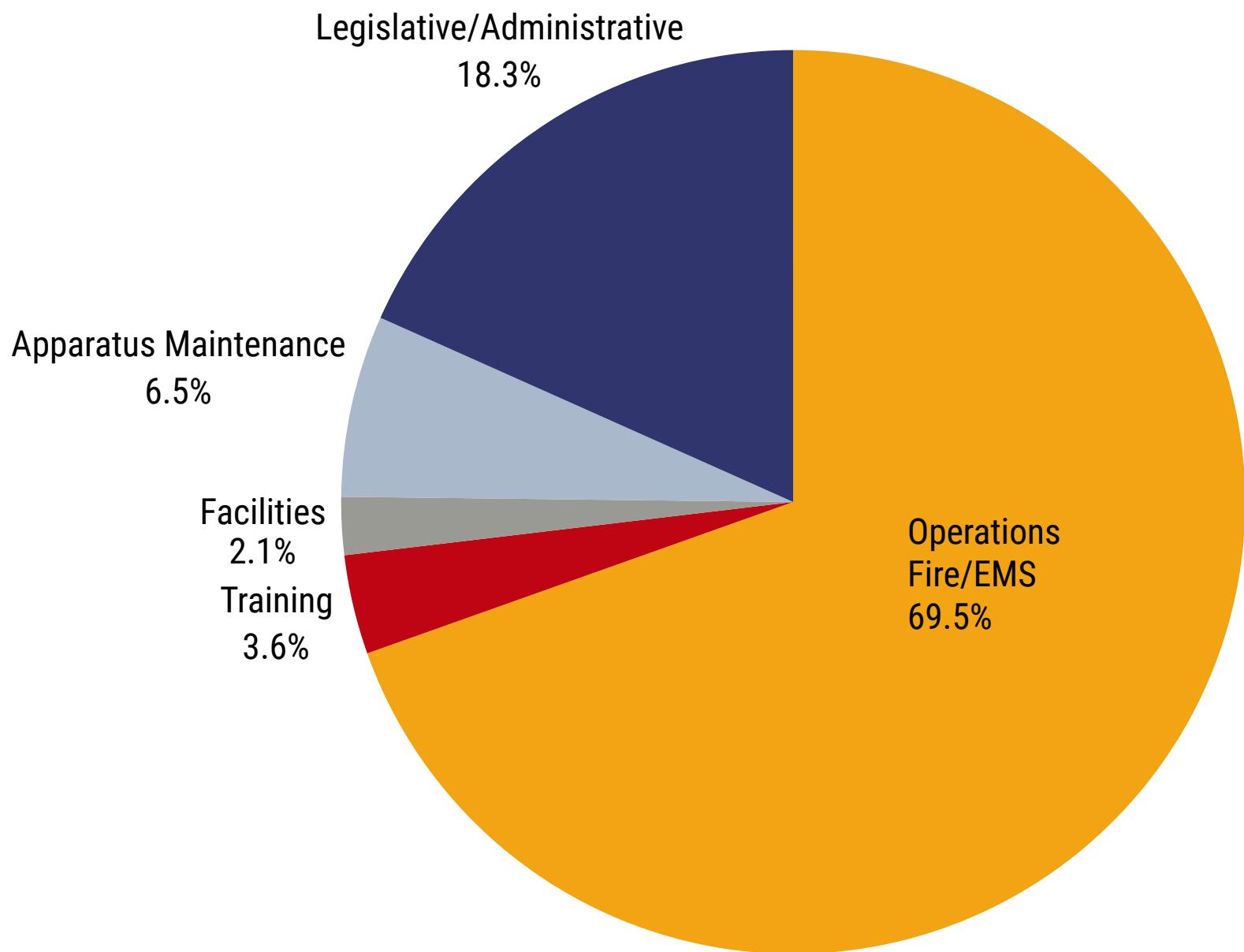


GENERAL FUND

Camano Fire's 2026 general fund operating budget (less transfers) is \$12,315,494. The general fund is the district's principal operating fund. All expenditures related to annual district operations (that are not specifically accounted for in other funds) are paid for out of the general fund, including annual facility operating costs, and staff salary and benefits.

33%

of the year's anticipated maintenance & operations expenditures shall be maintained in the Jan. 1 general fund balance



CAPITAL FUND

Camano Fire's 2026 capital fund budget is \$1,430,000. The capital fund is used to plan for larger purchases, like equipment or apparatus needs, that aren't made on an annual basis. Purchases may include EMS equipment (e.g. stretchers, LifePaks, Lucas Devices), fire suppression equipment (e.g. air compressors, extractors, bunker gear, drones), and IT equipment (e.g. servers). The district's apparatus replacement fund is part of the capital fund.



Capital fund expenses for 2026 include the purchase of EMS and fire suppression equipment, and apparatus replacement. CIFR proactively plans for these expenses and makes every effort to repair or replace key assets before the end of their service life. This means CIFR can save up for expensive equipment replacement without asking taxpayers for additional funds. The establishment of a dedicated Medic One Foundation fund benefiting CIFR will also help offset the cost of some capital equipment purchases.

CAPITAL FACILITIES FUND

Camano Fire's 2026 capital facilities fund budget is \$145,000. The capital facilities fund is used to plan for the long-term maintenance of the district's facilities.

Expenses for 2026 include completion of the district's training prop, parking lot paving, replacement of Admin building flooring, exterior painting of fire stations, and additional upgrades to support 24-hour staffing at the current Mabana station.



While the general fund covers annual operating costs such as minor repairs, routine maintenance, and utilities, the Capital Facilities Fund allows CIFR to plan for and manage larger, infrequent costs. It also will help the district continue its planning, permitting, and future construction of the new Mabana station.

District facilities are some of the most important and costly assets. Planning for their upkeep ensures they are able to serve the community now and in the future.

TRUST FUND

Camano Fire's 2026 trust fund budget is \$14,800 for scholarship support and supplies needed to produce blue house address signs. The trust fund supports the District's internal and external scholarship program, which provides scholarships for individuals seeking to further their education in firefighting or emergency medical services.

Scholarship funds are generated from local donations as well as proceeds from the sale of blue house address signs.



BOND FUND

Camano Fire's 2026 bond fund budget is \$1,105,100. In 2007, Camano Island voters approved a 20-year, \$10 million facilities bond to build and remodel fire stations, improve water infrastructure, and purchase apparatus. The bond fund is used to collect annual taxes used solely for repayment of the existing bond. Revenue dedicated for bond repayment cannot be used for new facility projects. This bond will be fully paid off in 2028.





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