



AGENDA

Board of Commissioners Study Session

September 25, 2017 – 4:00 PM – Administration Building

All matters listed in the Consent Agenda have been distributed to each member of the Board of Commissioners for reading and study, are considered to be routine, and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired, that item may be removed from the Consent Agenda and placed on the Regular Agenda by request.

1. ADMINISTRATIVE ITEMS

- A. Call to Order/Establish Quorum/Pledge of Allegiance
- B. Additions or Deletions to the Agenda
- C. Announcements:

2. CONSENT ITEMS

- A. Vouchers – Current
- B. Payroll – September

3. DISCUSSION ITEMS

- A. Certificate of Appreciation to PIO LiMarzi – Chief Weninger
- B. Proxy Authority for WFCA Conference – EA Prince
 - Action to Approve
- C. Financial Report – Tim Maule
- D. 2018 Budget Process & Update – Tim Maule
- E. Software Committee Report – Lindsay Anderson
- F. Cancelled Joint Board Meeting with Poulsbo Fire – Chief Weninger
- G. DNR Report: Fees Assessed for Forest Fire Protection (Draft) – Chief Weninger

4. CORRESPONDENCE

- A. Thank You Letter from Ingrid Newkirk, President of PETA
- B. Thank You Card from Citizen

5. ADJOURN

CHECK REGISTER

Central Kitsap Fire & Rescue
MCAG #: 1162

09/25/2017 To: 09/25/2017

Time: 14:54:57 Date: 09/21/2017

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
2989	09/25/2017	Claims	1	30383	AHEARN ELECTRIC INC	7,493.75	Sta 45 Panel Replacement
2990	09/25/2017	Claims	1	30384	AIRGAS USA LLC	109.05	O2 Tank Rental/Refill
2991	09/25/2017	Claims	1	30385	NATE ANDREWS	512.04	WFOA Annual Conference
2992	09/25/2017	Claims	1	30386	ARAMARK	73.00	Laundry Services - Shop
2993	09/25/2017	Claims	1	30387	ASSOCIATED PETROLEUM PRODUCTS INC	6,465.10	Fuel
2994	09/25/2017	Claims	1	30388	BELFAIR HOSE & HYDRAULIC INC	263.74	Reissue #29928, 29806, 29738
2995	09/25/2017	Claims	1	30389	BINDER LIFT LLC	3,594.00	(3) Standard Lifts/ (3) Bariatric Lifts
2996	09/25/2017	Claims	1	30390	BRAUN NORTHWEST INC	34.14	Heater Switch
2997	09/25/2017	Claims	1	30391	BREMERTON BOTTLING COMPANY	340.50	Coffee/Creamer/Sleeves
2998	09/25/2017	Claims	1	30392	BROADWING COMMUNICATIONS LLC	867.06	Admin Phone Service
2999	09/25/2017	Claims	1	30393	CENTRAL PIERCE FIRE & RESCUE	48,750.00	GEMT Project Phase 3 Funding
3000	09/25/2017	Claims	1	30394	CENTURYLINK	357.97	Phone Service
3001	09/25/2017	Claims	1	30395	CORPORATE SECURITY SERVICES INC	667.00	Background Checks
3002	09/25/2017	Claims	1	30396	KATHERINE A. CRABTREE	35.68	Mileage Reimb - Station Visits
3003	09/25/2017	Claims	1	30397	DATEC, INC	30,052.09	(6) Medic Toughbooks
3004	09/25/2017	Claims	1	30398	E & F RECOVERY LLC	8,400.68	Aug 2017 PCR's Billed
3005	09/25/2017	Claims	1	30399	GUY H EARLE	512.04	WFOA Annual Conference
3006	09/25/2017	Claims	1	30400	ECMS INC	2,001.21	Bunker Gear Repair
3007	09/25/2017	Claims	1	30401	ENDURIS	76,271.00	General Insurance- 2018 Policy Year
3008	09/25/2017	Claims	1	30402	ERLAND POINT WATER COMPANY	240.08	Water And Street Light
3009	09/25/2017	Claims	1	30403	EXTENDOBED	4,524.00	Extendedobed For New Duty Chief Truck
3010	09/25/2017	Claims	1	30404	GCR TIRES & SERVICE	419.05	Tires
3011	09/25/2017	Claims	1	30405	HUGHES FIRE EQUIPMENT INC	1,037.08	Valves
3012	09/25/2017	Claims	1	30406	INTERNATIONAL ASSOCIATION OF FIRE CHIEFS	254.00	IAFC Membership #124730-Oliver
3013	09/25/2017	Claims	1	30407	KAESER & BLAIR INC	489.79	CKFR Pens
3014	09/25/2017	Claims	1	30408	KITSAP COUNTY PUBLIC WORKS	615.39	Sewer
3015	09/25/2017	Claims	1	30409	KITSAP SAFETY	272.50	Harness
3016	09/25/2017	Claims	1	30410	LAW OFFICE OF KENNETH W. BAGWELL, INC.,	4,126.00	General Counsel/Job Audit Prep
3017	09/25/2017	Claims	1	30411	LAWSON PRODUCTS INC	321.41	Battery Wipes/Rubber Coating
3018	09/25/2017	Claims	1	30412	LIFE ASSIST INC	7,062.00	Medical Supplies
3019	09/25/2017	Claims	1	30413	LN CURTIS & SONS	7,552.05	BOND- Spanner Wrench, Hooks, Pro-Bar, Mounts
3020	09/25/2017	Claims	1	30414	LN CURTIS & SONS	316.23	Name Plates/Hoods
3021	09/25/2017	Claims	1	30415	LOGAN DEVELOPMENT	3,161.00	Sta 41 Brush Mowing
3022	09/25/2017	Claims	1	30416	TIMOTHY S. MAULE	88.50	WFOA Conference
3023	09/25/2017	Claims	1	30417	MEDICAL CONSULTING ASSOCIATES, PLLC	235.00	Fit For Duty Eval
3024	09/25/2017	Claims	1	30418	ROBERT D MUHLEMAN	512.04	WFOA Annual Conference
3025	09/25/2017	Claims	1	30419	NORTH PERRY AVENUE WATER DISTRICT	450.95	Sta 41 Water And Street Light
3026	09/25/2017	Claims	1	30420	OCEANID	9,810.00	(2) Oceanid RDC'S
3027	09/25/2017	Claims	1	30421	OFFICE DEPOT	223.64	Paper/Toner/Folders

CHECK REGISTER

Central Kitsap Fire & Rescue
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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
3028	09/25/2017	Claims	1	30422	JOHN H. OLIVER	118.00	FORCE Conference
3029	09/25/2017	Claims	1	30423	OLYMPIC SPRINGS	52.00	Sta 45 Drinking Water
3030	09/25/2017	Claims	1	30424	PARATEKK INC	110.40	Fin Straps
3031	09/25/2017	Claims	1	30425	PUGET SOUND ENERGY	2,560.28	Electricity
3032	09/25/2017	Claims	1	30426	ROTARY CLUB OF SILVERDALE	245.00	Quarterly Dues
3033	09/25/2017	Claims	1	30427	SAM BROWN SHIELDS INC	79.00	Passports
3034	09/25/2017	Claims	1	30428	SIX ROBBLEES' INC	842.39	Jack Stands And Tire Extension
3035	09/25/2017	Claims	1	30429	BRANDIN S SKOVALD	224.00	Allison Maintenance Class Per Diem
3036	09/25/2017	Claims	1	30430	STERICYCLE	141.09	Medical Waste
3037	09/25/2017	Claims	1	30431	STRYKER SALES CORPORATION	2,970.00	Gurney Repair Training
3038	09/25/2017	Claims	1	30432	SUNRISE PEST MANAGEMENT	956.41	Pest Control
3039	09/25/2017	Claims	1	30433	TACOMA SCREW PRODUCTS INC	25.58	Screws
3040	09/25/2017	Claims	1	30434	TOSHIBA FINANCIAL SERVICES	223.51	Admin Color Copier
3041	09/25/2017	Claims	1	30435	TRUSTEED PLANS SERVICE CORPORATION	4,333.59	Oct 2017 Retiree Medical
3042	09/25/2017	Claims	1	30436	UNUM LIFE INSURANCE COMPANY OF AMERICA	532.37	Leoff I Long Term Care Ins
3043	09/25/2017	Claims	1	30437	VERIZON WIRELESS	3,759.11	Cell Phones
3044	09/25/2017	Claims	1	30438	WA ST BOARD FOR VOLUNTEER FIREFIGHTERS	60.05	Past Volunteer Eligible For Pension (Years 1974 And 1977)
3045	09/25/2017	Claims	1	30439	WAGONMASTER (WASHINGTON) INC	159.58	Cleaner
3046	09/25/2017	Claims	1	30440	WASHINGTON TRACTOR	470.36	92 Octane
3047	09/25/2017	Claims	1	30441	WESTBAY AUTO PARTS	1,174.28	August 2017 Statement
3048	09/25/2017	Claims	1	30442	WHA INSURANCE AGENCY INC	7,627.10	General Insurance- Agent Compensation
3049	09/25/2017	Claims	1	30443	ZOLL MEDICAL CORPORATION	2,751.71	Batteries
001 GENERAL FUND						250,374.52	
320 CAPITAL PROJECTS FUND- BOND						7,552.05	
						<hr/>	
						257,926.57	Claims: 257,926.57

CHECK REGISTER

Central Kitsap Fire & Rescue
MCAG #: 1162

09/25/2017 To: 09/25/2017

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Trans	Date	Type	Acct #	Chk #	Claimant	Amount	Memo
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We, the undersigned of Central Kitsap Fire and Rescue, Kitsap County, Washington, do hereby certify that the merchandise or services hereinafter specified have been received and that the checks noted above are approved for payment.

Chairman

Commissioner

Vice Chairman

Commissioner

Commissioner

Fire Chief

Finance Director or HR Manager



PROXY AUTHORITY

ARTICLE 2 —VOTING RIGHTS

"Each active member in attendance at the annual meeting shall be entitled to one vote in person and one vote for each proxy (if any) carried by the member, on each matter submitted to the vote of the members. No other class of members shall have voting rights. Each active member unable to attend a membership meeting may authorize such member's vote to be cast by proxy. The proxy vote may be cast by the commissioner, district secretary, fire chief or attorney of a member district if authorized in writing by the board of commissioners of the proxy voter's member district. Proxy authorizations must be submitted to the association seven (7) days prior to the membership meeting at which such proxy vote may be cast. No individual may serve as proxy for more than two active members."

The Proxy Authority form below must be returned to the WFCA office by Thursday, October 19, 2017.

Mail to: WFCA, PO Box 134, Olympia, WA 98507

or Fax to: (360) 664-0415

or Scan form and email to: wfca@wfca.wa.gov

PROXY AUTHORITY

NAME: _____

☐ Commissioner ☐ Secretary ☐ Fire Chief ☐ Attorney

is authorized to serve as proxy for: Commissioner _____

of _____
(Fire district/RFA)

The active member unable to attend the business meeting must obtain the signatures from the majority of his/her governing board:

COMMISSIONER: _____

COMMISSIONER: _____

COMMISSIONER: _____

COMMISSIONER: _____

COMMISSIONER: _____

FINANCIAL REPORT FOR THE EIGHT MONTHS ENDING AUGUST 31, 2017

Report on Financial Position

A comparison between the Agency's current year and prior year fund balances as of August 31, 2017 and 2016 respectively is provided below. The current year balance totaled \$18.29 million or nearly \$1.90 million less than the prior year.

The primary reason for the reduction is from spending down over \$ 3.30 million of the bond project fund. This overall reduction has been partially offset by an \$890 thousand increase in the general fund balance, a \$245 thousand increase in the bond debt service fund and a \$256 thousand increase in the capital facilities fund balance.

ENDING FUND BALANCES	August 2017	August 2016	Variance
General Fund	\$ 6,813,730	\$ 5,924,115	889,615
Reserve Fund (General Liability)	2,400,166	2,379,065	21,101
Debt Service Fund (Bond)	989,851	744,911	244,940
Capital Projects Fund (Bond)	3,201,158	6,505,765	(3,304,607)
Capital Facilities Fund	3,584,259	3,327,932	256,327
Capital Apparatus/Equipment Fund	1,278,521	1,258,863	19,658
Fire Mitigation Fund (Restricted)	25,610	25,385	225
Total Fund Balance	\$18,293,295	\$20,166,036	\$(1,872,741)

GENERAL FUND ACTIVITY

The overall net increase in the general fund cash balance is nearly \$928 thousand over budget year-to-date (YTD), but this is due in large part to timing differences and budget variances as discussed below. During the eight months ending August 31, 2017 total expenditures exceeded revenues by more than \$1.51 million. This deficit is within expected parameters and will normalize after the October tax revenue receipts.

Budget to Actual Variances

Operating Revenue

Total operating revenue is tracking less than \$33 thousand or only 0.3% behind expectations with the EMS levy causing the largest portion of the unfavorable variance in tax revenue. The variance will likely narrow during the year when the October tax receipts are received. Interest and Other Earnings shows a favorable variance of \$32 thousand or 53.2% primarily due to higher than expected interest revenue, donations and sales of surplus.



Most expenditures are tracking below budget projections which is contributing significantly to the favorable YTD cash flow variance. Explanations for budget variances greater than \$50 thousand are discussed below.

Operating Expenses

- Salaries and Benefits: \$191,800 or 2.0% Unfavorable Variance – This unfavorable variance is primarily due to the retroactive payment and the new uniformed contract rates as discussed previously. The impacts have been offset somewhat by unfilled positions.
- Office and Operating Supplies: \$138,200 or 26.5% Favorable Variance – Due primarily from lower than expected building repair and maintenance supplies (\$61,800), EMS medical supplies (\$20,700) and bunker gear operations (\$17,300).
- Training and Travel: \$62,200 or 38.3% Favorable Variance – This variance is due to lower overall cost than expected for training registrations, travel and tuition reimbursement especially in Operations (\$29,100) and Administration (\$12,700). The admin training variance should narrow during the year due to upcoming conferences.
- Professional Services: \$109,400 or 28.8% Favorable Variance – The main contributing factors to this variance are lower than expected costs for legal (\$61,100), shared custodial services (\$13,600) and state audit costs (\$14,500). The audit costs are a timing issue and should be incurred before year end.
- Repairs and Maintenance: \$65,500 or 30.7% Favorable Variance – This category includes software maintenance contracts. The bulk of the overall variance is primarily from not implementing the software to interface with the hospital.
- Other Fees and Contingency: \$295,900 or 92.3% Favorable Variance – This variance is due to the unused operational contingency (\$278,300) and lower than expected costs for printing/marketing/rebranding (\$13,600).
- Elections & Kitsap 911 Contract: \$120,000 or 52.0% Favorable Variance – This variance is from the unused amount budgeted for election costs in 2017. This variance will narrow by at least \$30 thousand by year end due to uncontested election costs.

Non-Operating and Other Activity

- Interfund Transfers – \$210,000 or 100% Favorable Variance – This variance is due to timing. Year-to-Date we have nearly \$134,000 in planned net transfers out of the general fund which includes a \$200,000 transfer to the capital apparatus and equipment fund as budgeted offset by \$66,000 in inflows from other funds. The fund transfers will be made toward the end of the calendar year to avoid multiple resolutions.
- Capital Expenditures, \$126,900 or 28.9% Favorable Variance – Largely due to less than expected expenditures for apparatus/equipment standardization (\$169,400), vehicle maintenance equipment (\$35,300), computer and network infrastructure upgrades (\$44,200), the rescue swimmer and wellness programs (\$40,600).



- This net favorable variance is partially offset by higher than expected building upgrade costs (\$60,700), vehicle purchases (\$97,100) and maintenance equipment (\$33,800). A significant portion of these costs will be reimbursed from other sources.

CENTRAL KITSAP FIRE & RESCUE
Statement of Fund Resources and Uses Arising From Cash Transactions
For The Eight Months Ending August 31, 2017

	Total Budget	YTD Budget	YTD Actual	Budget Variance	Utilization 8 Mo = 66.7%
GENERAL FUND - 001					
Operating Revenue					
Taxes	\$ 16,397,664	\$ 8,872,517	\$ 8,797,589	\$ (74,928)	53.7%
Intergovernmental Revenues	83,290	51,021	56,678	5,657	68.0%
Charges for Goods and Services	1,569,255	1,050,192	1,054,877	4,685	67.2%
Interest and Other Earnings	84,000	60,025	91,930	31,905	109.4%
Total Operating Revenues	18,134,209	10,033,755	10,001,074	(32,681)	55.2%
Operating Expenditures					
Salaries and Wages	11,696,183	7,438,945	7,693,924	254,979	65.8%
Personnel Benefits	3,655,302	2,298,137	2,234,915	(63,222)	61.1%
Subtotal Salaries and Benefits	15,351,485	9,737,082	9,928,839	191,757	64.7%
Office and Operating Supplies	790,698	522,562	384,333	(138,229)	48.6%
Fuel Consumed	148,500	98,999	64,747	(34,252)	43.6%
Small Tools and Minor Equipment	25,764	17,003	8,205	(8,798)	31.8%
Training and Travel	316,954	162,521	100,325	(62,196)	31.7%
Professional Services	545,949	379,369	269,963	(109,406)	49.4%
Communication	81,010	53,972	56,880	2,908	70.2%
Taxes, Operating Rentals and Leases	12,810	7,850	4,619	(3,231)	36.1%
Insurance	82,805	1,555	2,216	661	2.7%
Utility Services	159,193	106,564	99,434	(7,130)	62.5%
Repairs and Maintenance	328,873	213,781	148,244	(65,537)	45.1%
Other Fees and Contingency	618,785	320,615	24,722	(295,893)	4.0%
Elections and CenCom Contract	285,878	230,584	110,585	(119,999)	38.7%
Total Operating Expenses	18,748,704	11,852,457	11,203,112	(649,345)	59.8%
Net Operating Revenues (Expenditures)	(614,495)	(1,818,702)	(1,202,038)	616,664	195.6%
Non-Operating Revenues (Expenditures)					
Sales and Leasehold Tax - Net	(1,458)	(729)	(922)	(193)	63.2%
Proceeds From the Sale of Assets	10,000	10,000	3,518	(6,482)	35.2%
Interfund Transfers	(210,000)	(210,000)	-	210,000	0.0%
Insurance Recoveries	39,000	19,500	322	(19,178)	0.8%
Capital Expenditures	(483,757)	(438,736)	(311,885)	126,851	64.5%
Total Non-Operating Revenues (Expenditures)	(646,215)	(619,965)	(308,967)	310,998	47.8%
Net Increase (Decrease) In Cash and Investments	(1,260,710)	(2,438,667)	(1,511,005)	\$ 927,662	119.9%
Beginning Cash and Investment Balance	2,352,790	2,352,790	8,324,735		
Total Ending Cash and Investments	\$ 1,092,080	\$ (85,877)	\$ 6,813,730		

TREASURERS REPORT

Fund Totals

Central Kitsap Fire & Rescue
MCAG #: 1162

08/01/2017 To: 08/31/2017

Time: 09:40:24 Date: 09/19/2017
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Fund	Previous Balance	Revenue	Expenditures	Ending Balance	Claims Clearing	Payroll Clearing	Outstanding Deposits	Adjusted Ending Balance
001 GENERAL FUND	8,001,387.85	277,564.24	1,465,222.39	6,813,729.70	131,840.87	447,033.95	-25.77	7,392,578.75
002 RESERVE-GENERAL LIABILITY FUND	2,397,942.44	2,223.11		2,400,165.55	0.00	0.00	0.00	2,400,165.55
201 BOND FUND- DEBT SERVICE	979,121.44	10,730.13		989,851.57	0.00	0.00	0.00	989,851.57
305 CAPITAL- APPARATUS/EQUIPMENT FUND	1,277,336.64	1,184.20		1,278,520.84	0.00	0.00	0.00	1,278,520.84
310 CAPITAL- FACILITIES FUND	3,562,142.20	22,116.94		3,584,259.14	0.00	0.00	0.00	3,584,259.14
315 CAPITAL-FIRE MITIGATION AGREEMENT FUND	25,586.41	23.73		25,610.14	0.00	0.00	0.00	25,610.14
320 CAPITAL PROJECTS FUND- BOND	3,213,005.02	2,747.55	14,594.47	3,201,158.10	14,989.83	0.00	0.00	3,216,147.93
	<u>19,456,522.00</u>	<u>316,589.90</u>	<u>1,479,816.86</u>	<u>18,293,295.04</u>	<u>146,830.70</u>	<u>447,033.95</u>	<u>-25.77</u>	<u>18,887,133.92</u>

2017 BUDGET POSITION

Central Kitsap Fire & Rescue
MCAG #: 1162

Time: 17:26:23 Date: 09/18/2017

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001 GENERAL FUND

Months: 01 To: 08

Revenues	Amt Budgeted	Revenues	Remaining	
308 Beginning Balances	2,352,790.00	8,324,735.31	(5,971,945.31)	353.8%
310 Taxes	8,872,517.00	8,797,589.48	74,927.52	99.2%
330 Intergovernmental Revenues	51,021.00	56,677.54	(5,656.54)	111.1%
340 Charges For Goods & Services	1,050,192.00	1,054,877.49	(4,685.49)	100.4%
360 Interest & Other Earnings	60,025.00	91,930.03	(31,905.03)	153.2%
380 Non Revenues	0.00	1,610.81	(1,610.81)	0.0%
390 Other Financing Sources	10,000.00	3,517.78	6,482.22	35.2%
397 Interfund Transfers	0.00	0.00	0.00	0.0%
398 Insurance Recoveries	19,500.00	322.28	19,177.72	1.7%

Fund Revenues:	12,416,045.00	18,331,260.72	(5,915,215.72)	147.6%
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Expenditures	Amt Budgeted	Expenditures	Remaining	
010 Admin Salaries	1,349,198.00	1,207,441.88	141,756.12	89.5%
020 Admin Benefits	425,230.00	361,972.06	63,257.94	85.1%
030 Admin Supplies	11,170.00	14,958.17	(3,788.17)	133.9%
040 Admin Professional Services	701,090.00	253,413.49	447,676.51	36.1%
050 Admin Intergovernmental	120,000.00	0.00	120,000.00	0.0%
210 Operations Salaries	5,507,276.00	5,906,508.16	(399,232.16)	107.2%
220 Operations Benefits	1,656,093.00	1,659,805.92	(3,712.92)	100.2%
230 Operations Supplies	349,891.00	255,496.66	94,394.34	73.0%
240 Operations Services	115,034.00	89,683.58	25,350.42	78.0%
250 Operations Intergovernmental	110,584.00	110,585.36	(1.36)	100.0%
310 Fire Prevention Salaries	53,064.00	50,892.60	2,171.40	95.9%
320 Fire Prevention Benefits	12,257.00	12,398.10	(141.10)	101.2%
330 Fire Prevention Supplies	11,300.00	7,914.77	3,385.23	70.0%
340 Fire Prevention Services	2,470.00	344.00	2,126.00	13.9%
440 Training Services-External	1,275.00	22,278.61	(21,003.61)	1747.3%
451 Training Salaries	164,394.00	171,093.73	(6,699.73)	104.1%
452 Training Benefits	46,319.00	46,382.06	(63.06)	100.1%
453 Training Supplies	13,326.00	7,009.41	6,316.59	52.6%
454 Training Services- Internal	165,376.00	80,706.21	84,669.79	48.8%
510 Facilities Salaries	154,321.00	146,144.29	8,176.71	94.7%
520 Facilities Benefits	65,867.00	64,931.06	935.94	98.6%
530 Facilities Supplies	158,524.00	84,695.94	73,828.06	53.4%
540 Facilities Services	194,066.00	187,320.00	6,746.00	96.5%
610 Vehicle Maintenance Salaries	213,556.00	212,934.71	621.29	99.7%
620 Vehicle Maintenance Benefits	89,507.00	88,334.91	1,172.09	98.7%
630 Vehicle Maintenance Supplies	94,353.00	87,210.08	7,142.92	92.4%
640 Vehicle Maintenance Services	16,916.00	21,870.93	(4,954.93)	129.3%
740 Ambulance Billing Services	50,000.00	50,786.07	(786.07)	101.6%

522 Fire Control	11,852,457.00	11,203,112.76	649,344.24	94.5%
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580 Non Expenditures	729.00	2,532.82	(1,803.82)	347.4%
594 Capital Expenditures	438,736.00	311,885.44	126,850.56	71.1%
597 Interfund Transfers	210,000.00	0.00	210,000.00	0.0%

Fund Expenditures:	12,501,922.00	11,517,531.02	984,390.98	92.1%
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2017 BUDGET POSITION

Central Kitsap Fire & Rescue
MCAG #: 1162

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001 GENERAL FUND

Months: 01 To: 08

Fund Excess/(Deficit):	(85,877.00)	6,813,729.70
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2017 BUDGET POSITION

Central Kitsap Fire & Rescue
MCAG #: 1162

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002 RESERVE-GENERAL LIABILITY FUND

Months: 01 To: 08

Revenues	Amt Budgeted	Revenues	Remaining	
308 Beginning Balances	0.00	2,384,757.16	(2,384,757.16)	0.0%
360 Interest & Other Earnings	0.00	15,408.39	(15,408.39)	0.0%
Fund Revenues:	0.00	2,400,165.55	(2,400,165.55)	0.0%
Expenditures	Amt Budgeted	Expenditures	Remaining	
999 Ending Balance	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):	0.00	2,400,165.55		

2017 BUDGET POSITION

Central Kitsap Fire & Rescue
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201 BOND FUND- DEBT SERVICE

Months: 01 To: 08

Revenues	Amt Budgeted	Revenues	Remaining	
308 Beginning Balances	0.00	254,177.19	(254,177.19)	0.0%
310 Taxes	0.00	766,783.07	(766,783.07)	0.0%
330 Intergovernmental Revenues	0.00	3,440.39	(3,440.39)	0.0%
360 Interest & Other Earnings	0.00	4,652.63	(4,652.63)	0.0%
Fund Revenues:	0.00	1,029,053.28	(1,029,053.28)	0.0%
Expenditures	Amt Budgeted	Expenditures	Remaining	
591 Debt Service - Principal Repayment	0.00	0.00	0.00	0.0%
592 Debt Service - Interest Costs	0.00	39,201.71	(39,201.71)	0.0%
999 Ending Balance	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	39,201.71	(39,201.71)	0.0%
Fund Excess/(Deficit):	0.00	989,851.57		

2017 BUDGET POSITION

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305 CAPITAL- APPARATUS/EQUIPMENT FU

Months: 01 To: 08

Revenues	Amt Budgeted	Revenues	Remaining	
308 Beginning Balances	0.00	1,270,313.11	(1,270,313.11)	0.0%
360 Interest & Other Earnings	0.00	8,207.73	(8,207.73)	0.0%
397 Interfund Transfers	0.00	0.00	0.00	0.0%
Fund Revenues:	0.00	1,278,520.84	(1,278,520.84)	0.0%
Expenditures	Amt Budgeted	Expenditures	Remaining	
597 Interfund Transfers	0.00	0.00	0.00	0.0%
999 Ending Balance	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):	0.00	1,278,520.84		

2017 BUDGET POSITION

Central Kitsap Fire & Rescue
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310 CAPITAL- FACILITIES FUND

Months: 01 To: 08

Revenues	Amt Budgeted	Revenues	Remaining	
308 Beginning Balances	0.00	3,411,188.59	(3,411,188.59)	0.0%
360 Interest & Other Earnings	0.00	22,446.31	(22,446.31)	0.0%
390 Other Financing Sources	0.00	150,624.24	(150,624.24)	0.0%
Fund Revenues:	0.00	3,584,259.14	(3,584,259.14)	0.0%
Expenditures	Amt Budgeted	Expenditures	Remaining	
597 Interfund Transfers	0.00	0.00	0.00	0.0%
999 Ending Balance	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):	0.00	3,584,259.14		

2017 BUDGET POSITION

Central Kitsap Fire & Rescue
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315 CAPITAL-FIRE MITIGATION AGREEMENT

Months: 01 To: 08

Revenues	Amt Budgeted	Revenues	Remaining	
308 Beginning Balances	0.00	25,445.71	(25,445.71)	0.0%
360 Interest & Other Earnings	0.00	164.43	(164.43)	0.0%
Fund Revenues:	0.00	25,610.14	(25,610.14)	0.0%
Expenditures	Amt Budgeted	Expenditures	Remaining	
597 Interfund Transfers	0.00	0.00	0.00	0.0%
999 Ending Balance	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	0.00	0.00	0.0%
Fund Excess/(Deficit):	0.00	25,610.14		

2017 BUDGET POSITION

Central Kitsap Fire & Rescue
MCAG #: 1162

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320 CAPITAL PROJECTS FUND- BOND

Months: 01 To: 08

Revenues	Amt Budgeted	Revenues	Remaining	
308 Beginning Balances	0.00	3,769,222.99	(3,769,222.99)	0.0%
340 Charges For Goods & Services	0.00	0.00	0.00	0.0%
360 Interest & Other Earnings	0.00	21,871.75	(21,871.75)	0.0%
Fund Revenues:	0.00	3,791,094.74	(3,791,094.74)	0.0%
Expenditures	Amt Budgeted	Expenditures	Remaining	
592 Debt Service - Interest Costs	0.00	0.00	0.00	0.0%
594 Capital Expenditures	0.00	589,936.64	(589,936.64)	0.0%
597 Interfund Transfers	0.00	0.00	0.00	0.0%
999 Ending Balance	0.00	0.00	0.00	0.0%
Fund Expenditures:	0.00	589,936.64	(589,936.64)	0.0%
Fund Excess/(Deficit):	0.00	3,201,158.10		

Software Committee:

Executive Summary

3E

Proposed Software	Functionality	Replaces	Start-up Costs	Annual Cost/Renewal	Implementation
SP Marketplace (NEW)	<ul style="list-style-type: none"> IT Help Desk and automation Personnel records management Employee portal (paystubs, benefits, evaluations, changes, etc.) Applicant Tracking System / online application Performance Review tracking / automation Policy Development / electronic acknowledgments 		\$16,000	\$10,000 (includes required upgrade to SharePoint Online)	<ul style="list-style-type: none"> Can be done with current staff and vendor IT: 20-30 hrs HR: 80-100 hrs
Operative IQ (NEW)	<ul style="list-style-type: none"> Inventory management Fleet maintenance management Automated supply ordering Narcotic control systems Integrated PO process Fixed Asset management Service Desk for facilities/shop/central supply 	<ul style="list-style-type: none"> Fleet Max Cost: \$0 PS Track Cost: \$5000 (renews each yr) 	\$15,000	\$4,000	<ul style="list-style-type: none"> Start-up costs include consultant for 2 weeks Believe it can be done with current staff; may need temp employee for data entry. IT: 5-10 hrs Central Supply: 160 hrs Fleet: 30-40 hrs Finance: 60 hrs Facilities: 20-30 hours
PO Module (Add-on to BIAS)	<ul style="list-style-type: none"> Integrated and electronic purchase orders Required to link to Operative IQ to General Ledger (BIAS) Fall back solution for administrative type purchases 	<ul style="list-style-type: none"> Remaining PO Books 	\$4,500	\$700	<ul style="list-style-type: none"> IT: 5-10 hrs Finance: 30 hrs Training: 4 hrs for Finance
Workforce Telestaff (Upgrade)	<ul style="list-style-type: none"> Upgrade to current Telestaff which is an end-of-life product Increased flexibility Better user interface Includes mobile application 	<ul style="list-style-type: none"> Telestaff 	\$24,000	\$16,000	<ul style="list-style-type: none"> Vendor handles data transfer IT: 5-10 hrs Platz: 20-30 hrs OT Training: 1-2 hrs for all staff; 5-8 hrs for BC's & Captains; conference for BC Platz



DNR can improve consistency of landowner assessments by clarifying definitions and coordinating with county assessors

What is the assessment?

The WA State Department of Natural Resources (DNR) imposes Forest Fire Protection Assessments, which are annual fees landowners pay on forest land parcels.

How much is collected?

Public and private landowners have paid \$104M on 486,000 parcels over the last 10 years.

How is it spent?

Fees support protection activities:

- Preparedness
- Training
- Education
- Program Administration

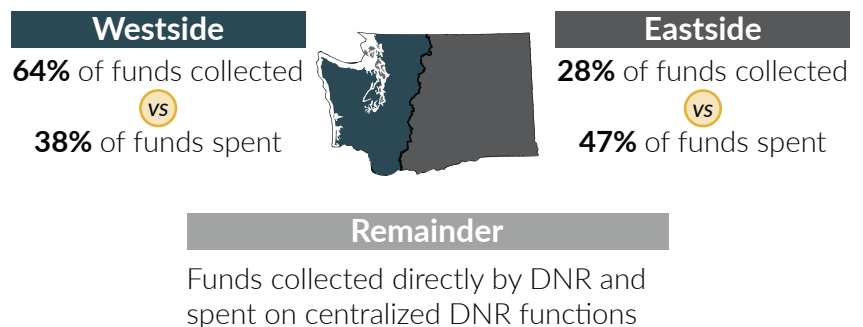
JLARC staff created a statewide database of county-level parcel data

20,000 parcels

where owners do not pay the assessment or a local fire district levy, but likely still protected by DNR or a district (out of 2.8 million parcels).

Detail by county is available in the full report.

Where funds are collected and spent



Recommendation: DNR should clarify the definition of forest land and implement a process to consistently apply the definition across the state



Paying Assessment

Not Paying Assessment

Currently, similar parcels in different areas may be treated differently because DNR lacks agency-wide definitions, criteria or guidelines for determining which parcels should be assessed.

Example

Two parcels in different parts of the state with tree cover and development are treated differently.

Recommendation: DNR should create and communicate consistent guidance for administering the assessment, with input from county officials

In the absence of systematic guidance from DNR, county officials use different processes to apply the assessment.

Example

Nine counties remove or modify the assessment when land is cleared or developed, while 22 counties do not.

Proposed Final Report:

Fees Assessed for Forest Fire Protection

Legislative Auditor's Conclusion:

DNR can improve consistency of landowner assessments by clarifying definitions and coordinating with county assessors

Forest fire protection assessments are fees landowners pay to fund state protection activities

- State law authorizes the Washington State Department of Natural Resources (DNR) to impose the Forest Fire Protection Assessment (assessment) on private, state, and local government forest land.
- DNR uses assessments to fund fire protection activities such as preparedness and training.
- Between fiscal years 2007 and 2016, DNR collected \$104 million and spent \$92 million. Assessments averaged \$19.30 per parcel in 2016.
- The 2015-17 Operating Budget (ESSB 6052) directs the Joint Legislative Audit and Review Committee (JLARC) to review the assessments.

Identifying information about impacts of assessments is challenging because there is no centralized system for managing them

- JLARC staff found at least 5,500 forested parcels that likely should pay the assessment but do not. Staff also identified 20,000 parcels that do not pay for fire protection through the assessment or a local fire district levy.

- Money is not necessarily spent in the same locations from where it is collected. For example, the west side of the state contributes 64 percent of funding but accounts for 38 percent of spending.
- Information about which private properties are assessed is maintained in separate systems managed by each county. Further, DNR bills assessments on properties owned by public and private tax-exempt entities.
- JLARC staff created a statewide database with 2.8 million parcel records to answer the Legislature's questions.

DNR can improve consistency of landowner assessments by clarifying definitions and coordinating with county assessors

- A lack of definitions and guidance to agency staff has led to inconsistent decisions about which parcels should be assessed. DNR has not updated its parcel information since 2009, so the unequal treatment persists. Without updated data, it is unknown if the problem is widespread.
- DNR does not coordinate with county assessors about how to address changes to parcels, such as clearing, development, or reforestation. Without guidance from DNR, assessors use a variety of approaches, leading to additional inconsistency for landowners.
- DNR does not necessarily need a statewide system of all parcels to make these management improvements.

Legislative Auditor Recommendations

The Legislative Auditor makes two recommendations regarding improving consistency and coordinating with county officials:

1. DNR should clarify the definition of forest land and implement a process to consistently apply the definition across the state.
2. DNR should coordinate with county officials to create consistent policies for administering the assessment.

The Department of Natural Resources concurs with these recommendations. You can find additional details on the Recommendations tab.

REPORT DETAILS

1. DNR administers assessment

DNR is responsible for the Forest Fire Protection Assessment – an annual fee for fire preparedness activities

The Washington State Department of Natural Resources (DNR) is responsible for protecting private, state, and local government forest land from fire. Forest land is defined in statute and includes:

- Unimproved land that has enough trees or flammable material to constitute a fire hazard.
- Sagebrush and grass lands in eastern Washington that are adjacent to or intermingled with areas supporting tree growth.
- Parcels that are unimproved or partially improved.

State law authorizes DNR to impose the Forest Fire Protection Assessment (assessment) to fund fire protection activities such as preparedness and training. The assessment is an annual fee paid by owners of forest land parcels. See the next section for more detail.

Exhibit 1.1: Forest land includes unimproved and partially improved parcels, as well as trees, sagebrush, and grasslands



Source: DNR, Washington Department of Fish and Wildlife, Fire Adapted Washington.

DNR partially fulfills statutory program responsibilities

DNR administers the assessment program with help from the county assessors and treasurers. Counties keep fifty cents per parcel for administration, and send the remainder to DNR. The exhibit below lists assessment statutory administrative responsibilities and whether DNR is performing them.

Exhibit 1.2: Statute defines DNR's administrative responsibilities

Responsibility	Met?	Explanation
Authorize county assessors to levy assessment	Yes	DNR sends letter to each county assessor authorizing them to levy the assessment and maintains archive of the letters
Process and disburse refunds	Yes	DNR processes and disburses refunds to landowners annually
Process applications from landowners who want to combine fees on multiple parcels	Yes	DNR processes applications and maintains a database of combined parcels. However, not all counties notify DNR when landowners combine or split parcels.
Bill tax-exempt and publicly-owned properties (if county chooses not to do so)	Partially	DNR bills landowners in its database annually, but its records are incomplete and it may not bill some tax-exempt landowners correctly
Designate forest protection zones	No	DNR does not have a procedure to designate zones and has not made any recent efforts to designate zones. This responsibility is discussed in Section 3
Determine which properties are eligible for assessment, and notify county assessor	Not since 2009	This responsibility is discussed in Sections 3 and 4

Source: RCW 76.04.610, RCW 76.04.165.

Next Section

REPORT DETAILS

2. Spending and Collections

DNR pays for preparedness activities based on where staff are located, not where assessment funds are collected

Forest Fire Protection Assessment pays for activities like preparedness and training

State law authorizes the Department of Natural Resources (DNR) to impose the Forest Fire Protection Assessment (assessment) on owners of forest land parcels to fund fire protection activities. The current annual fee is \$17.50 per parcel, plus 27 cents for each acre over 50. In some cases, landowners can request a refund or combine multiple properties to reduce their total assessment. The Legislature has increased the rates 10 times since the beginning of the program in 1917, most recently in 2010.

JLARC staff analysis found that landowners pay the assessment on 486,000 parcels across the state. Between fiscal years 2007 and 2016, DNR collected \$104 million and spent \$92 million. Expenditures include preparedness, training, education, and program administration (Exhibit 2.1).

Exhibit 2.1: Assessment funds fire protection activities

Program	Amount (millions)	Description
Preparedness	\$42	Planning, equipment maintenance, fire detection, fire weather, administering the assessment
Training	\$10	Wildfire training for DNR staff
Smoke Management	\$7	Activities required to deliver the smoke management program
Education	\$4	Activities to educate the public about fire prevention
Fire District Assistance	\$2	Provide training and equipment to fire districts

Program	Amount (millions)	Description
All other	\$28	Includes administrative overhead
Total expenditures over 10 years	\$92	

Source: JLARC summary of data from DNR. Total may not match the sum of individual parts due to rounding.

Collections exceed spending in westside regions, while spending exceeds collections in east

DNR reports that there is no relationship between the amount of assessment funds collected in a region and the amount of fire protection funds that DNR spends in that region (Exhibit 2.2).

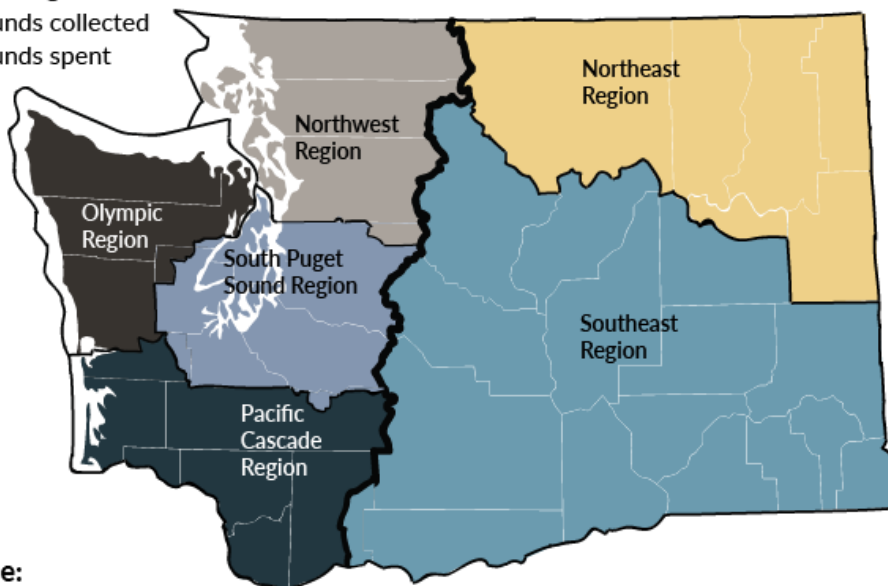
- DNR allocates assessment funds to each of its six regional offices based on the number of full-time equivalent staff positions in the region.

Exhibit 2.2: No relationship between where assessment funds are collected and spent

Westside Regions:

64% of funds collected

38% of funds spent



Eastside Regions:

28% of funds collected

47% of funds spent

Statewide:

8% of funds collected directly by DNR

16% of funds spent on administration, aviation and other DNR functions

Part of state	Region/Division	Percent of Collections	Percent of Spending
Eastside	Northeast	20	26
Eastside	Southeast	8	21
Westside	Pacific Cascade	18	15
Westside	South Puget Sound	24	9
Westside	Northwest	15	7
Westside	Olympic	8	7
Non-regional statewide collections and spending percentages		8	16

Source: Regions shown on DNR website, spending and collections from JLARC staff analysis of DNR data. Total may not match the sum of individual parts due to rounding.

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REPORT DETAILS

3. Unequal landowner treatment

Inconsistent decisions about whether a parcel is subject to the assessment can lead to unequal treatment of landowners

DNR must determine which lands are forest land, but definitions remain unclear

While statute provides a broad definition of forest land, it also states that the Department of Natural Resources (DNR) must use its judgment to determine which lands are forest land and subject to the Forest Fire Protection Assessment (assessment).

The law gives DNR explicit authority to create rules implementing the assessment. DNR has not issued administrative rules or published guidelines to clarify which parcels should be assessed.

DNR reviewed parcels for eligibility until 2010

DNR previously directed staff in each of its six regional offices to review 20 percent of the parcels in each county annually, so that each parcel would be reviewed every five years. DNR staff used parcel boundaries and ownership records from the county assessors, as well as aerial imagery and field observations to make decisions about which parcels should be assessed.

Despite the requirement to complete reviews, DNR had no agency-wide training or guidance for the staff who did the work.

- DNR did not specify how each region should perform the reviews.
- DNR had no criteria or guidelines for determining which parcels met the definition of forest land. Policy stated only that cemeteries, air strips, gravel pits, and swamps were exempt.
- DNR had no formal process to check the work of the staff performing the reviews.

In 2010, DNR stopped reviewing parcels after it received negative feedback regarding a decision to assess 526 previously non-assessed parcels. The feedback raised concerns about inconsistent determinations.

Determinations about eligibility for assessments can be inconsistent

In the absence of agency-wide guidance, regional staff developed their own informal criteria, or used no criteria at all, to make determinations when parcels did not clearly fall within or outside the statutory definition. As a result, determinations were inconsistent, and remain so because there have been no updates.

For example, similar parcels in different areas could be treated differently. The exhibit below shows the different determinations for similar parcels in two DNR regions. One pays the assessment, while the other does not.

Exhibit 3.1: Similar parcels in different counties had different determinations



Source: Parcel and assessment data provided by county assessors, imagery is 2015 National Agricultural Imagery Program mosaics.

Determinations may be inaccurate due to changes since the last reviews

DNR made its last parcel determinations in fall 2009. Since then, there have been changes in the landscape, parcel boundaries, and ownership that impact whether a parcel should be subject to the assessment. For example, a forested parcel may have been cleared, divided into smaller parcels, and developed. Some county assessors reported that the new parcels still carried the assessment, while others stated that they did not, regardless of remaining tree coverage.

Logging and regrowth also have changed the landscape. In the exhibit below, the recently logged parcel on the left is subject to the assessment, despite having no trees and little other forest material. However, the parcel on the right is not subject to the assessment, despite regrowth since the last determination.

When DNR stopped the reviews, staff expressed concern that the long interval between reviews could lead to "inaccurate, inequitable FFPA assessment[s]" and "charging citizens incorrectly." The scale of the problem is unclear because DNR cannot determine how many parcels are affected without completing a full review statewide. However, JLARC staff analysis identified nearly 5,500 parcels that are treated as forest land for property tax purposes but do not pay the assessment.

Exhibit 3.2: Logging and regrowth affect accuracy of determination



Source: Parcel and assessment data provided by county assessors, imagery is 2015 National Agricultural Imagery Program mosaics.

DNR considered, but did not implement, program reform

After halting the reviews, in 2010 DNR created a staff work group to propose program changes and parcel evaluation criteria. DNR disbanded the work group in January 2011 before it completed its work, citing workload priorities.

In 2014, DNR again assigned staff to develop recommendations for improving the process and restarting reviews. Staff presented findings, recommendations, and a new review process to executive management, but the program was not changed.

DNR has not designated forest protection zones statewide

In 1988, the Legislature passed a law requiring DNR to clarify its geographic areas of responsibility by working with local fire districts to create “forest protection zones.” DNR and the local fire districts must decide if any forest land in the zone would be better protected by local fire districts. Those lands would not be subject to the assessment.

DNR has created three forest protection zones — one each in King, Kitsap, and Pierce counties. While DNR has updated the boundaries a number of times, it has not created zones in the rest of the state. Forest land in a local fire protection district may be subject to the assessment in a county without zones, while similar land in a zoned county may not. DNR has no written policies or procedures for creating the zones.

Other states have developed means to improve consistency in identifying which parcels to assess

DNR can learn from similar programs in Oregon, Idaho, and Montana. These states also assess forest lands for fire protection through a combination of per-parcel and per-acre charges. The other Western states have created systems, including administrative rules, for classifying and reviewing forest land subject to the charges.

- Idaho has developed proprietary software that gathers data from county assessors to help staff identify lands to review. The Idaho Department of Lands uses a five-year review cycle so that 20 percent of assessed parcels are reviewed annually. The Department of Lands also is creating a training program for staff that review parcels, including photographs and examples to facilitate consistent decisions.
- Oregon divides responsibility for reviews by county. Each county has a classification committee that is responsible for periodically reviewing parcels. The detailed criteria for classifying lands are defined by administrative rule.
- In Montana, the state's wildfire agency has defined administrative rules with criteria for classifying forest land.

Recommendation: DNR should clarify the definition of forest land and implement a process to consistently apply the definition across the state

DNR should clarify the definition of forest land, either through administrative rule or by proposing requested legislation. In doing so, DNR should identify how the process of determining Forest Protection Zones is germane to the assessments, including whether statutory changes are needed. DNR should design and implement a process to consistently apply the definition to parcels across the state.

The Department of Natural Resources concurs with this recommendation. You can find additional details on the Recommendations tab.

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REPORT DETAILS

4. No guidance to counties

In the absence of systematic guidance from DNR, county officials use different processes to apply the assessment

County officials play a key role in administering the Forest Fire Protection Assessment (assessment). County assessors record the assessment on the tax rolls and treasurers collect the fee. Each county uses its own data system to track parcel records, including whether each parcel is subject to the assessment. Since the Department of Natural Resources (DNR) has not provided updated lists of parcels since 2009, county assessors generally apply the assessment to the same parcels as the year before.

DNR does not currently provide guidance to county officials

Changes to a parcel can affect the assessment. For example, if a parcel is logged or developed, it may be appropriate to reduce the number of acres subject to the assessment or remove it entirely. The law does not define what should happen and DNR does not provide any systematic guidance to county officials.

Development poses a particular challenge for the assessment. County assessors assign value to parcels based on the land and improvements, including buildings. A JLARC staff analysis of parcels, aerial photographs, and maps showed that most parcels currently paying the assessment have some improvements. There is no common threshold or DNR guidance for how much improved value is sufficient to consider a parcel "fully improved" and no longer subject to the assessment.

Assessors use different processes to administer the assessment

Although many parcels remain unchanged from year to year, scenarios arise that may warrant changes to others. In the absence of guidance or communication from DNR, assessors have adopted different approaches and processes to address these scenarios.

JLARC staff surveyed county assessors and learned how they address common scenarios that arise with the assessment (Exhibit 4.1). The variation contributes to unequal landowner treatment discussed in the previous section.

Exhibit 4.1: Counties differ in how they address common changes to assessment scenarios

Scenario	Yes	No	In Some cases
Remove or change the assessment when land is cleared or developed	9	22	0
Add assessment to new parcels after a parcel is subdivided	29	1	1
Tell DNR when the county removes, or changes the assessment, or adds it to a parcel	9	20	2
Automatically combine the assessments for a landowner with multiple parcels	13	18	0

Source: JLARC staff survey responses from 31 county assessors. Out of Washington's 39 counties, five do not have any lands with the assessment and three did not respond to the survey.

DNR does not provide updated information to county officials

DNR does not routinely communicate updates or news about the program to county officials. For example, some county assessors told JLARC staff that they did not know DNR had stopped reviewing parcels in 2010 and were unaware that program management had shifted from regional offices to Olympia headquarters. DNR's primary contact with assessors is through annual form letters sent to each county.

Recommendation: DNR should create and communicate consistent guidance for administering the assessment, with input from county officials

DNR should develop consistent guidance for county officials to address parcel changes that impact the assessment. DNR should solicit input from county officials to ensure that they can efficiently and effectively implement the guidance. In addition to guidance, DNR should develop a policy regarding communications with county officials.

DNR will need to consistently determine which parcels should pay the assessment. This will require working with the county assessors who maintain their counties' parcel records and tax assessment rolls.

The Department of Natural Resources concurs with this recommendation. You can find additional details on the Recommendations tab.

REPORT DETAILS

5. JLARC staff analysis of parcel data

JLARC staff created statewide database of county-level parcel data to analyze forest lands for the Legislature

JLARC staff compiled data from 32 counties

Each county uses its own data system to track parcel records, including whether each parcel is subject to the Forest Fire Protection Assessment (assessment). As a result, there is no centralized system for analyzing assessments.

JLARC staff created a statewide database with calendar year 2016 parcel and assessment records from 32 of the state's 39 counties:

- 5 counties do not have forest land subject to the assessment: Adams, Benton, Franklin, Grant, and Whitman.
- 2 counties, Lewis and Wahkiakum, did not respond to the JLARC request for data.

The database includes 2.8 million parcel records. The records have information such as parcels not subject to the assessment, taxable value, and fire district. The database created by JLARC staff contains more detailed information than the Department of Natural Resources (DNR) needs, to manage the program going forward. While DNR has some information about assessed parcels, it is outdated and potentially inaccurate. Sections 3 and 4 of this report address the steps needed to update DNR's assessment information. Appendix 1 describes the methodology in detail.

Nearly 5,500 parcels pay property tax as forest but do not pay the assessment

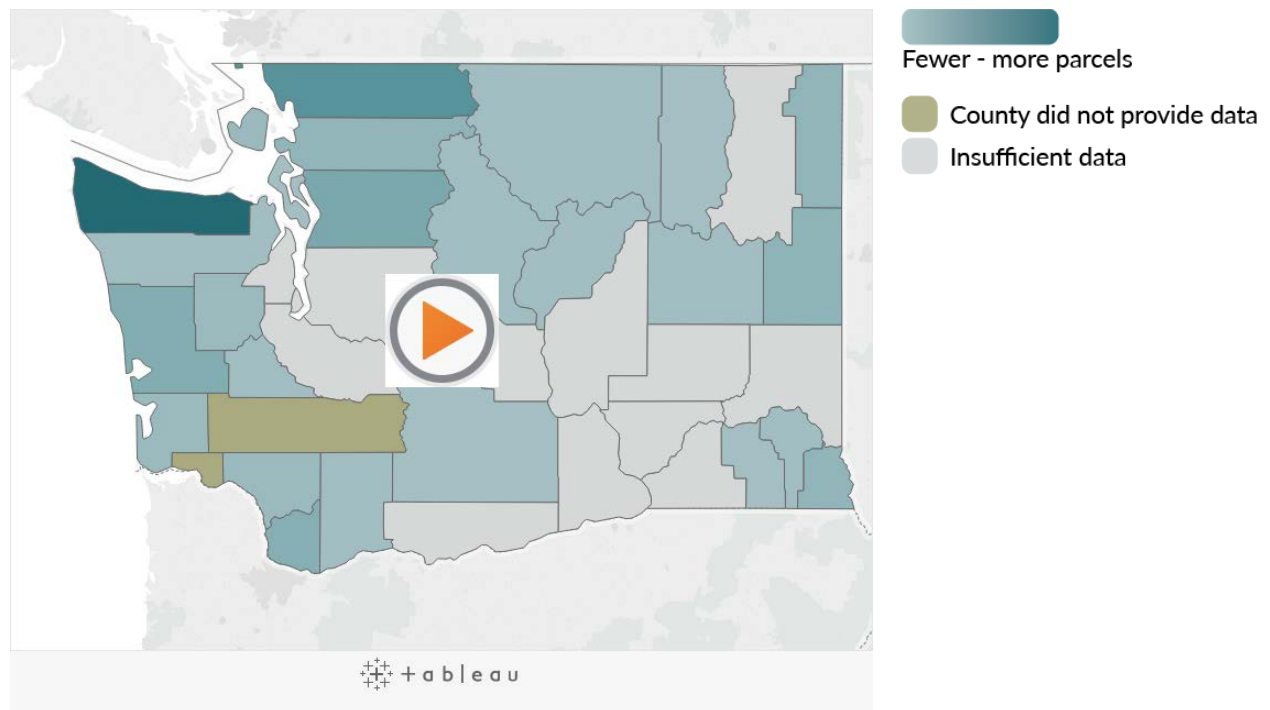
JLARC staff identified 5,455 parcels that are classified as forest for property tax purposes, but the owners do not pay the assessment.

- Land use codes indicate the parcels are noncommercial forest timberland, non-agricultural open space, or designated forestland under RCW 84.33.
- Some likely should be subject to the assessment. Considering current assessment rates and parcel size, JLARC staff estimate that the parcels could generate up to \$179,000 in annual assessment fees.
- This list is not exhaustive: There are likely parcels with other land use codes that also should be subject to the assessment.

As noted in Section 3, JLARC staff also identified parcels that are cleared of trees but still subject to the assessment.

Without clear and consistent definitions and a comprehensive review of parcels, DNR cannot confirm whether it is appropriately collecting assessment fees across the state.

Exhibit 5.1: There are 5,455 parcels taxed as forest that do not pay the assessment



Source: County assessor parcel records for calendar year 2016. Calculations do not include: land categories that are excluded from the assessment; state owned lands; land owned by a tribe or held in trust for a tribe; federally owned land; tidal or shore lands.

More than 20,000 parcels exist where owners do not pay the assessment or a local fire district levy, but likely still protected by DNR or a district

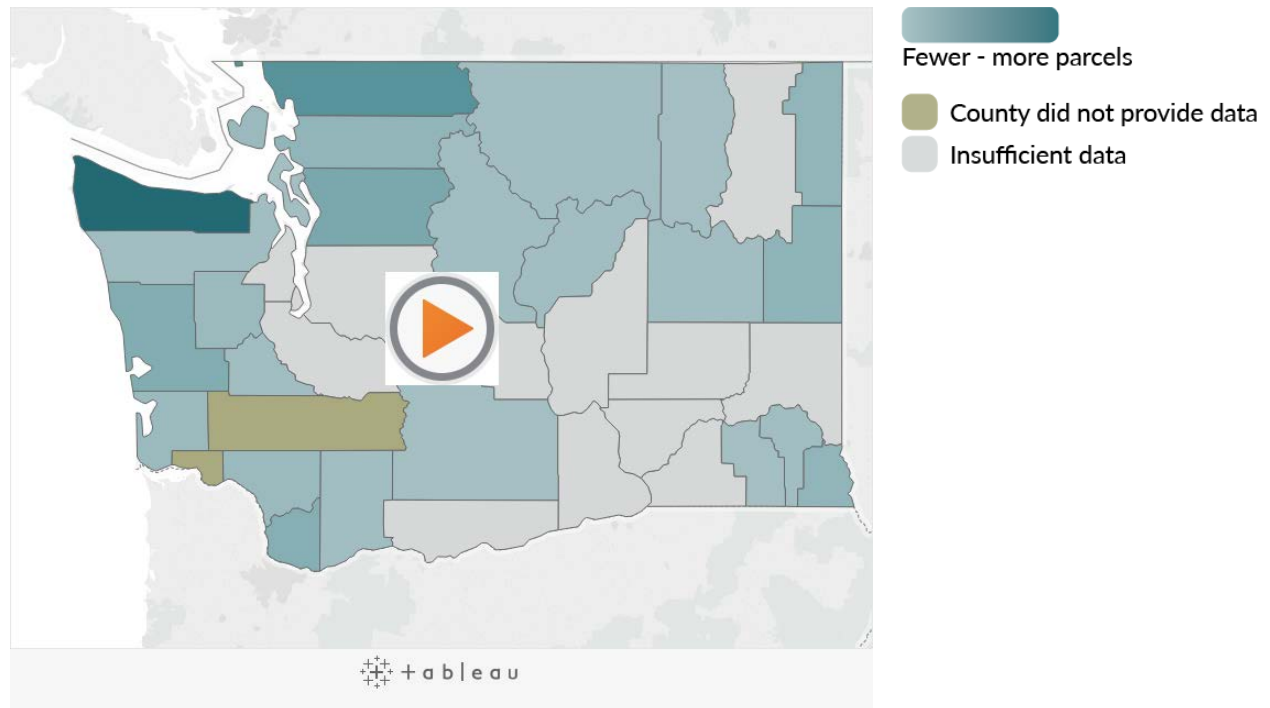
JLARC staff found 20,135 parcels that do not pay the assessment or a local fire levy.

It is unclear whether the parcels should be subject to the assessment, a local fire district levy, or both. For example, from the data we received from assessors,

- 25 percent have some taxable improvements, which can include homes, outbuildings, fences, or other permanent construction.
- 14 percent have a state or local tax exemption. The county may not collect the assessment from tax-exempt owners, although the parcel is subject to the fee. DNR could bill these landowners directly.

The landowners likely would still receive fire suppression services. Title 52 RCW allows fire districts to recover costs of fire suppression on parcels that do not pay for fire protection. Statute also allows DNR to recover expenses incurred suppressing fires due to negligence. If assessed, these parcels would pay approximately \$446,223.

Exhibit 5.2: There are 20,135 parcels where owners do not pay for fire protection through the assessment or local levy



Source: JLARC staff analysis of calendar year 2016 parcel data from county assessors and DNR. JLARC staff analyzed all parcels in the state and excluded: parcels subject to the assessment, parcels that pay a local fire protection district levy, parcels owned by the federal government or Indian tribes, and parcels that are exempt from the assessment by DNR policy, such as swampland, and gravel pits.

[Previous Section](#) | [Appendix 1](#)

REPORT DETAILS

Appendix 1: Parcel analysis methodology

Methodology for parcel data analysis

The Legislature requested information on parcels that are assessed as forest lands and parcels not subject to the Forest Fire Protection Assessment (assessment) that are not included in a local fire district. In order to answer these questions JLARC staff requested GIS

data from the 34 counties that have the assessment. We combined the counties' data with information from the Department of Natural Resources (DNR) on their jurisdiction and parcels that they bill directly.

The main tasks of this data analysis were to:

- Standardize county records.
- Identify parcels that do/do not pay the assessment, including from DNR's list of direct billings.
- Identify classes of parcels that are exempt from the assessment.
- Identify possible methods to determine if a parcel is forested.
- Determine which parcels do not pay into a local fire district.

Where possible, we used the data to identify parcels in the counties that would be tax exempt or otherwise not responsible for paying the assessment, including matching as many of the parcels as possible that DNR directly bills. We then reviewed parcels by owner name. We also reviewed levy books downloaded from counties and the Department of Revenue to create a list of tax code areas outside cities that do not pay a fire protection district.

The data manipulation and analysis was conducted using ArcGIS, Excel, and R statistical software.

Process details

JLARC staff used the following detailed process to identify parcels that do not pay the assessment and exclude parcels that are exempt from our analysis. After JLARC staff processed the data and calculated results, counties were given an opportunity for technical review.

1. Combined parcel records with county assessors' lists of parcels paying the assessment.
2. Compared the total parcels and acreage given in DNR's 2009 jurisdiction to current county data.
3. Searched recent county levy books and reports for tax code areas in each county that were not within a city or paying into a fire protection district. We assumed that parcels paying city taxes were also paying for city fire protection because these charges are not itemized on tax bills. If in doubt, we used internet searches to spot check that cities had local fire departments.
4. Identified parcels with Department of Revenue codes indicating forest or open space.

5. Excluded tax-exempt parcels – including state, county, federal, and tribal lands – and parcels matching DNR's list of direct billings. Other properties that do not pay the assessment include cemeteries, gravel pits, swampland, and airstrips. These parcels were identified using the owner names and divided into categories of state, federal or tribal, and categorically excluded lands. We also categorized other public properties that would not be exempt from the assessment, such as county parks, P.U.D. land, schools, etc.
6. Using fuzzy text matching, more than 90% of the bills on DNR's exempt list were matched to a county parcel record.

RECOMMENDATIONS & AGENCY RESPONSE

Legislative Auditor Recommendation

The Legislative Auditor makes two recommendations regarding improving consistency and coordinating with county officials

Recommendation #1: DNR should clarify the definition of forest land and implement a process to consistently apply the definition across the state

The Department of Natural Resources (DNR) should develop agency-wide policies to ensure consistent determinations of which parcels should be assessed. The policy should include consistent criteria that can be applied across the state. In doing so, DNR should clarify the definition of forest land, either through rule-making or by proposing requested legislation. DNR should develop training for staff members who are responsible for determining whether parcels should be assessed. DNR should also identify how the process of negotiating and designating Forest Protection Zones is germane to the Forest Fire Protection Assessments (assessments), including whether statutory changes are needed.

Once DNR develops agency-wide policies, it should determine what resources are required to conduct parcel reviews.

Legislation Required:	No, however DNR may determine it is preferable to propose legislation altering the definition of forest land
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Fiscal Impact:	JLARC staff assume DNR can develop policies within existing resources. Implementation may require other resources.
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Implementation Date:	December 2018
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Agency Response:	Department of Natural Resources concurs
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Recommendation #2: DNR should coordinate with county officials to create consistent policies for administering the assessment

DNR should develop consistent guidance for county officials to address parcel changes that impact the assessment. DNR should solicit input from county officials to ensure that they can efficiently and effectively implement the guidance. In addition to guidance, DNR should develop a policy regarding communications with county officials.

Legislation Required:	No
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Fiscal Impact:	JLARC staff assume DNR can develop guidance and policies within existing resources.
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Implementation Date:	December 2018
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Agency Response:	Department of Natural Resources concurs
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RECOMMENDATIONS & AGENCY RESPONSE

Agency Response

The Office of Financial Management (OFM) was given an opportunity to comment on this report. OFM responded that it does not have any comments.



August 8th, 2017

Keenan Konopaski
Legislative Auditor
Joint Legislative Audit and Review Committee
Washington State Legislature

Dear Mr. Konopaski,

Thank you for the opportunity to provide the Department of Natural Resources' formal response to the State of Washington Joint Legislative Audit and Review Committee's (JLARC) Forest Fire Protection Assessment Audit Preliminary Report. We want to express our appreciation for the high quality of the report, especially in light of the complexities of the program and the challenges of implementing it.

The report made two recommendations. First, that DNR should clarify the definition of forestland and implement a process to consistently apply the definition across the state. Second, that DNR should coordinate with county officials to create consistent policies for administering assessment. We concur with these recommendations.

We look forward to the opportunity to implement these recommendations as they will help us carry out our mission and serve the public in an improved way. We agree the department has the ability to implement these recommendations without legislative intervention.

The collaboration and support that the Department of Natural Resources has received from JLARC during the course of this audit has been exemplary and your efforts are appreciated. It has been a pleasure to work with you.

Thank you for the opportunity to comment.

Sincerely,

Hilary Franz
Commissioner of Public Lands

cc: Karen Arnold, Assistant Wildfire Division Manager

HILARY S. FRANZ
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MORE ABOUT THIS REVIEW

Audit Authority

The Joint Legislative Audit and Review Committee (JLARC) works to make state government operations more efficient and effective. The Committee is comprised of an equal number of House members and Senators, Democrats and Republicans.

JLARC's non-partisan staff auditors, under the direction of the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other analyses assigned by the Legislature and the Committee.

The statutory authority for JLARC, established in [Chapter 44.28 RCW](#), requires the Legislative Auditor to ensure that JLARC studies are conducted in accordance with Generally Accepted Government Auditing Standards, as applicable to the scope of the audit. This study was conducted in accordance with those applicable standards. Those standards require auditors to plan and perform audits to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. The evidence obtained for this JLARC report provides a reasonable basis for the enclosed findings and conclusions, and any exceptions to the application of audit standards have been explicitly disclosed in the body of this report.

MORE ABOUT THIS REVIEW

Study Questions

Why a JLARC Study of Fees Assessed for Forest Fire Protection?

The Washington State Department of Natural Resources (DNR) is the lead agency for fire protection and suppression on non-federal forest land.

By law, all forest landowners in the state must provide adequate protection against the spread of fire on their land. If a landowner does not provide adequate protection, then DNR must provide the protection. DNR imposes Forest Fire Protection Assessment (assessment) fees, which support protection activities (Chapter 76.04 RCW).

The Legislature established these assessments in 1983. The most recent revision to the fee structure was in 2007. The 2015-17 Operating Budget (ESSB 6052) directs the Joint Legislative Audit and Review Committee (JLARC) to review the assessments.

Assessments Pay for Fire Prevention and Preparedness, Not Suppression

DNR uses the assessment funds for activities allowed in statute:

- **Fire Prevention** such as fuel treatments, public education, and issuing burn permits.
- **Fire Preparedness** such as providing training, purchasing equipment, and positioning resources near fire areas.

Assessment funds do not pay for fire suppression.

How are the Assessments Calculated?

Landowners, including state and local government agencies and tax-exempt entities, pay the assessment for each covered parcel of forest land.

Forest lands subject to the assessment are unimproved and have enough trees or other flammable material to pose a fire hazard to life or property. Areas of sagebrush and grass in eastern Washington may be considered forest lands if they are adjacent to or intermingled with trees. Forest land excludes portions of parcels that are developed.

The amount of the assessment is set in statute. Some landowners may be eligible for a partial refund.

Parcels under 50 acres	Parcels over 50 acres
\$17.50 flat rate	\$17.50 flat rate plus \$0.27 per acre on each acre over 50

County governments collect the fees for DNR and receive 50 cents per parcel for administration. DNR assessment revenues averaged \$9.4 million annually during the last decade.

Study Scope

As directed by the Legislature, this study will analyze DNR's Fire Protection Assessments.

The report will review how DNR and counties collect the assessments, including whether the processes are efficient and consistent with statute. JLARC staff also will review how DNR and local fire districts define their fire protection areas.

The report will review assessment rates and identify the practices used by other states for assessments and the standards used for rate setting.

The study excludes practices and expenditures related to fire suppression.

Study Objectives

This study will address the following questions:

1. How do DNR and local jurisdictions apply assessments, and is the approach consistent with statute?
2. How do DNR and local jurisdictions identify covered parcels, including those that become developed?
3. What parcels are not charged the assessment and not taxed by a local fire district? Where are these parcels located relative to DNR-protected areas?
4. How have the assessment rates and protection expenditures changed over time?
5. How do protection expenditures and deployments compare with where assessments are collected?
6. What can be learned from practices in other states and accepted standards for rate setting?

Timeframe for the Study

Staff will present the preliminary report in July 2017 and the final report in September 2017.

MORE ABOUT THIS REVIEW

Methodology

The methodology JLARC staff use when conducting analyses is tailored to the scope of each study, but generally includes the following:

- **Interviews** with stakeholders, agency representatives, and other relevant organizations or individuals.
- **Site visits** to entities that are under review.
- **Document reviews**, including applicable laws and regulations, agency policies and procedures pertaining to study objectives, and published reports, audits or studies on relevant topics.
- **Data analysis**, which may include data collected by agencies and/or data compiled by JLARC staff. Data collection sometimes involves surveys or focus groups.
- **Consultation with experts** when warranted. JLARC staff consult with technical experts when necessary to plan our work, to obtain specialized analysis from experts in the field, and to verify results.

The methods used in this study were conducted in accordance with Generally Accepted Government Auditing Standards.

More details about specific methods related to individual study objectives are described in the body of the report under the report details tab or in technical appendices.

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September 13, 2017

Scott Weninger
Fire Chief
Central Kitsap Fire & Rescue
5300 N.W. Newberry Hill Rd., Ste. 101
Silverdale, WA 98383

Dear Chief Weninger,

On behalf of People for the Ethical Treatment of Animals (PETA) and our more than 6.5 million members and supporters worldwide, many of whom live in Washington, we'd like to thank your department for coming to the aid of a dog, a kitten, and a snake, who were trapped inside a burning apartment building on September 11. Thanks to the quick and brave actions of your team, these animals were able to escape from a situation that could have led to a terrifying and painful death. We were saddened to hear of the second dog's death, but we know that your team did everything that it could for him. Members of your community—both two-legged and four-legged—are lucky to have such kind first responders who don't hesitate to help humans or other animals in need.

Thank you again for your compassion.

Very truly yours,



Ingrid E. Newkirk
President

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- PETA France
- PETA Australia
- PETA Germany
- PETA Netherlands
- PETA Foundation (U.K.)

Very professional and shown
a good sense of humor when
dealing with my stress &
babbling.

For each of you, my deepest
thanks. Whatever your faith,
may the Lord keep each of
you safely in his hand on
every call you make.

Chief, Central Kilbuck F.D.

Unfortunately, I have had
need to call EMS more times than
I like in the last seven years.

A heartfelt thanks for everything.

As a former instructor of EMTs
& Paramedics (in St Louis) I
understand what is required of
these persons on a call. I have
nothing but good things to
say about my care and their
caring on each of those
calls. They have always been