

**GRAHAM FIRE & RESCUE  
BOARD OF FIRE COMMISSIONERS  
SPECIAL BOARD MEETING  
September 6, 2016**

**CALL TO ORDER**

Commissioner Gustafson called the meeting to order at 6:00 p.m.

**Attendance:**

Present: Commissioner Gerald W. Gustafson, Commissioner Russell T. Barstow, Commissioner Adam G. Rosenlund, Fire Chief Ryan Baskett, Deputy Chief Tony Judd and Board Secretary Jodi Reynolds.

Commissioner Gustafson led the Pledge of Allegiance and welcomed the audience.

District's Long Range Financial Policy. Chief Baskett provided documentation compiled by staff that he believes will assist the Board to make some educated and informed decisions concerning our financial policy and future staffing plans. Copies of the documentation were handed out to the Board and audience members.

Chief Baskett put this topic on the agenda as it became clear to him that when the discussions started on staffing levels of the District, he was working under a financial policy that was given to him by the Board in effect in 2013. He believes that for himself and the executive staff to run the organization and make informed decisions for the District, we need to have a discussion about that policy and what it should look like today under a different Board and under different circumstances. The document provided outlines where we were, what we have done and where we are today.

As we begin to enter into the fiscal year for 2017, Chief Baskett stated he is aware of the organization's desire to move to 15 person minimum staffing. The management team believes the organization needs to continue to increase minimum staffing as well. We are not arguing that. It is not a matter of if, but a matter of when within the current M&O Levy life. For Chief Baskett personally, the conflict is between the past financial direction and the possible new financial direction he believes the current Board wants to take.

To begin the discussion of increasing minimum staffing to 15, we must first have a discussion about our financial picture. Chief Baskett stated his previous direction and decision making priorities were based on the District's 2013 financial state. The 2014 budget eliminated non-essential expenditures, reduced administration and still faced a significant financial deficit. Chief Baskett was tasked with making the decisions necessary to balance the budget while following these principles:

- Take a conservative approach to spending by only paying for current employees and equipment necessary to get the job done.
- Do what was necessary to be efficient and handle the call volume with the resources provided.
- Preserve the current employees' job security.

At that time, there was no increase in tax revenue projected in the foreseeable future and call volume was continuing to rise.

Based on a meeting with the Board of Fire Commissioners and the Citizen Advisory Group on December 9<sup>th</sup>, 2013, it was determined that additional funding was needed and the Board agreed to ask the citizens for a Maintenance and Operations Levy (excess levy) to maintain and improve service under the following conditions:

- The funds would be used to recoup what was lost during the recession and the District would work to reduce our dependency on M&O funding as quickly as possible.
- The District would hire 16 additional fire fighters and paramedics to place in all five 24-hour facilities to handle call volume and reduce our dependency on mutual aid. The new employees would be moved into the standard funding as soon as possible for employee security.
- The District would improve employee training and reinstate public education programs that had been reduced.
- The District would use funds necessary to maintain fleet and facilities and create an equipment replacement plan.

Chief Baskett then relayed the current financial picture of Graham Fire & Rescue heading into the fiscal year 2017 as follows:

1. We are currently completing the second collection year of the M&O Levy and the following have been completed:
  - a. 13 of the 16 fire fighter/paramedics have been hired with the last three of the original 13 just now hitting the street. Four of the 16 have been absorbed into our standard funding mechanism in 2016.
  - b. Mutual aid requests have completely turned around in our favor. Chief Baskett noted an e-mail from Operations Chief Jensen which was included in the provided documents that outlines our mutual aid responses. We are currently giving more mutual aid than we are receiving.
  - c. The new medic units have been purchased and placed in service: two paid for by our insurance company and two funded from our Equipment Replacement Plan.
  - d. Two new fire pumpers have been ordered and paid for out of the Equipment Replacement Plan and are scheduled to arrive in the first quarter of 2017.
  - e. Additional training funds and opportunities have been made available to our employees.
  - f. Public education programs have been reinstated and enhanced.
2. The EMS Levy was voted to become part of our permanent funding mechanism this past August.
3. Staff is projecting that we will reach our highest lawful assessed valuation of 2009 in the year 2017. Growth will be limited to 1% after 2017 without lid lifts of the Fire and EMS levies due to I-747.
4. Graham Fire & Rescue currently has the 4<sup>th</sup> highest tax collection rate of Pierce County Fire Districts at \$2.72 per \$1000 of assessed valuation.
5. SAFER grant funding of \$426,872 for four fire fighter/paramedics expires in 2016 and will no longer be available for the 2017 budget.
6. The District's planned expenditures for 2016 are \$14,242,573 which is a 19.8% increase over our 2009 expenditures. Chief Baskett did note that this is a little deceiving as expenditures actually dropped below the 2009 expenditure rate before jumping up rapidly with the passage of the M&O Levy.

7. Call volume has increase by 21.7% since 2009.
8. The Reserve Fund at the end of 2016 is projected to be roughly \$4 million. This includes two months of operating costs of \$2.3 million as recommended by the State Auditor, \$400,000 to cover uncompensated absences and \$1.3 million in uncommitted reserves. Uncommitted reserves are the District's "rainy day" fund.

Chief Baskett then went on to cover the 2016 staffing numbers as prepared by staff through August to help determine the cost of increasing minimum staffing to 15. We looked at our staffing to see how often we were getting to 13, 14 and 15 personnel per day. He wanted to make it clear to the Board that as he goes through this document, he would show there is money available to move to 15 today on overtime if the Board so desires. At the end of the presentation, Chief Baskett has prepared options for the Board to consider as we move forward.

Staffing actually dropped slightly after the end of April summary was completed. The last three Fire Fighter/Paramedics were counted in the staffing numbers after they started shift work on June 13 to see what their effect would be on shift staffing. Counting the new personnel had a small impact on staffing, but at the same time we also had two additional personnel go out on long term injury and summertime vacations occurred.

	13 or More	14 or More	15 or More	OT Est. to staff at 15
Through April 30	94.2%	81.8%	56.2%	\$112,896
Through August 31	93.4%	78.7%	54.1%	\$247,296
Estimated Annual				\$369,930

For the period of June 13 to August 31 where the 3 new employee were counted:

	95.0%	81.3%	62.5%	\$ 65,856
Estimated Annual				\$300,468

#### Overtime

Through the end of August, we have spent 72% of our Suppression and EMS overtime budgets. After 8 months we should be around 66% spent, so not bad. Of the \$86,558 spent so far, \$43,120 was used for staffing. Of that, about \$10,000 was spent even though we were above 13 minimum but did not have sufficient paramedics or a BC qualified individual on duty. The rest was for meetings, projects and to cover people on projects or training assignments.

Based on staffing numbers from June 13 through August 31 and assuming about 115 days remaining in the year, we can expect to expend around \$100,000 in overtime to increase our staffing from 13 to 15. This may decrease if the personnel on LTD/FMLA are able to return as predicted and no new injuries occur. We do have indications that one person is returning to duty and another will return soon. However, we are cautiously optimistic as in the past we have seen two come back to work and two new injuries surface.

For 2017, unless we hire additional personnel, we should project needing \$450,000 in staffing overtime to maintain a 15 person minimum staffing level. Again this could be less if LTDs reduce and we hire the three vacant positions.

#### Sick Leave/LTD/FMLA for 2016

- On average, we have .68 of an FTE call in sick (not including LTD or FMLA) each shift. Chief Baskett commented this is a low number and commended our personnel for getting here when they can.
- We also have averaged 2.28 FTEs on LTD or FMLA each shift.
- Added together, on average, we have three people sick each shift.
- Since January, we have averaged eight people out at any given time for some type of extended leave (LTD or FMLA). We had a low of five off from 3/10 – 4/2. Currently there are nine off on long term leave; all nine are paramedics. Five are anticipated to return to duty in September.

#### Labor and Industries

- For each employee out on work related injury, we receive between 60% and 65% of their salary back in the form of Time Loss Compensation. Medical, Dental, HRA, K-Day Buyback, Holiday Buyback and employer costs of retirement or federal taxes are not included in this percentage. The Department continues to pay those costs.
- Through August, we have collected an additional \$79,711.41 in time loss from Lnl that we did not budget for. We have actually collected \$112,741.61. Factors reducing the total are:
  - We anticipated collecting \$20,000 and was used to balance the budget.
  - One of the injured FF/PMs was funded by the SAFER grant. When requesting reimbursement from FEMA for his position, we had to reduce the reimbursement request by the same amount that Lnl provided in Time Loss payments or we would have been double dipping on his salary reimbursement. This was \$13,030.20.
- As of August 31<sup>st</sup>, only four of the nine LTD's are work related.
- We are currently only receiving Time Loss on one LTD injury. The rest are currently on light duty.
- We will be able to submit for the Stay at Work program for the other three. We are eligible for \$10,000 per employee, however, one of these employees is SAFER grant funded so we will have to reduce his Stay at Work program amount from the SAFER grant reimbursement or not apply for the Stay at Work program for him.
- We have employed one temporary fire fighter position for this year to help cover vacancies which was unbudgeted. Through the end of August, we have spent \$53,820.45 on this position.
- We can anticipate an additional \$44,759 coming in the form of Lnl and Stay at Work payments for the rest of 2016.
- Adding up the unanticipated Time Loss, anticipated Time loss for the rest of the year, Stay at Work program funds and deducting temporary employee costs we arrive at just over \$70,000 in unbudgeted funding.

Unspent Salary – There were three FF/PM positions budgeted for 2016 that were only filled for part of the year. We budgeted \$320,793.42 for these three positions and only spent \$131,861.21 leaving an unspent salary amount of 188,932.21.

Anticipated money that will be unspent from Lnl Time Loss/Stay at Work funding and vacant position salaries is approximately \$259,000. Chief Baskett reiterated that we

have the funds to move to 15 person minimum staffing. What we need to look at is the long term staffing plan.

Chief Baskett then went through the charts on the next page which shows we spend the majority of our budget in the Suppression and EMS line items. Salary and Benefits make up about 81% of our overall budget with 19% in overhead. Chief Baskett pointed out the note at the bottom of the page stating that the overhead is inflated for 2016 due to the purchase of two medic units and one engine in this year's budget and that we are actually closer to 85% salary and benefits and 15% in overhead.

He then covered the Revenue chart showing that since 2004, our EMS Levy funding has remained relatively flat. He pointed out the addition of the M&O funding in 2015. The Fire levy projected for 2017 is basically back to the level of 2009. When you look at the total revenue line, you see the big spike in 2015 when the M&O started to be collected.

#### 2017 Revenue

- Projecting a 6% increase in assessed valuation (\$630,000 increase).
  - The County is projecting a 9% increase in residential valuations.
  - The last three years have shown that we typically receive about 2/3 of the early residential valuation increase as commercial and vacant land are low to no increase.
- We should match our highest assessed valuation in 2016 which will put us back into the 1% increase limitation of I-747 after 2017. 2016 assessed valuation is used to calculate 2017 tax revenue.
- The EMS Levy is not only permanent, but resets to the full 50 cents (\$340,000 increase).
- The SAFER grant concludes in 2016 (\$426,872 decrease).
- We are currently entering into contract negotiations and impacts to the budget and time off are unknown.

Chief Baskett stated this concludes the information that was prepared for this meeting and asked if there were any questions. Commissioner Rosenlund asked if we had applied for another SAFER grant. Chief Baskett responded that we had not. Commissioner Rosenlund asked if there was a reason why. Chief Baskett stated that we have excess funding in the M&O which will typically throw you out of the running for a grant. We did get the AFG grant for the gurney lifts and AFG is opening up again soon. Chief Baskett stated he directed staff to begin thinking about what we should apply for. The SAFER grant process should be coming up soon, possibly this fall.

Commissioner Barstow noted that the money is there this year to go to 15 and asked what the recommended options were. Chief Baskett stated he had options available for the Board and handed out the options sheets.

#### Minimum Daily Staffing.

**Option 1** – Chief Baskett stated that Option 1 is in his opinion what the Board agreed to after the recommendation of the Citizen Advisory Group in 2013.

15 person minimum staffing on 1/1/17 – Goal of 23 per shift  
Budget \$450,000 in overtime for 2017  
Hire remaining 3 FF/PMs

Continue to develop Strategic Plan  
Only collect M&O funding necessary to balance budget (reduce amount per \$1000 for the citizens)

Assumptions:

- No recession (no additional funding to uncommitted reserve)
- Lid Lifts on-going
- M&O renewal in 2018
- 5% annual AV increase

Pros:

- Fulfillment of M&O promises
- Uncross staff one station
- M&O reliance is short term

Cons:

- Increased employee exposure to injuries/accidents, overload by creating that much additional overtime
- Does not address long term staffing plan

Risk:

- Financial – Short term, conservative risk to employee security
- Employee Health – High risk

**Option 2** – This is a more aggressive plan.

15 person minimum staffing as soon as possible using unspent money  
Budget \$450,000 in overtime for 2017  
Hire aggressively to attain 29 personnel assigned to each shift  
Hire two administrative positions (Training/EMS)  
Continue to develop Strategic Plan

Assumptions:

- No recession (no additional funding to uncommitted reserve)
- M&O at 50 cents/\$1000 at least through 2026
- Lid Lifts on-going

Pros:

- Works toward eliminating cross staffing
- Promotions as we would be filling the EMS and Training administrative positions
- Reduction in impacts to employee health

Cons:

- M&O reliance extends – Mid term

Risk:

- Financial – High risk for 10 years affecting employee security
- Employee Health – Short term high, then reducing over time

**Option 3** – Chief Baskett considers this the gold standard of wish lists for a fire chief.

15 person minimum staffing as soon as possible using unspent money  
Budget \$450,000 in overtime for 2017  
Hire aggressively to attain 33 personnel assigned to each shift

Hire 7 administrative positions:

- Training (2)
- EMS
- Pub Ed
- Support Specialist
- Fleet
- District Secretary

Continue to develop Strategic Plan

Assumptions:

- No recession (no additional funding to uncommitted reserve)
- M&O at 50 cents/\$1000 indefinitely
- Lid Lifts on-going

Pros:

- Eliminates cross staffing
- Works toward three person engine companies
- Promotions
- Reduction in impacts to employee health
- Closer to NFPA 1710 response times
- Employee satisfaction would be higher
- Possible reduction in injury/accident rates
- Reduced overtime reliance
- Long term staffing plan

Cons:

- M&O reliance is indefinite
- Always asking the public for renewed funding
- Reduced employee security

Risk:

- Financial – High risk (employee security)
- Employee Health – Short term high, then reducing over time

Chief Baskett stated that all of these options are great until we fail an excess funding measure. This concluded the presentation of the options and Chief Baskett opened the meeting up for questions or comments.

Commissioner Rosenlund asked if there was a break over point where paying for overtime was cheaper than hiring additional personnel. Chief Baskett said there is. Commissioner Rosenlund stated he believed there was a formula for calculating the threshold where overtime is cheaper. Chief Baskett responded he did not want to speak out of turn and would need to do some research on where that break over point is. He further stated he believes that our employees are taxed. They are working very hard and we are asking more and more of them all the time. He further believes they can handle the additional burden of more overtime for the short term but the long term impact of that concerns him.

Commissioner Rosenlund noted that there are many fire fighters in the audience. He asked Local 726 Vice President Troy Flowers if the fire fighters are over taxed with overtime today. VP Flowers stated not even close. There is not much overtime at this point. He further stated that the numbers the District presented for long term disability

were accurate on August 31<sup>st</sup>, however on September 1<sup>st</sup> we had one guy returning back to work and in the month of September half of those out will be returning. He stated they could do the overtime.

Citizen Gina Leigh asked how is working that much overtime going to benefit the citizens when they respond on a call and they are on an 48 hour shift. Commissioner Rosenlund stated that the overtime will cost a lot less. From his personal experience, he does work a lot of overtime and does not feel taxed. He feels he has a higher threshold than others and it is his choice. He does not take the shifts that he does not feel he can handle. There are some that will not work a 72 hour shift because they would be over taxed and too tired getting to work. As for quality when arriving on a scene while working overtime, that is going to be person dependent. Citizen Leigh asked if you could hire people at a lower or equal cost and put them into those positions, why you would want to pay overtime and put that task on your fire fighters. What would be the purpose of doing that for the average citizen? Commissioner Rosenlund responded his experience is that the overtime is cheaper and you get more bang for your buck. She asked if there was a decrease in morale. Commissioner Rosenlund stated that initially there would be an increase in morale. Citizen Leigh asked how you could sustain that over a long period of time. Commissioner Rosenlund stated that is where the threshold comes in that we talked about. He knows that Tacoma does not get a lot of overtime and in talking with their fire fighters it is a big complaint that there is not much overtime. Citizen Leigh stated that in business sometimes you cannot sustain an operation on overtime. She works in lending and they do not consider overtime on a paystub when considering a loan because it cannot be sustained over the life of a loan. She said you cannot build a business model on overtime. Commissioner Rosenlund commented if we are operating on overtime and another recession hits, we can cut the overtime without laying personnel off.

Commissioner Rosenlund asked Chief Baskett his opinion on using overtime verses hiring personnel. Chief Baskett stated that using overtime fills the hours required at a time and a half rate, but you are not paying all of the benefits of a separate employee. He further commented that when you look at new employees at an entry level against a ten year employee on overtime, there is a large spread between those two wages. Ultimately, to fulfill the obligations to the M&O, we have three vacancies that we need to fill.

VP Flowers presented a document to the Board and the audience. He directed everyone to a current shift roster. He injected the people that are due to return to full duty this month. At the bottom are the four personnel not scheduled to return this month. This brings our shift staffing to 22 on A-Shift, 22 on B-Shift and 19 on C-Shift. If you averaged it out, there are 21 people per shift. That does not count the four people continuing to be off on disability. If we are at 15 person minimum staffing and allow four people off per day, that is 19 people and leaves a buffer of two people to be off on sick leave before we even have to call overtime. That does not include the Battalion Chief leave and if they are off that would be five off and leave only a one person sick leave buffer. Looking at the rest of the year, there are only 16 days that the Battalion Chiefs are scheduled off. So, he believes 14% of the time we will have a two person sick leave buffer which is what the District said they desired to have in an April Labor Management meeting. He does not believe we will need as much overtime as what is being projected. He agrees that for a couple months we did have nine people off on disability, but if you look back at the history of the District you will not find an extended period of time where

we had nine people off on disability. He further believes, after sitting in on a District Safety Committee meeting, that increasing staffing will decrease some of our long term disabilities. In reviewing the injury reports of people out on long term disability, almost every time the injury could have been prevented with more people on scene.

Citizen Leigh asked why the hurry to go to 15 before contract negotiations. VP Flowers answered that they do not have minimum staffing in their contract and that if the District wanted to put it in the contract he would. She reiterated her question as to why do they want to increase staffing so quickly. VP Flowers responded the biggest reason is that the fire fighters in this organization made a huge investment of their own time and money to pass an M&O. He acknowledged that the Citizen Group also committed time to the effort. With that, there were some commitments from the District. The biggest one that they were hanging their hat on was an increase in minimum staffing to 15. We know we are short. Cross staffing at a station does not work. Two people at a fire station doing maintenance and day to day activities and running calls just does not work. 15 uncross staffs another station and is the biggest thing we get. VP Flowers stated that the Union and the citizens made an investment with the commitment from the administration that we would go to 15. He is saying that we have the numbers to do it and now instead of going to 15, the administration is putting everyone's hard earned money into a rainy day account. We should not be doing that. We should honor the commitment to the fire fighters and the citizens before establishing rainy day funds.

Local 726 Bargaining Unit Rep Luke Wahl further added that the push to go to 15 is that our disability rate is off the chart. If we continue with this low staffing, we are going to continue to lose people to long term injury or maybe permanently. We cannot continue to sustain what we are doing with our call volume increasing at 2% every year.

Citizen Leigh pointed out that means the fire fighters are somewhat taxed and that overtime would not be good because they are already feeling over worked. The District needs more on staff. VP Flowers stated we need more people on shift to spread the work load out. Commissioner Rosenlund clarified that he is not against hiring. He further stated that he is hearing that more bodies are needed to complete the task rather than how many hours they are working and that overtime may be a less risky way to fill the need.

Fire Fighter Ryan McAllister stated that during the presentation from the Fire Chief that we lost three positions due to probationary failures. He asked why they have not been replaced. He stated they were paid for up front with the M&O and he is a tax paying citizen and wants to know why they were not replaced. Commissioner Rosenlund commented that is the reason for this meeting to figure out where we go from here. Chief Baskett stated it is on the agenda for this meeting. FF McAllister renewed his question by stating they were lost in the spring, this is now September, why were they not replaced. Chief Baskett stated he believes we do not have an active list. We have used the current list down to number 11 of 15. We also do not have an available academy until February of next year. We could bring them on now, but they will not be able to fill a roll any faster. FF McAllister asked when the first one was lost. Commissioner Rosenlund was unsure of the date. FF McAllister asked when we lost the second one. Commissioner Rosenlund answered that is was recent, the last two were both in July which is when the conversation started that brought about this meeting. FF McAllister stated we need to start planning for those contingencies. VP Flowers stated

that is what this meeting is about. Commissioner Rosenlund confirmed that this meeting was set a month and a half ago to address these issues.

Rep. Wahl stated that there are two issues. First is that a long term overtime plan would be taxing on the personnel. Second is that hiring personnel takes time. Chief Baskett confirmed it is a 6-9 month process. Rep. Wahl stated that the overtime used would be a band aid until hiring is accomplished.

VP Flowers asked to confirm how much was budgeted for the three vacant FF/PM positions. Chief Judd replied \$320,000. VP Flowers, referring to the period of time from June 13 through the end of August, stated the probationary FF/PMs were counted in staffing when they were still in training. Chief Baskett stated that we had to pick a way to count them in staffing and that it actually worked in the favor of proving we can go to 15. VP Flowers then stated at that time we had nine long term disabilities and the estimated overtime for a full year would be \$300,468 to go to 15. Chief Judd confirmed. VP Flowers asked why we would need to budget \$450,000. Chief Judd responded that he took the estimated overtime for June 13 through August 31<sup>st</sup>, divided it by the number of days between those dates and multiplied by 365. He further stated that it is admitted in the document that if we hire additional personnel and/or have a reduction in long term disability, the overtime costs will be less. This is a worst case scenario number. VP Flowers, referring to the next paragraph in the documentation, noted that for 115 days remaining in 2016, we can expect to expend \$100,000 in overtime. If 115 days times three is a about a year, why would we need to budget \$450,000 when three times \$100,000 is \$300,000. Chief Judd responded that he just does not know what will happen with long term disability and that he acknowledges that VP Flowers feels that this year is an exception but last year we were averaging seven people off on long term disability. The biggest concern we have is compounding the workload with additional overtime. We believe they can do it for a period of time.

VP Flowers then directed a comment to Citizen Leigh to answer her question about the cost of overtime verses hiring additional personnel: With nine people out on long term disability as a worst case scenario, it will costs us \$300,000 in overtime and that is the same amount to hire three people at a probationary fire fighter wage, which is the lowest we have, and that is where the cost savings is. He stated that a long term overtime plan is not the fix. However, he said the overtime implication is not there as they were led to believe and right now we are in worst case scenario for overtime hits and we still meet our buffers with current staffing levels at 15 today. Chief Baskett stated he appreciates all the work that VP Flowers has done. The numbers VP Flowers provided are projecting out for the rest of the year and as the Fire Chief, he cannot present to the Board what the projections are. He has to go off what we have witnessed over the last year and that is what staff did. Chief Baskett is not opposed to putting \$450,000 in overtime into the budget. It is in the plan and what is recommended by the Chief. There is also other overtime included in the \$450,000 for meetings for our officers and backfill for training.

VP Flowers stated this is not the meeting for it, but that it would behoove the District, going into the 2017 budget, to sit down with the M&O, staff report and the citizens' report and check off what was completed and what was not completed before we get ourselves in a bind at the end of 2018 when we have to run another M&O and have the citizens say you never did what you promised for the first M&O. Chief Baskett said he would be happy to do that.

Commissioner Rosenlund asked Chief Sumerlin from West Pierce Fire & Rescue what kind of threshold they have for overtime. Chief Sumerlin responded that he did not know the exact percentage, but that they have over a million dollars in their overtime budget and that they are a little bigger than Graham. Commissioner Rosenlund then asked him if he felt this would be over taxing on the personnel here. Chief Sumerlin replied that he would have to put that back on the fire fighters here to determine. What does concern him is that the Fire Chief is running under the impression that the Commissioners want him off the M&O as soon as possible. With that assumption, he does not see how we are going to get to 15 minimum without throwing an incredible amount of overtime at it. He thinks it is a directive that the Board needs to make on which direction you are going to allow the Fire Chief to go with the Union to supply the fire fighters in the field. If it is cutting to the bare bones, then there probably is not anything but Option 1. If the Board is willing to look at the growth of this community and what is needed 5, 10, 15 years down the line then you need to free up some money and convince the public of the direction you want to go financially and let the Fire Chief run the fire department in cooperation with the Union. Right now, that is the biggest obstacle if you are going to continue to run M&Os.

Citizen Ryan Portman stated that 15 was the goal and he does not care how you get to 15 as long as when he picks up the phone, the response time is adequate and the people are competent. He further commented that it was always the impression of the group that there would be multiple M&Os. He recalled that Chief Baskett stated the first one was going to be a big one and that eventually, and at the Board's direction, it would be paired down over time. It may start at 50 cents but would be maybe 25 cents 10 to 15 years down the road as the commercial base grows and the area grows. That was always his understanding as a citizen and what he would support the next time we go for an M&O. He hopes that we would not have to be reliant on an M&O 10 to 15 years from now and that we could sustain ourselves on the tax structure available then. In the short term, if we have to pay overtime for three months and the money is available in the budget through savings in salary, pay the overtime, hire the personnel in January, get them in the academy and out on the road. He knows that overtime can be taxing, but if it is spread out over all the people, you can get through it.

Commissioner Rosenlund stated that in the staff report, there was a chart that talked about three different M&Os to be scheduled. He had not heard that before and was under the belief that we were going to get off after this first one or that is what he had been told. Citizen Leigh confirmed that was the original discussion with the Citizen Group to have more than one. Chief Baskett also confirmed it was always the plan to need more than one M&O, but the direction was to get off M&Os at the earliest opportunity. Commissioner Rosenlund stated that for the past 20 years, the EMS levy has always been the risky levy with jobs on the line and that is now permanent, so the M&O is the risky funding now. It is good direction from the Citizen Group to reduce that.

Citizen Bill Hicks remembers when talking about going to 15, there was a lot of talk about standards and that getting to 15 was just an improvement, but not attaining those standards. Additionally, we are still growing out here. We need some flexibility. As far as overtime goes, having been in management for years, overtime is a great way of saving money because if I pay you time and a half, it is a lot cheaper for me to do that than to hire somebody that some days may not have a thing to do. There are three good options here and he thinks it goes back to staff and Commissioners to iron it out. As a

citizen, if you do not do it right, the next time you come around you may not get what you want. The citizens saw what happens when you do not have enough money, and now you have to spend it right. He feels the Chief has done a good job and admires what he does.

Commissioner Rosenlund remembered that when he moved out here 20 years ago, he was attending a Scout camp and one of the Scout Masters was from this area. He was frustrated with the fire department because Graham Fire & Rescue had a bad habit of saying pass this levy or we will have to lay people off. It did not pass and they hired more people. This was in the early 1990s and Commissioner Rosenlund does not believe we have this reputation any more but it always stuck with him. He would like to keep us from doing something like that. That is one reason he wanted to have this meeting and hear from the citizens what really was promised and will that lay person who did not sit in those meetings look at this and know that we did what we said we were going to do.

Citizen Hicks stated that what the citizens see is all five stations are open, you are on top of things and you are able to deal with emergency situations that they have out here. As citizens, they do not care how we do it as long as we have an emergency vehicle sitting in his driveway when he needs it. That is what we have accomplished.

Chief Baskett reminded everyone that when the recession hit, we had money in reserves and were able to postpone the effects of the recession for several years before we had to go out to the citizens and ask for more money. One of the commitments he feels the District made to the employees was to not put us in the same scenario of layoffs somewhere down the road. He stated he only brings this up because if we continue down this road of putting bodies on the street on special levies, we could find ourselves in the same situation if we fail to pass a levy. When 2018 rolls around and we are looking to run a multi-year lid lift and an M&O, he is not sure what the citizens will think.

Commissioner Barstow commented that he feels the three vacancies should be filled as soon as possible. As far as the staffing goes, he asked if we could sign an MOU for a trial period of one year to put 15 people on the street right now, then reevaluate it in a year and see where the overtime numbers actually sit. Chief Baskett responded that we could, however, the administration and Board of the organization have the ability to staff this fire department as they see fit and we do not need an MOU with the Union. The Union has the ability to negotiate the impacts of increasing or decreasing staffing. He has never had a request to negotiate the impacts of increasing staffing, but is certain that President Russ Karns would be calling for negotiations if we dropped staffing levels. President Karns agreed with that statement. Chief Baskett further added that if the Board moves forward now with increasing staffing and needs to reduce it in the future, we will receive a request to negotiate the impacts and they have that right.

Chief Baskett offered an option for the Board to designate a certain amount of money for overtime to staff at 15 and if that money runs out to evaluate if moving to 15 was the right decision.

Commissioner Rosenlund asked what our Reserve Fund balance was in 2009. Chief Judd stated he would need to go back and research that. Chief Baskett knew that we needed to use more than a million dollars of the Reserve to balance budgets. Commissioner Rosenlund asked if the \$2.3 million in the Reserve account now was the

bench mark at the time for our Reserve Fund. Chief Baskett confirmed that the State Auditor recommends that we maintain two months operating costs as a minimum in our Reserve Fund. If we do not maintain a certain amount, we may receive a management letter stating poor fiscal management. He also pointed out that as we put more people on the street that number needs to increase as operating costs go up. Commissioner Rosenlund found that in 2013 our Reserve Fund was at \$1.9 million. He asked what that amount referred to. Chief Baskett replied that the administration at the time decided that is what they would draw the reserve down to in order to balance the budget without laying people off. Chief Judd also remarked that in 2013 our operating costs were less, so \$1.9 million could very well have equaled two months of operating costs.

Commissioner Gustafson stated that when you hire people on an M&O levy, if the citizens decide not to renew the levy, we will need to lay personnel off. The Board has always avoided that in the past but we did it for the M&O. Before that, we used Reserve Funds to keep people employed. He came to the Board at the time and warned that the recession was going to be bad. That was when we started cutting costs, but it put us ahead of other districts and we did not have to lay anyone off. Chief Baskett noted we will start 2017 with 12 salaries paid for by the M&O.

Fire Fighter Derek Guenther reiterated VP Flowers' earlier point that the fire fighters went out to pass the M&O levy with the understanding that we would move to a 15 person minimum staffing. Citizens Leigh stated she does not believe the dispute has ever been if we will get to 15, but when we will get to 15. She does not believe the citizens were ever told when we were going to 15 but it has to make sense.

Chief Baskett stated we have the funding to staff to 15. We can also fund a line item in 2017 if the Board wants to increase staffing for next year. Tonight, he is looking for a quorum of the Board to give direction to the Fire Chief. Commissioner Barstow stated that Option 1 does not look bad and asked what would be wrong with Option 1 and starting the staffing at 15 immediately. Chief Baskett stated that Option 1 did not have immediate staffing at 15 because he was trying to meet the financial direction he is currently working under. He is not opposed to starting the staffing earlier if that is the direction from the Board.

Commissioner Rosenlund asked how many people we would be hiring under Option 2 to get to 29 people per shift. Chief Baskett stated that would take 21 new personnel. Commissioner Rosenlund asked what that looked like in our budget and how quickly we would be able to hire. Chief Baskett responded that we would need to maintain an M&O at a minimum of 50 cents until at least 2026. What that would do is help us work toward eliminating cross staffing which he recognizes as an issue long term for us. Option 3 is again the gold standard and would require 33 additional personnel and would allow not only the elimination of cross staffing but also work toward three person engine companies. That level of staffing probably means we need an M&O for a long time.

Lieutenant Prather asked if it was correct that our Bond is scheduled to end in 2020 and this would drop the tax burden to the citizens at that time. Chief Baskett confirmed it would at the end of 2020. Chief Baskett also stated that GEMT will also provide us some funding in the future but right now we do not know how much that will be. This could also help minimize the risk to employee security. Chief Baskett said he wanted to bare his soul and remind people that he was the guy that had to walk around and talk about handing out layoff notices. It was the hardest thing he has had to do and does not

want to do it again. He is okay moving forward with any of the options but everyone needs to realize that the risk increases the longer we are on excess levies.

Commissioner Rosenlund stated that he likes Option 2. We can always move to an Option 3 in the future. Going with Option 2, we get moving in the direction we have talked about. He likes moving closer to the NFPA 1710 times. We talked about the Lnl rates being high because we are hurting people and anecdotally we know that more people on the street will reduce that.

Chief Baskett reminded the Board that they can pick any option they like but he needs clear direction from the Board that they are changing the financial direction of the organization which has been to be conservative and to not fund employees on unsecure funding measures.

Commissioner Barstow stated that is why he likes Option 1 with the change of increasing the minimum staffing to 15 right away and hiring the three as soon as possible. This would allow us to get the three hired and evaluate the cost of 15 next year.

President Karns commented that he agreed with Commissioner Barstow that maybe a hybrid of the options where we move to 15 using available funds now, come up with a plan at the beginning of the year to evaluate how may FTEs need to be hired to meet the goals and move forward with that another time.

Chief Baskett pointed out that Option 1 includes continuing moving forward with the Strategic Planning process which he hopes will identify the long term staffing plan.

Commissioner Gustafson agrees with Commissioner Barstow and likes Option 1. He is fairly conservative and wants to be conservative with our people so they do not lose jobs down the road. Commissioner Rosenlund said he could go with that.

Citizen Bob Benum stated in his opinion, the direction the Board is leaning on is a good direction. He has personally lived through five recessions. What we went through in 2007 was not a recession and we will not have to go through it again. But going the way the District is going, we are going to know the direction of the community much better a year from now after the election is over. It makes good sense to do it this way.

Chief Baskett wanted to point out that Option 1 talks about only collecting M&O funding necessary to balance the budget and to reduce the citizens' tax burden with what is left over. That is a conservative financial model and wants the Board to be aware of that by selecting Option 1 with the language about being fiscally conservative, it may be conflicting if they add in the option of going to 15 immediately.

Commissioner Rosenlund stated that under Option 1, the Board is considering scratching 1/1/2017 and starting the 15 minimum staffing immediately with the available funds. That option includes hiring to fill the three vacant fire fighter/paramedic positions and continuing the Strategic Planning process. He also recommended scratching the line that states we will only collect the minimum M&O funds necessary to balance the budget. Citizen Portmann stated that was a big sticking point for the Citizen Group when they came together originally. He said let's get to the 15 and then reassess but not max out the tax for all four years. The Board and the Citizens Group had a big discussion about that at the time. He does not care that we take what we need to get to 15. We

would be hard pressed to increase staffing more and continue to max out the M&O and then turn around and ask for the same thing again in a new M&O. Commissioner Rosenlund asked if it is the recommendation of the Citizen Group was to leave the line in about only taking what is necessary to balance the budget. The Citizen Group members agreed.

Commissioner Rosenlund stated that in 2016 we placed the remaining \$716,000 in the Reserve Fund and that in 2017 we will return any unneeded funding. Chief Baskett stated that would be his recommendation to the Board at budget time. We would make it very public we did that. Commissioner Rosenlund agreed that if that is what we said, then that is what we should do.

**Commissioner Rosenlund moved to approve Option 1 with the modification of immediately starting the 15 person minimum staffing using available funds as identified. Commissioner Barstow seconded the motion. Motion passed unanimously.**

Future Hiring Plans. Chief Baskett stated that we do have three vacant FF/PM positions. At the last Board meeting he mentioned we still have five or six candidates remaining on our current list. That list expires at the end of the year. We are in the process of running a new testing process to create a new list for next year. Our next available academy is with West Pierce Fire & Rescue in February. If the Board wishes to hire off the current list, we could put them into the Paramedic Preceptor program to evaluate their skills before they go to the academy which would speed up the process by a little bit, or we could hire off the new list and get fresh personnel to look at. It is Chief Baskett's recommendation that we wait and hire off the new list as we have gone very deep into the current list and have lost three of those individuals.

Commissioner Rosenlund stated he knows we have talked about hiring FF/PMs and they are harder to come by. He asked if there is an opportunity to change that to hiring fire fighters and consider sending current fire fighters to paramedic school. Chief Baskett stated there is a large cost to that program and we would lose those personnel to school. Our current problem is we need bodies on the street. Commissioner Rosenlund asked how badly we need paramedics today. Chief Baskett pointed out that in the earlier report, we often had 13 personnel on shift, but occasionally had to pay overtime to fill paramedic slots. With an increase to 15 minimum staffing it is very important to hire paramedics. Commissioner Rosenlund stated that he likes the idea of hiring off a new list. Commissioner Barstow concurred. Commissioner Rosenlund stated maybe we could talk about changing that list from a paramedic to a fire fighter list at the meeting on Monday. Chief Baskett stated we have separate lists. Chief Judd announced the current Fire Fighter Eligibility List expired on January 31, 2016. Chief Baskett recommended that we establish a new Fire Fighter Eligibility List for next year and he will report back to the Board on options for testing at a future meeting.

#### **ADJOURNMENT**

**With no further business to come before the Board, the Special Board Meeting of September 6, 2016, was adjourned at 7:40 p.m.**

---

Gerald W. Gustafson, Commissioner

---

Anthony D. Judd, District Secretary