

**GRAHAM FIRE & RESCUE
BOARD OF FIRE COMMISSIONERS
REGULAR BOARD MEETING
November 14, 2016**

CALL TO ORDER

Commissioner Gustafson called the meeting to order at 7:00 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.

APPROVAL/MODIFICATION OF THE AGENDA

Commissioner Barstow moved to approve the Agenda as presented.

Commissioner Rosenlund seconded the motion. Motion carried unanimously.

APPROVAL OF THE MINUTES

Commissioner Barstow moved the approval of the Minutes of the Special Board Meeting of October 12, 2016, as presented. Commissioner Rosenlund seconded the motion. Motion carried unanimously.

Commissioner Barstow moved the approval of the Minutes of the Regular Board Meeting of October 24, 2016, as presented. Commissioner Rosenlund seconded the motion. Motion carried unanimously.

CORRESPONDENCE

Pierce County Fire Prevention Bureau Monthly Report for October 2016

Additional:

1) Email from Pierce Co. Re: Proposed Changes to Agricultural Resource Lands – Chief Baskett explained Planning and Land Services is holding another meeting tomorrow night at Kapowsin Elementary, this time including a presentation, at 6:00 p.m. He plans to attend.

2) Letter from Washington State Auditor's Office – Chief Baskett informed the Board the state audit is underway. This letter explains the entire process which includes a financial audit and accountability audit. In the past the auditor has held an entrance interview, but our auditor this time has stated an entrance meeting is not necessary because he will not be addressing anything in the audit other than what is stated in the letter. However, if the Board wishes to meet with the auditor to discuss the information in the letter, this can be arranged. The Board declined. Chief Baskett stated the auditor will hold an exit interview to include the Board and staff at the conclusion of the audit.

FINANCIALS

Payables Checks #21889 through #21956 in the amount of \$69,717.15 and a Transfer (EFT) in the amount of \$755.50, for a total of \$70,472.65, were presented for approval.

Commissioner Barstow moved to accept the payables in the amount of \$70,472.65, after proper auditing. Commissioner Rosenlund seconded the motion. Motion carried unanimously.

**GENERAL ADMINISTRATION
Fire Chief's Report**

Chief Baskett greeted the Board and audience members and then reported on the following:

As predicted, he was nominated and voted in as the 2017 President-Elect for the Pierce County Fire Chiefs Association. He thanked the Board for supporting him and the Association.

The combined Pierce County Fire Commissioners and Fire Chiefs Associations' Annual Awards Banquet is scheduled for Thursday, December 1st beginning at 6:00 p.m. A flyer for the event is included behind the Chief's Report. If you plan to attend and have not RSVP'd yet, please do so to Board Secretary Jodi Reynolds.

South Sound 911. Chief Baskett reported to the Board the new Computer Aided Dispatch switchover was completed last week and for the most part was a great success. Our employees Thad Richardson and Lyle Stahnke played key roles in this transition. Attached to the Chief's Report is a press release about the switchover and a very complimentary email from Deputy Director Ken Sharp thanking Thad and Lyle for their contributions to the project.

South Sound 911 has secured the old Puget Sound Hospital site as the new location for the county-wide combined dispatch center. The press release announcing this is located behind the Chief's Report.

The leadership of the Combined Communication Network (CCN) has sent a letter in response to the concerns expressed by the Pierce County Fire Chiefs Association in regards to the cost of the radio system per radio. A copy of this letter from Pierce County Executive Pat McCarthy and CCN Director Rick Talbert is attached. They have made some adjustments and changes to the budget. The Fire Chiefs think this is a good first step, but they need more information and long term security. They are looking for the CCN to move toward the ten point plan referenced in the letter the Fire Chiefs sent to them a few months ago. Commissioner Rosenlund informed Chief Baskett the Pierce County Commissioners will discuss this topic during their meeting this week with the intent to send a similar letter in support of the Fire Chiefs.

WSRB Rerate. Chief Baskett requested the Division Chiefs and Deputy Chief Judd stand so he could recognize them. He informed the Board he received the WSRB re-rate and is pleased to report that for the first time in 30 years we have lowered our rating, which is a significant task. He recognized the previous administration and Board, as this process started years ago. The District has lowered its rating from a Protection Class 5 rating to a Protection Class 4 rating. The citizens in our District may see a decrease in their insurance premiums which will go into effect March 1, 2017. This is no small feat. He commended the Division leaders who were a part of the process; they

stayed the course and worked diligently to accomplish this achievement. He stated he has a meeting scheduled with the WSRB representative this Wednesday to see what we need to do to get to the next lower rating. He said we will not stop there; rather, we will stay the course and work to build a highly professional and accountable organization that meets the needs of our citizens for years to come. He thanked the Division Chiefs and Deputy Chief Judd for their work. Applause erupted. Chief Baskett concluded by stating a copy of the full report is available for the Board to review in their read file.

2016 Elections. Chief Baskett reported to the Board that Proposition 1 to increase the number of Board members from three to five is currently passing at 61.5%. He referred the Board to the advertisement located behind the Chief's Report. He explained as directed by the Board at the previous meeting, he received Chair Gustafson's approval to post the advertisement. He stated the advertisement will remain posted until November 18th; and letters of interest must be submitted by November 28th, the date of the next Board meeting. At that meeting he will provide the Board with all of the letters of interest and the Board will determine which applicants they will interview. Commissioner Rosenlund asked what the standard practice is for reducing the number of applicants, if necessary. Chief Baskett responded there is no set process. Discussion ensued. Chief Baskett suggested they narrow down the field to five and invite those individuals to attend a public meeting for interviewing. The Board decided to wait to see how many candidates apply and then decide how many to interview at a later special meeting. Commissioner Rosenlund stated he would like to set a date for the special meeting to conduct the interviews and also to invite Joe Quinn, legal counsel, to the meeting. Chief Baskett concurred legal counsel should be present at the special meeting to oversee the selection process. Legal counsel could then provide a 30-minute overview of the Commissioner's roles and responsibilities. Commissioner Gustafson requested staff have packets with this information ready for the candidates. Deputy Chief Judd produced a copy of the WFOA Commissioner's Handbook and the Board responded it is what they intended. Chief Baskett suggested the handbooks be given to each applicant when they submit their letters. Discussion continued.

Commissioner Rosenlund moved to schedule a Special Board Meeting on December 5th, 2016, beginning at 7:00 p.m. to interview candidates for the two vacant Board of Fire Commissioners positions. Commissioner Barstow seconded the motion. Motion carried unanimously.

Vehicle Damage. Chief Baskett informed the Board three vehicles have recently been damaged. Medic Unit 10-3 was damaged while at Korum Ford for injector replacement. Fortunately, Mechanic Fortner and Assistant Chief Richards salvaged equipment from another wrecked unit and M10-3 is now repaired and back in service. Medic unit 16-1, one of our new medic units, was damaged while at Larson Dodge for light sensor replacement. Assistant Chief Richards contacted Larson's shop manager and they will pay for Meridian Collision to repair the damage. Engine 09-2 was the first-in on a hot fire and was positioned for the crew to attack the fire. After the emergency was over they discovered some heat damage to the vehicle's pump panel and some of its gauges which can be quite expensive. Assistant Chief Richards is researching the cost for repairs and when he has a hard number Chief Baskett will inform the Board. We will then decide to either turn it in to our insurance company or pay for the repairs out of the Contingency Fund.

Surface Water Management. Chief Baskett reported to the Board that Pierce County completed their annual inspection in regards to the Surface Water Tax Credit Program, which we have been involved in for the past several years. Station 95 needs some extra cleaning and cartridge replacement. Station 94 failed completely according to their criteria. He was present during the inspection. They are requesting we spend a tremendous amount of money to bring the system in compliance. The system was built and approved years ago when the station was built; however, they say it does not meet the requirements now. As a result, Pierce County has removed this station from the tax credit program. We have agreed to some initial inspection work on the system to determine why it is not draining properly, and they want to revisit during the summer of 2017. We will then evaluate whether we want to expend the money necessary in order to meet their requirements. Commissioner Gustafson asked if Pierce County has changed their requirements. Chief Baskett responded he does not know if they changed their requirements, but that our system was approved originally and is operating the way it always has for over 12 years, but now it does not pass Pierce County's inspection. He further explained the Surface Water Tax Credit Program is voluntary, and we entered into it to receive tax credits for utilizing the surface water systems we have had designed. From the beginning, they have tried to pull back our ability to use that program. He recalled for the Board that approximately 1 ½ years ago the County proposed changes to the program without notifying the participants. He found out about it and notified the Board who directed him to write a letter to the County and the County Council. Their proposed changes were halted. Now they are resubmitting those changes which will reduce the amount of the tax credit. They sent us a notification letter and an email notice for the final hearing on their proposal. Chief Baskett stated he is struggling to explain to the Board why we are suddenly having problems with our systems. This program has been very difficult for not only fire agencies, but for commercial businesses as well. We do not have in the 2017 budget, nor is he willing to add into the budget, the cost of the repairs and changes to our system they are requesting, or to replace the system entirely. The original cost of the system was well over \$100,000 14 years ago when we designed it; so, we can assume a new system would not be less expensive.

He informed the Board that Pierce County Surface Water Management is once again proposing changes to their program and reductions in the Surface Water Tax Credit Program. A public hearing is scheduled on this proposal. He requested Board direction on how to respond. Commissioner Gustafson asked for the date and time of the hearing. Chief Baskett responded November 29th, he did not know the time, but would find out and notify him. Commissioner Gustafson responded he would plan to attend the hearing with Chief Baskett.

NEW BUSINESS

Resolution No. 864 – Establishing a Certified Captains Eligibility List

Board Secretary Jodi Reynolds read Resolution No. 864, Establishing a Certified Captains Eligibility List, into the record.

Commissioner Rosenlund moved the approval of Resolution No. 864, Establishing a Certified Captains Eligibility List, as presented. Commissioner Barstow seconded the motion. Motion carried unanimously.

Resolution No. 865 – Establishing a Certified Lieutenants Eligibility List

Board Secretary Jodi Reynolds read Resolution No. 865, Establishing a Certified Lieutenants Eligibility List, into the record.

Commissioner Barstow moved the approval of Resolution No. 865, Establishing a Certified Lieutenants Eligibility List, as presented. Commissioner Rosenlund seconded the motion. Motion carried unanimously.

Chief Baskett stated he had two comments for the Board: First, these are 18-month lists rather than two-year lists, as agreed to by Labor Management to offset so we are not conducting testing processes at the same time staff is working on budget. Second, from his perspective during the interview process, he concludes we have true professionals working for the District. The candidates were outstanding, they did a great job and represent the organization very well. Commissioner Gustafson added that from the top to the bottom the candidates were just a few points apart and are a great group of people. He concluded this shows the quality of the people working here.

OTHER BUSINESS

2017 Budget Update. Chief Baskett recalled for the Board that at the Special Board Meeting to discuss the 2017 budget, the entire budget was reviewed, and the Board was given several weeks to review it and bring forth any questions they had. Chief Baskett proceeded to address these questions as follows:

Commissioner Gustafson had requested the mileage for the three 1998 vehicles being considered for removal from the fleet if we decide to purchase two new utility vehicles: U98-1 Expedition has 172,000 miles; U98-2 Expedition has 100,400 miles; and U98-5 Astro Van has 87,055 miles and was involved in an accident earlier this year, adding to the wear.

Chief Baskett stated Commissioner Gustafson had questioned the condition of the kitchen cabinets at Station 91. He acknowledged Commissioner Gustafson and Deputy Chief Judd inspected the cabinets. Chief Baskett asked Commissioner Gustafson if he had any additional concerns regarding the remodel request. He responded he did not. Chief Baskett stated he was slightly concerned the original amount of \$15,000 budgeted for replacing the kitchen cabinets and counter tops would not be adequate. After further review, he is requesting the Board increase this number to \$20,000, so as not to run short. Commissioner Gustafson said he looked at the cabinets and while they are constructed pretty well, the doors are coming off. If the boxes are solid, we can reface them and replace the doors. Chief Baskett said if the Board approves adding this item to the budget, he will evaluate refacing vs. replacement.

Chief Baskett informed the Board he received information in regards to the employee on long term injury he had proposed hiring a permanent firefighter/paramedic to replace. Since then he was notified the employee will be returning to work in 2017. Accordingly, he is retracting his request for a permanent replacement and requesting the position be filled on a temporary basis, saving \$26,000.

Chief Baskett explained to the Board for 2016 staff budgeted \$1.25 million for the collection of transport revenue. Deputy Chief Judd has been evaluating this and we are

on track to collect \$1.45 million. Since \$1.35 million was originally projected in the 2017 budget, staff has revised this figure to \$1.45 million.

Chief Baskett reminded the Board Deputy Chief Judd had previously determined certain support staff members were behind their comparables. In response, he updated the Administrative Support Division Benefit Package document for 2017. Chief Baskett distributed this document to the Board for their review. The proposal includes a 2% salary increase plus CPI for the Support Specialists and a 4% plus CPI increase for our Payroll Specialist. The total cost for all increases is \$7,850. He explained there is one more provision in the document for Board consideration – a holiday buyback program. Staff has divided the 12 recognized holidays into two designations: primary and secondary. The five primary holidays are mandatory whereas the seven secondary holidays may either be taken by the employee or worked. If an employee works a secondary holiday, they can then sell it back at the end of the year. If each employee sold back their seven secondary holidays, the cost would be approximately \$2,000 per employee, for a total cost of approximately \$14,000 for working an additional seven days during the year.

Chief Baskett then addressed the request from Commissioner Rosenlund to research if a standard exists for determining the Reserve Fund balance. He stated he contacted Central Pierce Fire & Rescue, Gig Harbor Fire & Rescue, West Pierce Fire & Rescue, East Pierce Fire & Rescue, Central Kitsap Fire & Rescue and South Kitsap Fire & Rescue and inquired about their method for determining their Reserve Fund balance. He has found they all utilize different formats for maintaining their reserve. Some were similar to ours, while some had full-on resolutions and policies in place. Chief Baskett summarized his findings as follows:

Central Pierce Fire & Rescue

- Complies with RCW 52.16.020 (basically says you will have a Reserve Fund)
- Necessary component of the District's overall financial strategy.
- Allows the District to deal with major unplanned expenditures resulting from unforeseen emergencies, including replacement of equipment and facilities.
- Somewhat generic; No specific numbers given.

Gig Harbor Fire & Rescue

- Maintains 15% of their operating expenses. Graham Fire is at 16%.

West Pierce Fire & Rescue

- Has a fairly complex policy which they have been unable to fully fund for several years and are in the process of revamping for 2017. They are interested in how we maintain ours.

East Pierce Fire & Rescue

- Targeted reserve of 20% of operating expenses
- Five-year Equipment Replacement Plan
- Five-year Facilities Maintenance Plan
- Employee leave fund balance – equivalent to ¼ of total compensated absences
- 8% of budgeted operating expenses

Central Kitsap Fire & Rescue

- Keeps \$6M operating capital in their general fund to operate 4-5 months (cash carryover).
- Maintains \$1M each in Capital Apparatus and Capital Facilities funds and \$2M in Reserve Fund for general liability issues.

South Kitsap Fire & Rescue

- Keeps two months operating capital and is working up to three months.

Chief Baskett concluded by stating staff has broken down the Reserve Fund in a clear manner and the Board is left to determine the amount that remains in the uncommitted reserve. It may be one more month's operating capital or one more year on the M&O Levy; whatever makes sense to the Board when they set this policy. He asked the Board if they had any questions. They responded they did not. Commissioner Rosenlund thanked Chief Baskett for his presentation of this information.

Chief Baskett recalled for the Board the last meeting concluded with a discussion regarding the list of recommended expenditures, totaling approximately \$407,000. The decision to approve any or all of the expenditures was postponed until the meeting tonight. Deputy Chief Judd explained with the deduction of the \$26,000 addressed earlier for the temporary employee, the total is now approximately \$381,000. Commissioner Rosenlund stated he is fine with the list.

Commissioner Rosenlund moved to approve staff to add the Recommended Proposed Purchases, as presented, to the 2017 Budget. Commissioner Barstow seconded the motion. Motion carried unanimously.

Chief Baskett then referenced the list of "Not Recommended" items and asked the Board if they wanted to fund anything on the list. They responded they did not.

Chief Baskett explained to the Board approximately \$467,000 remains unbudgeted and available for the District to collect or give back to the citizens. Commissioner Gustafson expressed since we had asked the taxpayers to give us additional money and they did, we should give the excess back to the taxpayers; in other words, not collect that money. Commissioner Rosenlund concurred.

Commissioner Barstow moved to collect only the Maintenance & Operations Levy funds necessary to balance the 2017 Budget. Commissioner Rosenlund seconded the motion. Motion carried unanimously.

Chief Baskett stated staff will finalize the budget for Board approval during the November 28th Board meeting. He thanked the Board for their clear direction and commended them for maintaining a conservative approach for the taxpayers. He suggested the Board authorize staff to produce a flyer to go out to the citizens in the first quarter of next year informing them of not only the WSRB rerate effective March 1, 2017, and suggesting they contact their insurance companies, but also to address the budget and the funds that were available but not collected. He expressed he sees it as very important to get this information out to the citizens.

Chief Baskett informed the Board that Firefighter/Paramedic Suzi Bowman and her husband Tony were blessed with a new family member on November 9th. Her name is Varennia Marie and she weighed in at 6 lbs. 9 ounces and 19.5 inches long. Congratulations to them and we cannot wait to meet Varennia!

GOOD OF THE ORDER/PUBLIC INPUT

Lieutenant Shawn Prather expressed as a taxpayer of the District he can appreciate the fact that the money left over from the M&O is being given back. He asked what number we are currently using for the population of the District. Deputy Chief Judd responded 61,000. Lt. Prather stated using \$467,000 ballpark into 61,000 - 68,000 citizens is roughly \$6 per citizen that we would give back for one year. He said we just heard the water runoff system at this station is failing according to the County's standards, and may cost over \$100,000 to replace, and is not budgeted for this year and may have to be for next year. The reduction in WSRB (rate) will lower our citizens' insurance rates, so they will see a reduction for that; however, if the desire of the District is to continue to lower our WSRB (rate), there will need to be additional money spent and invested in the organization. He asked the Board to consider if it is in the best interest of the citizens to give them back \$6 a year or re-invest it in the organization for unforeseen circumstances like \$100,000 for a water runoff system or additional training or apparatus, fleet upgrades, anything to improve the organization that would take the WSRB (rate) from a 4 to a 3.

Commissioner Barstow responded his point is valid when you break it down that way. Chief Baskett responded that he is right that the number will not be significant, but he reminded the Board when we put the M&O on the ballot we said we would try to do this. We should maintain the commitments we made. He recalled for the Board last year he recommended the Board build their bank account because he was not sure what would occur and wanted to be sure we had enough in our Reserve Fund to handle anything that came down the road. He stated he is not giving the Board any specific recommendation for that extra money this time. Commissioner Rosenlund explained he came to his decision this evening to not collect the money partly based on input from members of the Citizen Advisory Committee who sat on the M&O Board and were present at the meeting to consider staffing proposals. The direction of that group was to give the money back. He said he believed the intent of the M&O was to get us where we need to be for necessities, but not for anything extra.

Lt. Prather responded he knows what frustrates taxpayers the most is not doing what you said you were going to, so he understands the desire to give the money back. If the money is there, he agrees it should be given back. But, what frustrates taxpayers even more is when we come back and say we screwed up and need more money because we did not anticipate this, and ask them to open their checkbooks again. In addition, the passage of STP-3, the largest tax increase in state history, will impact the citizens of Pierce County. There is no guarantee our M&O will pass again. At some point, the well will run dry with the taxpayers and they will not want to fund every pet project local and state government throws at them. So, the \$467,000 can be for unanticipated maintenance projects and to hold this organization over for one or two years. If the M&O were to fail, we could try to re-educate our citizens about the consequences of not having the funding, staffing and equipment we could have purchased with that money.

Commissioner Gustafson added that we are anticipating bringing in considerably more money for our ambulance service. He asked Chief Baskett how much additional and he responded we are anticipating an increase of \$200,000. Commissioner Gustafson continued by recalling at the collapse of the housing market we were down \$2.4 million and asked the taxpayers for \$2.75 million, \$350,000 more than what we had lost. Also, with regards to the ambulance service, we will get G.E.M.T. reimbursement from the state at the end of this year or middle of next year, and this should be a substantial amount. Lt. Prather responded we do not know the exact amount that will be refunded and anticipated money is not actual money. The \$467,000 is actual money. When and if G.E.M.T. comes through and we know the amount of our reimbursement, in next year's budget cycle we are in a much better position to say we are comfortable giving back either the original amount we anticipated for the 2017 budget cycle or a larger amount in the 2018 budget cycle. He concluded by stating he is not trying to sway the Board's decision on the resolution they passed tonight, but wanted to offer an alternative.

Commissioner Gustafson stated the Board has increased what the District has in reserve funds, and they added a substantial amount last year. When the downturn came, we did not have to lay anybody off, and that is what we are aiming for. We started cutting back then and came out pretty well.

Chief Baskett reminded the Board that during the discussion of the Reserve Fund, he stated we would be capped at the 1% growth rate for next year. So, we will not see big increases in the years to come. Commissioner Gustafson responded we may have to go back out to the people to raise that limit and that this is quite common.

Citizen Gina Blanchard-Reed asked if the population figure presented was households or individuals. Commissioner Rosenlund responded households. Discussion ensued. Deputy Chief Judd clarified that the rate is approximately \$.05 per \$1,000 of assessed valuation. Commissioner Gustafson concluded by saying we told the people once we got the money, we would cut back, and that is what the Board did tonight.

EXECUTIVE SESSION

None

ADJOURNMENT

With no further business to come before the Board, the Regular Board Meeting of November 14, 2016, was adjourned at 8:10 p.m.

Gerald W. Gustafson, Commissioner

Anthony D. Judd, District Secretary