

**GRAHAM FIRE & RESCUE
BOARD OF FIRE COMMISSIONERS
REGULAR BOARD MEETING
July 10, 2017**

CALL TO ORDER

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

Attendance:

Present: Commissioner Gerald W. Gustafson, Commissioner Adam G. Rosenlund, Commissioner Gina Blanchard-Reed, Commissioner Ryan Portmann, Interim Chief Pat Dale, Deputy Chief Tony Judd and Board Secretary Jodi Reynolds

Absent: Commissioner Russell T. Barstow had an excused absence.

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

APPROVAL/MODIFICATION OF THE AGENDA

Commissioner Rosenlund moved to approve the Agenda as written. Commissioner Blanchard-Reed seconded the motion. Motion carried unanimously.

APPROVAL OF CONSENT AGENDA

Regular Board Meeting Minutes of June 26, 2017

Financial Documentation

Payables: Checks #22968 through #23010 =	\$90,168.80
Payables (Payroll): Check #23011 =	\$1,875.00
Transfer (EFT) =	<u>\$820.99</u>
TOTAL:	<u>\$92,864.79</u>

Commissioner Rosenlund moved to approve the Consent Agenda in the amount of \$92,864.79, after proper audit. Commissioner Blanchard-Reed seconded the motion. Motion carried unanimously.

CORRESPONDENCE

Pierce Co. Fire Prevention Bureau Monthly Report for June 2017

GENERAL ADMINISTRATION

Fire Chief's Report

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

The Department will hold a badge-pinning ceremony for several promotions resulting from status changes from temporary to permanent. This will take place at the July 24th Board meeting.

Department personnel, including some Board members, attended the 4th of July Parade in Eatonville.

Strategic Plan. Chief Dale informed the Board he has received a proposed statement of work and cost estimate from another consultant, Center for Public Safety Excellence. As requested

by Commissioner Blanchard-Reed, their list of clients includes: Alabaster, AL Fire; Amarillo, TX FD; Elgin, IL FD; Burlington, VT FD, and several other FD's across the nation. To contrast and compare with Doug Mah, LLC, Doug Mah proposed having 12-15 meetings with stakeholders ranging from citizens to members to Board, etc. The Center for Public Safety Excellence is proposing four or five meetings at a cost of \$16,800, whereas Doug Mah, LLC's cost is \$10,000. He intends to pursue getting one or two more proposals; then he will meet with the Board to review all of the proposals and narrow it down to one to interview either by phone or in person.

Deputy Chief of Operations. Chief Dale reported to the Board a selection process was held consisting of applications, resumes and interviews. He and Commissioner Blanchard-Reed conducted interviews with three excellent applicants. He recommends Battalion Chief Oscar J. Espinosa for the position of Deputy Chief of Operations.

Commissioner Blanchard-Reed moved to approve the promotion of Oscar J. Espinosa to the position of Deputy Chief of Operations, effective July 17, 2017. Commissioner Rosenlund seconded the motion. Motion carried unanimously.

2016 Remaining General Funds. Chief Dale deferred to Deputy Chief/District Secretary Judd to address this budget-related item. Deputy Chief Judd explained that having finished the 2016 financial report, we have funds remaining in the 2016 budget. He referred the Board to the memorandum he wrote to Chief Dale and proceeded with a review of that information. At the end of 2016, \$4.3 million remained. \$3.3 million of that was planned cash carry over necessary to get us through the first three months of 2017 until taxes were collected in April. This leaves just over \$1 million. In addition, we planned to carry over approximately \$532,000 for the engine purchases and station painting, which was recorded as revenue for 2017. After deducting this amount, approximately \$524,000 is carried over. Then, there is revenue from the SAFER and AFG Grants which needs to be added back in because the funds were not received until February 2017. The result is approximately \$973,000 of carry over. Deputy Chief Judd explained that when he wrote this memorandum, he believed the \$200,000 transfer to Reserves budgeted for 2016 did not occur. This amount was necessary to help cover the uncompensated absences at retirement. Upon further review, he realized the transfer was made after all. He concluded the unplanned carry over from 2016 to 2017 is \$773,337.81. These funds come from several sources: an additional \$180,000 in taxes due to an unexpectedly low delinquency rate; an additional \$250,000 in transport revenue collected; \$20,000 in unspent funds; \$105,000 received as reimbursement for wildland deployments; and \$135,000 received from Labor & Industries in time loss for personnel on disability. Deputy Chief Judd expressed to the Board they do not have to make a decision tonight as to how to proceed with allocating the \$773,000. He explained it can be transferred into Reserves or carried over into 2018 as revenue for some type of project. We do not need that money in the 2017 budget. He added that we have taken on a couple of projects not budgeted for, so the Board may want to use some of the funds for these, in addition to a couple of positions we had not budgeted for in 2017.

Commissioner Portmann requested staff come forward with some options for the Board to consider at the next meeting or two. Chief Dale responded they will present some options for the Board, after input from others, at the next one or two meetings.

Levy Lid Lift. Chief Dale requested a discussion with the Board regarding going out for a fire levy lid lift in November. Because the deadline for registering for the fall ballot is approaching soon, we will need to make a decision by the next meeting. He explained options exist for the percentage and duration of the lid lift. He and Deputy Chief Judd recommend 6% for a duration of 6 years. They have looked at various area departments who have done this recently and what happened in those jurisdictions. Based on projections for assessed valuation and growth,

this seems like a good time to proceed. He sees more benefits than risks, he sees no risk running it this fall, and passage would require just a simple majority. Deputy Chief Judd reminded the Board we are at our cap on assessed valuations, so any increase that comes in for 2018, we will only receive 1% of that without a lid lift. The anticipated projections are much higher than 1%. We will get projections from the county in mid-September. Our lid lift options include going for a one time lid lift for next year, and the following year we would be at the 1% cap. The other option is a multi-year lid lift which limits the duration to a maximum of 6 years, and can be 2, 4, 5 or 6 years in duration. The multi-year lid lift is relatively new, and in researching Pierce, King, Thurston, and Kitsap counties, most agencies are going for 6-year lid lifts capping at 6%. Of the 11 done in the past three years, all used a 6% cap, except for two who used a CPI factor. He stated that East Pierce Fire & Rescue is running both their Fire and EMS at the same time, for 4 years with a 6% limit. Deputy Chief Judd explained under a multi-year lid lift, if assessed valuation goes up 10% in the first year, we can collect the entire 10%; then in years 2 through 6 we would be capped at 6%, which is much better to budget on than 1%.

Chief Dale reiterated passage only requires a simple majority, and he prefers the longer duration because it provides a more predictable, sustained funding source even with the limit, and he sees little risk. Commissioner Portmann summarized if it generates 6% next year it will reduce our liability on the M&O levy we may run in 2019. Deputy Chief Judd clarified the current M&O levy runs out at the end of 2018, so we would re-run it in 2018. Commissioner Gustafson stated we already have an election happening this year, and next year we do not, so it would be cheaper for us overall to do it this year. Deputy Chief Judd added that it costs \$35,000-\$45,000 to run an election and because we already have something on the ballot, it will not cost us anything if we run it this year. Commissioner Portmann stated we have been limited by this for years and have not run a levy lid lift. Deputy Chief Judd responded we have not had a need to run one for many years because of the recession, but due to the economic recovery, this would be the first time we would be capped at 1%.

Commissioner Blanchard-Reed asked what the deadline is for filing. Deputy Chief Judd said primary election day, the first Tuesday in August. Commissioner Gustafson stated they need to make a decision tonight or at the next meeting. Chief Dale said his intention was to bring up the topic for discussion at this meeting and request a decision at the next meeting. Deputy Chief Judd stated he will draft a resolution for the next Board meeting based on parameters set tonight, and any subsequent changes can be made during the next meeting. Commissioner Portmann asked Chiefs Dale and Judd to put together different scenarios with various rates and durations illustrating what that would equate to in dollars and what the average cost would be to the homeowner. Chief Dale responded they would.

Commissioner Blanchard-Reed asked the reasoning behind why East Pierce is doing 6% for 4 years. Deputy Chief Judd responded he just saw this in the voter's pamphlet, but his guess is that if the percentage increase over the next 4 years is more than 6%, then in 4 years they may want to re-run it to capture the increased assessed valuation. We have, in the past, run our EMS levy a year early and when passed it replaced the previous one. He will find out if we are able to do this with a levy lid lift and report back at the next meeting.

Commissioner Portmann advised that the Strategic Planning process should address how to fund the District. Is an M&O levy the way to do it? Are continual levy lid lifts the way to do it? Any there other options for funding the District? He would like to see a funding plan laid out in the Strategic Plan with a specific timeline. Discussion concluded. The Board agreed to continue the levy lid lift discussion at the next meeting.

Fire Protection Contract. Chief Dale informed the Board we have received our annual fire protection contract for Pierce County Parks and referred them to the copy in their books. He recommended approval of the contract.

Commissioner Rosenlund moved to approve the Contract for Fire Protection Services between the District and Pierce County, as presented. Commissioner Blanchard-Reed seconded the motion. Motion carried unanimously.

Annual Banquet. Chief Dale expressed to the Board there is interest in holding our annual banquet in early October. He requested to open this topic up for discussion at this meeting. The Board agreed to have a banquet.

Standing Committees

Committee Positions: Chief Dale referred the Board to the Committees List provided to them by staff and asked if they wished to fill in member names for the committee positions not yet assigned. In addition, he asked the Board to confirm if for the ad hoc Permanent Fire Chief Committee, formerly the Interim Fire Chief Committee, they intended to keep the same members as listed. They responded they did. They stated they preferred, however, to wait until the entire Board was present before assigning members to the remaining committees.

Policy and Procedure: Commissioner Rosenlund stated they had nothing new to report. Commissioner Blanchard-Reed inquired if Chiefs Dale or Judd had any updates or feedback for them on the Reserve Account Policy. Deputy Chief Judd responded they had not had an opportunity to work on this yet.

Mergers/Consolidations: Commissioner Gustafson asked Chief Dale if he had a timeline set for talks with Orting. Chief Dale stated he had nothing yet.

Strategic Leadership Plan: Commissioner Rosenlund confirmed Chief Dale is waiting for one or two more proposals.

Ad Hoc Committee

Permanent Fire Chief: No report.

NEW BUSINESS

Resolution No. 877 – Vacating the Current Fire Fighter/Paramedic Eligibility List. Deputy Chief Judd reminded the Board the resolution was read into the record at the last meeting and asked if the Board wished to have Board Secretary Reynolds read it again. They responded that would not be necessary.

Commissioner Rosenlund moved to approved Resolution No. 877 – Vacating the Current Firefighter/Paramedic Eligibility List, as written. Commissioner Blanchard-Reed seconded the motion. Motion carried unanimously.

COMMISSIONER COMMENTS

None

PUBLIC COMMENTS

Citizen Carolyn Benum asked for an explanation of what a levy lid lift is. Deputy Chief Judd responded a lid lift recaptures all of the assessed valuation. The tax revenue coming in to the Fire Department is based on the assessed valuation of your house. A rate is applied to that value which determines the tax dollars we receive. Our fire levy rate is \$1.50 per \$1,000 of

assessed value. State law dictates that the amount we collect can only increase by 1% each year, so if your house's value increases by 10%, we will only get 1% of that. A levy lid lift, if approved by the voters, allows us to capture the entire 10% increase. Commissioner Rosenlund further explained the 1% cap is the result of an initiative by Tim Iman passed 15-20 years ago, limiting government agencies to a 1% increase each year. Deputy Chief Judd added that prior to Tim Iman's initiative, we were limited to a 6% increase per year. Then, Tim Iman came in and reduced that to 1%.

Mrs. Benum then asked what happened to the extra (M&O Levy) money left over the District was not using. Deputy Chief Judd clarified that money was never collected from the taxpayers. We told the county that for the Maintenance & Operations Levy, while they could have collected up to \$2.75 million, we were only going to need \$2.2 million. The difference was never collected from the taxpayers.

EXECUTIVE SESSION

Commissioner Blanchard-Reed requested two ten-minute Executive Sessions under RCW 42.30.110 (1) (g) to evaluate qualifications of public employees or review their performance, with possible business to follow.

Chief Dale requested a five-minute Executive Session under RCW 42.30.110 (1) (g) to evaluate qualifications of public employees or review their performance, with possible business to follow.

Commissioner Gustafson announced two ten-minute and one five-minute Executive Sessions under RCW 42.30.110 (1) (g) to evaluate qualifications of public employees or review their performance, with possible business to follow.

Commissioner Gustafson announced a recess at 7:38 p.m.

The Executive Session was announced as beginning at 7:40 p.m.

An announcement was made at 8:05 p.m. to extend the Executive Session ten minutes.

The Executive Session was announced as ending at 8:15 p.m.

Commissioner Gustafson reconvened the Regular Board Meeting at 8:17 p.m.

ADJOURNMENT

With no further business to come before the Board, the Regular Board Meeting of July 10, 2017, was adjourned at 8:17 p.m.

Gerald W. Gustafson, Commissioner

Anthony D. Judd, District Secretary