

**GRAHAM FIRE & RESCUE
BOARD OF FIRE COMMISSIONERS
SPECIAL BOARD MEETING
October 11, 2017**

CALL TO ORDER

Commissioner Gustafson called the meeting to order at 6:10 p.m.

Attendance:

Present: Commissioner Gerald W. Gustafson, Commissioner Russell T. Barstow (by phone), Commissioner Gina Blanchard-Reed, Commissioner Ryan Portmann, Fire Chief Pat Dale, Deputy Chief Tony Judd, Deputy Chief Oscar Espinosa and Board Secretary Jodi Reynolds

Absent: Commissioner Adam G. Rosenlund

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

2018 BUDGET REVIEW

2018 Budget Message

Chief Dale greeted the Board and audience members and commenced with his 2018 Budget Message, copies of which he distributed to the Board members.

There is growth projected for Pierce County as a result of high real estate values in King County. The Graham area is also experiencing that growth, with a projected increase in assessed valuation of 12.4%.

On November 7th, our citizens will vote on Proposition 1, a Fire Levy Lid Lift. This measure is a six-year, 6% permanent lid lift. The passage of this measure along with the 2.4% increase in new construction and a 10% increase in the fire and EMS levies will result in an increase in revenue of \$1.2 million for 2018.

The proposed 2018 budget includes collection of the final year of the four-year current M&O tax. Staff put together the budget with the assumption of the levy lid lift passing, funding the current FTE allotment of 72 positions on the floor including backfilling for the newly created positions of Deputy Chief of Operations and Battalion Chief of Training, replacing a vacant Firefighter/Paramedic position and funding a half-time FTE, along with proposed revenue from Orting Valley Fire & Rescue in a service contract to provide training.

The Department's current reserve account was increased to \$4.1 million which includes \$2.3 million for two months of operating costs consistent with the State Auditor's recommendation, \$520,000 for compensated absences and \$1.3 million in uncommitted reserves.

Tonight he will be presenting to the Board a proposal for a staffing initiative. He will also discuss additional funding measures as we head into 2018, including an assessment of what a Fire Benefit Charge could do for Graham Fire & Rescue.

As the new Fire Chief, he is enthusiastic to work with the Board for the first time to develop the budget for next year. He looks forward to discussing ways to continue to deliver a high level of

service to our community. In addition, he looks forward to discussing progressive, innovative ways to move forward and enhance service delivery to keep pace with the growth previously mentioned.

Revenue

Chief Dale then deferred to Deputy Chief Judd to present the Revenue portion of the 2018 Budget Review. Deputy Chief Judd requested the Board go to the Revenue tab in their budget books. He explained the far right column shows the figures for 2017 for comparison. The next column contains 2018 numbers without a Levy Lid Lift for informational purposes, while the budget was based on 2018 numbers with a Levy Lid Lift. All of the tax numbers came directly from the County and can be found in the pages following the Revenue sheet. He proceeded with a line-by-line review of the Tax Revenue items and then reviewed the Non-Tax Revenue items. He explained approximately \$82,000 is included in Miscellaneous Contracts for the potential contract with Orting Valley Fire & Rescue for training services. He pointed out the Total Projected Revenue is \$16,909,229, while the Total Projected Expenditures are \$17,151,934. He and Chief Dale still have some work to do on the budget and some revenue items are outstanding. He assured the Board when they come together on November 13th, there will be a zero in the "Difference" column. He concluded with the Dedicated Cash Carry Over and explained this is what gets us through the end of the year and beginning of 2018 until we collect taxes again in April. He asked if the Board had any questions on the revenue page.

Commissioner Blanchard-Reed inquired about Miscellaneous Income and why the significant difference between 2017 and 2018: \$30,000 in 2017 and \$1,780 for 2018. Deputy Chief Judd responded Miscellaneous Income includes L&I time loss payments. We had people on L&I time loss in 2017 and do not anticipate having anyone on time loss going into 2018. She also asked why there was no amount entered for the SAFER Grant. Deputy Chief Judd explained there was nothing planned for 2018 at this time, but there is a possibility we may apply for a SAFER Grant. He anticipates one coming out with an application period in January with possible awards in September.

Commissioner Gustafson asked if they plan to collect the entire \$2.75 million from the M&O Levy. Deputy Chief Judd responded if the Levy Lid Lift passes, we would ask for \$2.28 million, the same as this year. If we do not pass the lid lift, we would need the full amount. Commissioner Gustafson said this money was for when we hit our peak and went down. We had to run the measure two times. If you put that in and keep using that money it could come back to bite us. Commissioner Gustafson stated it was to be a stop gap measure, so we would not lose people. That money has already been made up.

Commissioner Portmann stated he wished to confirm his understanding of the budget review process since he and Commissioner Blanchard-Reed have not been through it before. Deputy Chief Judd explained tonight is about getting the knowns or possibilities out on the table. These are recommendations and everything is open for discussion. This is a preliminary walkthrough, we will discuss it again on October 23rd, make some major decisions at the November 13th meeting, and then approve the final budget at the November 27th meeting. The final budget must be to the County by November 30th.

Commissioner Portmann stated that if he follows Commissioner Gustafson's line of thinking, with the Levy Lid Lift passing and the \$1.2 million we are rolling into this budget, theoretically next year we are still levy-dependent on \$2 million. Next year should be less, because of growth. There are still several FTEs tied to that levy. Deputy Chief Judd concurred. Commissioner Gustafson explained the reason for the current M&O Levy back in 2009. Since then we have hired several firefighters. Last year we gave back around \$500,000. The first

time we ran the measure it failed, and the second time it just barely passed. This is something we need to look at if we decide to run a levy again.

Commissioner Portmann stated a key decision point tonight is do we move forward with the idea that some of the decisions made tonight will create levy-dependent positions in 2019. We will not gain \$2 million in next year's budget. This is a critical decision tonight – whether we want to be levy-dependent or not. Chief Dale stated this next year is the last year of the four-year M&O for \$2.75 million/year. Next year we are proposing we do the same as this year and collect not \$2.75 million, but \$2.2 million. Commissioner Gustafson responded the \$2.75 million has already been replaced by taxes, and we have money way above that. The budget was \$8.7 million and now it is almost \$17 million; it has almost doubled since then. Deputy Chief Judd clarified the \$8.7 million is only the fire side; the entire amount was \$9.8 million. Commissioner Gustafson stated this is something they need to think about. Chief Dale stated he will be addressing this later tonight when he presents another proposal.

Deputy Chief Judd then referred the Board to the page following the Revenue sheet, which he said came from our financial system and shows basically the same information. Directly behind that is the preliminary tax information from the County. This information is reflected in the Revenue sheet previously discussed.

Expenditures

Deputy Chief Judd then referred the Board to the expenditures documentation located behind the Budget Comparison tab in their books. He proceeded to do a line-by-line review of the budget expenditures and responded to questions from the Board.

Commissioner Gustafson announced a recess at 7:55 p.m.

Commissioner Gustafson reconvened the Special Board Meeting at 8:15 p.m.

Deputy Chief Judd referred the Board to the sheet following the expenditures showing the full time employee (FTE) and part-time employee counts as of 12/31/2017 and the proposed counts for 2018. He explained Chief Dale will be addressing this in detail shortly. He summarized that at the end of 2017 the authorized allotment of FTEs is 83, with 2 part-time employees. The proposed 2018 FTE count is 87, an increase of 4: 3 Firefighter positions and 1 Lieutenant of Training, a collaborative position with Orting Valley Fire & Rescue.

Chief Dale then stated he would begin his presentation and distributed his supporting document titled "Budget Session – October 11, 2017."

He began with his view of the organization's strengths and weaknesses. He identified the number one strength, by far, as "Our Members," followed by labor/management relationship, positive work environment, family-oriented, quality support staff and infrastructure. The weaknesses include our funding model and staffing. He explained he would focus first on staffing, and presented his Staffing Model Initiative. He said we are substantially understaffed and currently staff Engines and Medic Units with two Firefighters. Three-person Engine Companies should be considered a minimum staffing level, along with two-person Medic Units. Justification for this is that the service we provide is time critical, staffing intensive and highly technical. Correlations can be demonstrated between population growth trends, incident volume, injuries sustained and number of Firefighters deployed on incidents. He believes a strong correlation exists between increasing incident volume and injuries sustained by our Firefighters, and also between injuries sustained and the number of Firefighters deployed. Next he addressed the effectiveness of service delivery. When we deploy a two-person Engine Company on the highly technical, staff intensive work we do, this includes a supervisor, the

Company Officer, a Lieutenant or Captain, who is forced to engage in task level work, which makes it impossible for supervision to occur. This compromises supervision and he has seen the consequences of this here.

Commissioner Portmann asked Chief Dale if the injuries sustained are more serious or significant due to two-person Engine Company staffing and if this can be measured. He responded it can be measured and anecdotally, in the recent couple of years, we have had significant back injuries. We carried one person four years and the cost impact was significant. Commissioner Blanchard-Reed asked if the new lifting equipment has helped. Chief Dale responded it has had a positive impact. Although most of the back injuries occur on EMS calls, we still engage in offensive positions like entering a burning building, and if we are understaffed our personnel can incur career-ending injuries.

He continued by addressing his Proposed Staffing Model. He stated he is making the following assumptions: 3-person Engine Company and 2-person Medic Unit staffing, 1 person on-duty Battalion Chief, and 4.3 people required to staff each position due to having three shifts, sick leave, vacation, disability and a contractual agreement to reduce their hourly work week. He explained he would address Career Staffing first. He is utilizing the stations and apparatus we currently have and what is realistic. He will identify where the staffing will go in the stations, but as new Firefighters are hired over the next few years of his 5-year plan, the deployment plan may change. He is using this format to help illustrate his staffing model. Station 91 would see a 1 position increase to make a 3-person Ladder Company. Station 94 would see a 1 position increase to make a 3-person Engine Company, and 2 career personnel would be redeployed from Station 93 to staff a Medic Unit that currently is not there. Station 96 would see a 1 position increase to make a 3-person Engine Company. This is a total increase of 4 positions, multiplied by 4.3 people for each additional position, which equals 18 new career positions. This increases minimum staffing from 15 today to 19 by 2022, or 21 minimum if funding is available. He noted that an additional Medic Unit is optimal, for Station 96, but would require hiring an additional 9 people.

Commissioner Portmann asked Chief Dale if he would like to implement the four new positions starting in 2018, and he responded affirmatively. Commissioner Portmann stated he also had a question about going from four to three medic units. He asked how often we are using four medic units in our District, now how often they are deployed regionally. Chief Dale responded that Deputy Chief Espinosa has been spending a lot of time challenging our deployment model, and a big piece of that is looking at three versus four medic units. Deputy Chief Espinosa explained the detailed process he employed and the variables he considered, and concluded we can get more capacity out of our units, and we are closer to a three medic unit Department than we are to a four medic unit Department. Commissioner Portmann stated Central Pierce is short of medic units. If we pull one of our medic units out of the system, and are down to three, and the third is running out to Central Pierce frequently, where does that leave us? Chief Dale responded that we are providing mutual aid out at almost a 4 to 1 ratio, so there is a possibility that if we go down to three it could balance or slightly turn the other way. This needs to be looked at further. Commissioner Portmann remarked that Central Pierce needs to add a medic unit. Chief Dale stated he is proposing a three medic unit system, but in years three through five if funding is available, we would hire those extra people to staff a fourth medic unit. Commissioner Portmann asked if they would consider leaving Station 96 cross-staffed. The change from four to three medic units means the majority of the resources are shifted to the west side of the District leaving the east and south somewhat barren. Chief Dale stated this is an important conversation to have and maybe initially that is the model we need to include, four medic units.

Commissioner Gustafson described the EMS system in place in Mesa, Arizona where they have a doctor and nurse at a fire station and the medics bring their patients there first rather than directly to the hospital. Such a system would allow our personnel to stay in District more often. Deputy Chief Judd responded that Washington State laws do not allow for this. He believes we are headed in that direction, a Community Paramedicine Program, with clinics in fire stations, etc. Deputy Chief Espinosa added that Puget Sound Fire Authority in Kent is running a 24-hour nurse and firefighter unit to help keep people in their homes. There is federal and hospital funding available, and our new MSO the Board put in place will be researching this type of program to possibly implement here in the future. Commissioner Gustafson stated that another program involves private ambulance companies going out to the patient's home after discharge from the hospital for follow-up care to decrease the chance the patient will have to be readmitted. This is another way to decrease the number of transports we do. We may need to push some of our legislators to put some of these things in place.

Discussion continued between Commissioner Portmann and Chief Dale with regards to the proposed reduction of medic units from four to three. Commissioner Portmann asked if this would occur in 2018. Chief Dale responded this is a five-year plan and the four to three medic units does not occur in 2018. It is a slower progression than that.

Next, Chief Dale addressed the Resident/Volunteer portion of his staffing model in the south end of the District at Stations 92 and 93. Station 92 would have a two-person Company minimum and an Officer, and Station 93 would be staffed with a two-person Company minimum. He is currently discussing with Labor what type of vehicle this would be. In order to make this model a reality, we are now in the process of forming a joint Graham Fire & Rescue and Bates Technical College Recruit Academy. This allows us quality control of the training and the ability to hire our Residents we have trained. The process is as follows: We pay tuition to Bates for enrollment at approximately \$2000 per student; we invoice Bates for apparatus, fuel, classroom and consumables at \$1100 per student; we recoup \$600 per student from the State, leaving a total cost per student of \$300. The instructors are our personnel and are paid by Bates. When it becomes known that Graham hires its Residents, this will draw in more people and will help to sustain the program and the model for staffing.

Chief Dale explained he has begun discussions with Chief Galey of South Pierce Fire & Rescue to co-staff Station 93 with Volunteer Residents, building up to 24/7, 365 coverage. As we build up our force we would eventually move this staffing model to Station 92 as well. For this to occur at Station 92, we must add a housing structure there. Funding is available from the remainder of the previous Bond measure, approximately \$175,000.

Chief Dale then presented the Funding component of his staffing model. He explained a necessary component is passage of the Fire Levy Lid Lift November 7th. To continue the level of service in 2019 we currently have, he proposes we go out for a Maintenance and Operations Levy in 2018 and continue the \$2.75 million collection. Increasing the level of staffing requires the passage of the Fire Levy Lid Lift. Other potential funding sources include: an EMS Levy Lid Lift two years from now if the AV is still increasing; a Fire Benefit Charge – by March we will find out what one may or may not do for us; and a Bond measure in 2019 – our current one matures in 2020. A Bond measure would fund the maintenance of our infrastructure.

Chief Dale reviewed his 5-Year Hiring Plan with the Board. Beginning in 2018, the number of FTE's allotted is 69; we currently have 63. We have three in the Academy and he proposes backfilling for the DC of Operations and BC of Training positions. With the passage of the Fire Levy Lid Lift only, he suggests increasing the minimum staffing from 15 to 16, which requires hiring three people.

Discussion then took place regarding going out for an M&O Levy in 2018 and specifically, when to do that. They discussed the pros and cons of the February, April, August and November elections. In February the Bethel School District is going out for three "Enhancements." Chief Dale believes February would be best and if the measure does not pass, we can run it again in November, or even April. Deputy Chief Judd pointed out that historically voter turnout in August is low so trying to pass a super majority measure then is very difficult. Commissioner Gustafson commented the number of measures on the ballots must be considered because that will affect the cost to us. Deputy Chief Judd stated August elections tend to run between \$30,000 and \$40,000 and a February election would cost our agency approximately \$100,000.

Commissioner Portmann then initiated discussion regarding the dollar amount or rate of the proposed M&O Levy. He requested Deputy Chief Judd provide him with figures for the maximum increase to the taxpayer should the Levy Lid Lift pass and we go out for an M&O. Chief Dale stated he proposes going out for the same amount as the current one, \$2.75 million. Because we are significantly understaffed, and based on projections from Deputy Chief Judd, he believes it will take a couple more cycles of M&O's at four-year intervals to reach an adequate level of staffing to meet the increasing service demands and ensure the safety of our personnel. Deputy Chief Judd provided Commissioner Portmann with the following scenario: \$200,000 home, Fire Levy rate of \$1.50 per \$1,000 AV, assume property value increase of 6%; in six years they will pay \$141.00 more per year than today. A homeowner with a \$350,000 home would pay \$247.00 more. This would make a \$4 million difference to us. Commissioner Portmann asked if this includes the proposed M&O Levy, and Deputy Chief Judd stated it did not. Any additional increase would depend on the amount of the levy, which is still to be determined.

Discussion continued regarding going out for an M&O Levy and the dollar amount. The Board decided to take two weeks to review the information provided to them by staff and continue the conversation then. Commissioner Portmann thanked Chiefs Dale and Judd for the work they put into preparing the information. He thanked Chief Dale for his courage to come with forward with a bold and innovative plan. Chiefs Dale and Judd encouraged the Board to call or email them with any questions they have between now and the next meeting.

Chief Dale informed the Board the crews have been providing him feedback that at the time of the large brush fire in Graham and since then, residents have been expressing great thanks and support for our response and saving their homes.

EXECUTIVE SESSION

None

ADJOURNMENT

With no further business to come before the Board, the Special Board Meeting of October 11, 2017, was adjourned at 9:30 p.m.

Gerald W. Gustafson, Commissioner

Anthony D. Judd, District Secretary