

**GRAHAM FIRE & RESCUE  
BOARD OF FIRE COMMISSIONERS  
SPECIAL BOARD MEETING  
November 6, 2017**

**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 Rosenlund, Commissioner Gina Blanchard-Reed, Commissioner Ryan Portmann, Fire Chief Pat Dale, Deputy Chief Tony Judd and Board Secretary Jodi Reynolds

Absent: Deputy Chief Oscar Espinosa

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

**2018 BUDGET REVIEW**

Chief Dale stated this is a continuation from two weeks ago when the 2018 budget and staffing initiative were presented. He wanted to start by answering a question Commissioner Blanchard-Reed asked during that presentation about injury rates. The Board was presented with three documents:

1) Population & Incidents – Chief Dale explained this graph demonstrates that as population trends up, incident volume also trends up. In 2010, the population was near 56,000 and in 2017 is just under 64,000. During the same time period, incident response has increased from 5,500 to near 7,000 in 2017. There is a 13% increase in population with correlating 27% increase in incident volume. Commissioner Blanchard-Reed commented that it would seem that the increase would be consistent, but the incident volume increase is twice the population increase. Chief Dale agreed. Commissioner Gustafson asked if the incident volume included mutual aid given to other districts and Chief Dale confirmed it includes all calls.

2) Population & Injuries – This graph again shows the 13% increase in population since 2010 and also shows firefighter injuries for that time. In 2010, there were 10 injuries and in 2017 we are on pace for about 30 injuries. Chief Dale wanted to emphasize that the orange in the bars represents injuries sustained during incidents. With the exception of an outlier in 2015, injuries at incidents are trending upward as well. Incident injuries would include medical aid, accidents and fires and range from fairly minor to career ending. Commissioner Portmann asked if staffing remained fairly consistent during this time and Chief Dale stated it did until 2014 when there was an increase.

3) Incidents & Injuries – This graph combines the incident volume and injury rates from the previous graphs. Chief Dale stated this represents a 27% increase in incident volume but a 200% increase in injuries from 2010 to 2017 which he believes to be pretty remarkable.

Chief Dale summarized that this information, in his experience, shows our current staffing level is not a sustainable staffing level to go forward to match the growing call volume. There is an increase in population, with a larger increase in incident volume and a large spike in injuries.

Commissioner Gustafson pointed out that 82% of our incidents are medical and asked if our paramedics are the ones getting injured. Chief Dale stated he did not separate EMTs from paramedics. He did agree that 80% of our incidents are medical and many of the injuries occurred during medical incidents. Commissioner Gustafson stated we have switched over to a different power gurney and if that has helped. Chief Dale stated we have had the new gurneys for less than a year and that data is not available yet.

### **M&O LEVY**

Chief Dale was asked to provide options for staffing levels for the Board. He presented the Board with a document outlining the options for the 2018 M&O election with staffing proposals. He is providing three levels of M&O funding and a frame work on how that money would be utilized:

1. Status Quo (Bronze) – Going into 2018 with the same staffing level we have today of 69 floor personnel, \$325,000 annually toward fleet replacement, which he believes is not adequate as he will demonstrate later in the presentation, \$100,000 annually toward facilities and no equipment replacement. This represents the status quo of 2017.

2. Progressive Level (Silver) – This table for the staffing level is the same staffing level he proposed two weeks ago during the budget discussions which was an increase of four minimum staffing positions or 18 total personnel. One change he did make was at Station 96 where he put 0.5 under the medic unit and that would be an overflow or peak demand medic unit, but this table does utilize three medic units. When staffing allows, the fourth medic unit could be stood up. .

Fleet Replacement Detail – Chief Dale explained this is just the start of a fleet replacement plan. He believes this will be further refined during a strategic plan, but is a starting point for discussions here. He identified the types of apparatus that we have, the local experience of the life of these apparatus, both frontline years and reserve years, the cost of replacement in today's dollars and how much we need to save each year. To fund this plan, we should be putting aside \$440,000 each year. Commissioner Gustafson asked how many miles we put on them each year. DC Judd stated over 25,000 miles annually. Commissioner Gustafson stated that the medic units of today are not like the medic units of yesterday and that they last a lot longer with their diesel engines. DC Judd pointed out that while diesel engines do last longer, what we have experienced is the other components attached to the engine do not last as long. We have to have near 100% reliability as an emergency service. We are not able to get the same usable life as a non-emergency service user.

Equipment Replacement Detail – This includes the large ticket equipment items that we need to replace, SCBAs, PPE, Hose, Radios, and Defibrillators. Following the same strategy used in the fleet replacement, Chief Dale identified the number we have, the life expectancy, today's costs and cost per year for each item. For SCBAs, PPE and Hose, they are identified as a full fleet replacement. This adds up to \$140,000 annually to fund these items.

3. Aggressive Level (Gold) – In staffing, this includes fully staffing each station and three person engine companies with four medic units for a total of nine new minimum staffing position or 39 new personnel. The fleet and equipment replacement details are exactly the same at the Progressive Level.

## M&O Funding

1. Status Quo (Bronze) – Maintaining the current FTEs, \$325,000 annually for fleet replacement, \$100,000 annually for facility maintenance and no equipment replacement funding, that produces an average M&O amount of \$1.95 million needed per year or 28.8 cents per \$1000 of assessed valuation.

Commissioner Blanchard-Reed asked why the \$100,000 annual for facility maintenance was the same in in all three year and if that was a priority for the Chief. Chief Dale stated this was just a level we funded without going through a detailed analysis of roofs, HVACs, parking lots, etc. DC Judd commented that this funding is not for the building of anything new, but maintenance only to keep our facilities serviceable.

Commissioner Rosenlund asked if the 28.8 cents has gone down. Chief Dale affirmed it has decreased with the increase in assessed valuation. DC Judd stated that the 28.8 cent rate is based on there being an additional 6% assessed valuation increase for 2019. Commissioner Rosenlund asked what the full M&O rate would be if we asked for the same \$2.75 million. Commissioner Portmann stated it would be 41 cents per \$1000 in 2018. He further stated that with the growth we are seeing, if we stayed with the same levy amount, we are going to continue to see that rate decrease and naturally overtime it would not be needed. DC Judd agreed and pointed out that our new construction is up 40% over last year.

Chief Dale handed out a spreadsheet which outlines the different M&O rate plans for the three levels. It shows what we would collect for each year and how we arrived at the average amount for the different M&O plans. The future projections include a 3% expense increase annually and a 6% assessed valuation increase annually.

2. Progressive Level (Silver) – Providing for the staffing level increase of four positions, 18 people, as proposed two weeks ago, adding in more to the fleet replacement, \$100,000 for facilities and adding in the equipment replacement funding produces an average M&O amount of \$4.3 million per year or 61.9 cents per \$1000, which could be further refined to get to 60 cents per \$1000.

Commissioner Blanchard-Reed asked if we knew how the rate would be affected over the four years of the levy. Chief Dale responded that the rate would not change much over the life of the M&O. He likes the 60 cents because that was the starting point for the last M&O and this is a continuation of the rate per \$1000. We would be collecting more each year.

3. Aggressive Level (Gold) – Providing for the staffing level increase of nine new positions, almost 40 people, fleet, facilities and equipment funded the same as the Progressive Level produces an average M&O amount of \$6.65 million and a rate near \$1 per \$1000.

The Board thanked the Chief for the information. Chief Dale moved on to additional points and questions he made note of over the last couple of weeks.

How does the Levy Lid Lift affect the M&O in the long term?

- a) Status Quo – Levy Lid Lift reduces the amount necessary to collect of the M&O.
- b) Progressive – The M&O maintains the current staffing levels and increases some, but the Lid Lift helps to provide funding to increase staffing levels.
- c) Aggressive – Similar to the Status Quo level, but with a higher starting point for staffing, but would reduce over time.

## Options for funding Capital Replacement

- a) Funded within budget annually
  - i. Advantages
    - 1. Within the budget
  - ii. Disadvantages
    - 1. Building a funding structure that is levy dependent
- b) Bond Measures
  - i. Advantages
    - 1. Longer duration between measures
  - ii. Disadvantages
    - 1. Creates yet another funding measure
    - 2. Reliant on bond measures for capital needs vs. on-going within annual budget

Chief Dale would prefer to fund capital purchases annually and save the bond for larger capital purchases like a training center.

What is the forecast without passage of Levy Lid Lift and an M&O? (What does our department look like?)

- a) Staffing
  - i. No new positions
  - ii. Vacancies unfilled
  - iii. Would force discussion whether to collect full M&O amount in 2018
  - iv. Year 2019 – Layoffs or use reserve funds until passage of a funding measure
- b) Fleet
  - i. No apparatus replacement
- c) Facilities
  - i. Emergency repairs only
- d) Equipment Replacement
  - i. Emergency needs only
- e) Pursuit of grant funding
  - i. May increase eligibility due to visible economic adversity

Commissioner Gustafson commented that including the Levy Lid Lift passing, we have brought in \$6,154,000 more than when we voted on the M&O in 2014. The M&O was so we didn't have to lay off people. Now we are trying to raise much, much more money. Do we think the people in the district will pass an M&O? What about the retired people on a fixed income? These are all things we have to look at. Another way of buying equipment is through commissioner-matic bonds.

Commissioner Portmann stated that he believes we are at a decision point on the Equipment and Fleet Replacement and if we are going to fund it annually or rely on a bond. He also believes this drives the discussion on the M&O and the budget for 2018. We have not put any money in for replacement in the 2018 budget.

Commissioner Gustafson stated we have to run this like a business. We can't spend all the money and then decide we need equipment. It has to come out of the tax money. We have a lot of new fire trucks and ambulances. We have to keep our equipment newer so it does not affect our fire rating. He also commented that there is nothing identified for the Kapowsin station. We are planning to put residents at station 3. When times are good, we can get residents but as soon as we train them, they will get jobs elsewhere.

Commissioner Rosenlund spoke in favor of the Fleet and Equipment Replacement funds. It is always a good practice to put money aside for the projected expenses rather than come back in time of need and do interest bearing funding.

Commissioner Portmann asked what the history was with the uncommitted reserves and if that has been used to purchase equipment. DC Judd answered that we have used some of the funds from reserves to purchase equipment, but it was not common practice. We have generally saved for them, used left over funds from a previous year or encumbered assessed value increases for a year to purchase equipment. Currently our uncommitted reserve sits at \$1.3 million. Commissioner Gustafson also commented that we have also used that money during bad times to balance the budget and avoid layoffs.

Commissioner Rosenlund offered that most agencies are dependent on some other source of funding, either levy or bond, as the taxing structure set by the State is not such that any fire department can make it without additional funding for some projects. The voter approved measures are a check and balance with the community. If we are doing a good job with their money, they will approve more. Chief Dale agreed that our current staffing level and future need is not sustainable without additional funding. That is going to take additional people and additional cycles of M&Os. He further said we will also need to look at other sources such as an EMS Levy Lid Lift if that is beneficial. We are currently looking at a Fire Benefit Charge model.

Finally, Chief Dale wanted to provide information for consideration on when the best time to hold an election would be in 2018. Chief Dale has gained a lot of his information from Vice President Wahl.

- a) February – It is right around the corner. Bethel School District will be on the ballot with three measures.
  - i. Advantages
    - 1. On the ballot with Bethel School District – versus alone
  - ii. Disadvantages
    - 1. On the ballot with Bethel School District – one more measure
- b) April
  - i. Advantages
    - 1. Could be the lone measure on the ballot
  - ii. Disadvantages
    - 1. Lone measure on the ballot
    - 2. Could be with Bethel School District if they fail in February.
- c) August
  - i. Advantages
    - 1. Additional preparation time – community outreach
  - ii. Disadvantages
    - 1. Low voter turnout
- d) November
  - i. Advantages
    - 1. Additional preparation time
  - ii. Disadvantages
    - 1. Last chance prior to end of 2018 and current M&O ends

From tonight, Chief Dale was looking to have discussion and direction on what the levy amount would be and when is the best time to go out for an election. He proposed that by the regular meeting next week, we be ready to make those decisions. Additionally, he is looking for direction on Fleet and Equipment Replacement being within the budget or looking at a bond for that.

Commissioner Portmann reiterated that he believes the decisions on the Fleet and Equipment Replacement needs to be made tonight as that has impacts on the budget for 2018. He would like to start the savings now to be ahead of the curve. In 2017, we levied 39.5 cents on the M&O. We could levy the same rate in 2018 to put into the replacement accounts. We could also discuss levying the full amount which would be 41 cents. Chief Dale asked if Commissioner Portmann was recommending to use this money for the replacement funds to allow for more up front hiring of personnel. Commissioner Portmann affirmed his question. He believed the message we gave to the voters last election was that we were going to fund our needs, so we could go either way. He would also like to see staff carve out a little more out of the budget to go into the replacement funds.

**Commissioner Portmann moved to proceed with 39.5 cents per \$1,000 AV with the excess to go into three replacement funds discussed. Commissioner Rosenlund seconded the motion. Motion carried unanimously.**

DC Judd asked for clarification if the Board is looking for the 2018 budget to be as close to the \$580,000 for the Fleet and Equipment Replacement funds as possible. Commissioner Portmann affirmed that would be his direction. DC Judd advised we would be about \$180,000 short. He asked if the Board would consider using the 1% of the Fire and EMS levies, which goes to the uncommitted reserve, as part of \$580,000. Chief Dale stated that would be helpful.

Commissioner Rosenlund announced that the new Financial Policy, which will be discussed at the next Board meeting, will call for the discretionary uncommitted reserve to be in the 5-25% range. We are currently at 8.4% so we are within that range. He agreed that the 1% could go to the replacement funds. The Board gave consensus to use the 1% toward the replacement funds.

The Chair called for a recess @ 7:17 p.m.

The Board reconvene @ 7:24 p.m.

Chief Dale brought forward his plan for community outreach beginning next Monday if the Board decides to go out for an M&O in February. He would assign a staff person to manage the community outreach focused on the levy. He pointed out a recent comment on our website that it was a good move to have the first responders out in the community on Halloween and that he would now be voting for the Lid Lift. In general, we have about 7,000 interactions with our citizens and by and large most of them would be positive and most people would vote affirmatively. He would like to expand the connection with those that did not use our service in the last year or two. Commissioner Blanchard-Reed asked how many events have been identified between now and February. Chief Dale answered with the events that are on the books with the food baskets, Coats for Kids, Santa runs.

Commissioner Rosenlund asked staff which date for an election they would pick and why. Chief Dale recommended February. He realizes this is a short time frame but he believes he can put together an outreach plan to overcome that. He weighs the disadvantage of the short time frame against the low voter turnout of August and lateness of November. If it doesn't pass we still have November to fall back on. Commissioner Blanchard-Reed wanted to know what results are available to look at for us and neighboring districts in the past 10 years of elections. Luke Wahl stated he has studied elections for local for past 6 years. We have a very conservative voter population, but also dedicated voters. We have not failed a levy in November. The demographic of voter turnout is very good. August has not been good for us. It is a small turnout with just the base community. April, we will be by ourselves or going against

Bethel who failed in February. The no-votes would be out. February, the school should bring out a lot of voters. Validating will not be an issue. Tomorrow's election should give us insight into a February election, within 2-4%. Commissioner Rosenlund would like a summary of the data from tomorrow night's results for Monday's meeting.

**2016 REMAINING FUNDS**

Chief Dale requested to use \$8,000 to purchase a used boat from West Pierce Fire & Rescue to replace our boat. West Pierce has a 1992 rigid fiberglass hull with inflatable pontoons, 16' in length, 60 hp outboard motor with a pedestal drive position. Commissioner Gustafson asked how deep this boat sits in the water. Kapowsin Lake has stumps just below the water. Chief Richards advised that it is similar to our current boat but it has a ridged hull.

**Commissioner Rosenlund moved to expend approximately \$8,000 from the 2016 Remaining Funds to purchase a used boat from West Pierce Fire & Rescue. Commissioner Barstow seconded the motion. Motion carried unanimously.**

**EXECUTIVE SESSION**

None

**ADJOURNMENT**

**With no further business to come before the Board, the Special Board Meeting of November 6, 2017, was adjourned at 7:44 p.m.**

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Gerald W. Gustafson, Commissioner

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Anthony D. Judd, District Secretary