

Board of Fire Commissioners Special Meeting Minutes

10518 – 18th Street SE, Lake Stevens, WA 98258

February 13, 2018

1800 hours

CALL TO ORDER

Chairman Steinruck called the meeting to order at 1800 hours.

ATTENDANCE

Chairman Steinruck, Vice Chair Gagnon, Commissioner Elmore, Chief O'Brien, Deputy Chief Huff, Deputy Chief / Fire Marshal Messer, Director of Administration & Finance Leah Schoof, Assistant Fire Marshal David Petersen, District 7 Chief Meek, District 7 Commissioner Waugh, District 7 Commissioner Snyder, District 7 Commissioner Fay, District 7 Commissioner Schaub, District 7 Commissioner Wells, District 7 Commissioner Woolery, Financial Consultant Bill Cushman, Members from Fire District 7, Members from Lake Stevens Fire, and Communications Director/District Secretary Laana Larson.

WELCOME

PLEDGE OF ALLEGIANCE

INTRODUCTIONS

Chief O'Brien welcomed everyone this evening. He commented our staffs from Fire District 7 and Lake Stevens Fire have been working together to take a look and see how we can further work together.

PRESENTATION:

FUTURE FIRE DISTRICT 7 & LAKE STEVENS FIRE PARTNERSHIP OPPORTUNITIES

Consolidation Discussion 2018

Two Districts – Same Service

Both districts include service in the following areas: EMS, Firefighting, Rescue, Community Risk Reduction, and Helping People.

He highlighted both district Strategic Plans in the areas of Vision, Values and Goals.

Strategic Plan Driving Operations

- Lake Stevens Fire: Develop strategic partnerships with neighboring or overlaying agencies to improve community safety.
- Fire District 7: Develop and expand on existing partnerships to build trust and explore collaborative opportunities.

What has initiated this discussion?

Improve Service – The goal of consolidating is to be more efficient, improve staffing and training opportunities, and to provide improved service to the citizens.

Regional Planning – Regional planning helps both districts reach strategic plan goals like providing a high level of service, generating efficiency and ensuring accountability.

Fiscal Accountability – Fire districts strive to be fiscally responsible with the funds entrusted to us by our citizens. Regionalization streamlines services, reduces duplication and is fiscally accountable.

Succession Planning – There is vigorous population growth in Snohomish County driving an increased demand for Fire/EMS/Rescue services and the people to provide the service. While this historic growth and change is occurring, it is imperative that Fire District 7 and LSF maintain a steady course and prepare and plan for leadership succession.

Overview of Organizations

Deputy Chief Huff reviewed Lake Stevens Fire and Assistant Chief Andrews reviewed Fire District 7 in regards to statistics, district boundaries, shift staffing, and fire apparatus.

Regional Training Center Concept Plan

AC Andrews explained photo of property currently owned by Fire District 7 with potential for a Regional Training Center.

Merging Districts

Merged Fire District

Chief Meek explained we are looking for collaborative efforts to provide better service to the citizens.

Merged Shift Staffing would include 47 personnel on duty daily.

Resource Allocation – A regional work force will allow for strategic placement of personnel and allow for better emergency response capabilities to the citizens.

Merged Divisional Staffing – The FTE count remains unchanged for the merged agency.

Function-Based Organizational Structure

Chief Meek reviewed a possible organization chart in general terms.

Efficiencies

- IAFF joining together reducing negotiation time and costs
- Minimize duplication of legal services
- Combined administrative space
- Medical control (physician & on-duty MSO)
- Cooperative purchases (quantity breaks)
- Insurance savings of one policy
- Recruiting and promotional testing
- Reduce policy and procedure duplication
- Special Ops (one tech rescue, hazmat, water rescue team)
- Administration efficiencies (one Chief with complete staff)
- Audit (reduces one audit)
- WSRB improved fire rating and one evaluation
- Single Strategic Plan
- Architectural work

Considerations

Contracts and Plans – Current contracts would be honored, Apparatus Replacement & Reserve would be updated to reflect needs of new district, Capital Facility Plans would be updated to reflect needs of new district and Financial Plans would reflect operational needs and funding resources.

Possible Challenges

- Comfort zone and traditional past
- Accepting shared control
- Different apparatus and equipment
- Procedures
- Administrative quarters
- Eliminating the us vs. them factor
- Staff contracts
- Labor contracts
- Personnel integration – combining cultures both professionally and interpersonal

Governance and Legislative

In a merger the boards are combined and then reduced as individual terms expire. All Commissioners complete their current terms.

Options for Commission Board:

- Maintain board at five members
- Increase board from five to seven members
- Divide fire district into Commissioner Wards

Chief Meek requested a 15 minute break at 1845 hours.

Chief O'Brien reconvened open public meeting at 1700 hours and meeting moved forward with Finance Summary, and he introduced Financial Consultant Bill Cushman.

Finance Summary

Finance – A financial team comprised of both agencies have worked with Financial Consultant Bill Cushman to produce a new strategic financial model as a merged agency.

Elements of the Financial Model

The finance model identifies every known source of revenue, the rate of change in each amount, and the amount to be expected each year 2018-2024.

District financial resources include:

- Beginning Cash Balance
- Fire Levy
- EMS Levy
- Fire Benefit Charge
- Contracts for Service
- Transport Fees
- Other Operating Income
- Grants
- Reimbursements

Resources allocated to current expenses provide District services. Resources allocated to reserves provide for replanned future expenses. Bill Cushman reviewed the fiscal cycle.

The Finance Model shows over seven years:

- All known resources
Property Taxes, Operating Income
- All known program expenses
Employee Count, Wages / Benefits (total cost of compensation), Operating Expenses
- All known reserve contributions
All programmed reserve expenses

Financial Model Assumptions

Financial Model assumptions explained by Camille Tabor and Leah Schoof. The inflation estimates used to develop this Financial Model are as follows:

- Wages 3% / Benefits 5% / OT 4%
- Commissioner Allowance 1% / New Construction 2% / Property Revaluation Growth 5.68%
- EMS Levy 2020 / Fire Levy 2022 / EMS Levy 2024
- Maintenance & Operation Expenses 3%

Merged District Baseline

General Fund

- Salaries and benefits reflect 2018 updated Fire District 7 contracts
- Includes new hiring over the period presented
- Operations reflects the 2018 budgets

Retirement Reserve

- Includes funding for retirement medical for current beneficiaries
- Includes funding for estimated leave cash-outs for future retirees

Emergency Reserve

- Funding increases from 2.9 million to 6.7 million over the period presented

Apparatus and Equipment Funds

- Includes funding for scheduled apparatus and equipment purchases

Construction Fund

- Includes estimated funding for current and future projects

Bond Fund

- Includes funding for current debt service and future estimated projects

With the assumptions made, the merged organization is financially capable of meeting its obligations.

Union Summary

Chief O'Brien introduced Local 3235 President Lisa Defenbaugh and Local 2781 President Michael McConnell.

President Lisa Defenbaugh thanked everyone who came out to join us this evening, and mentioned we look forward to working together collaboratively and improving our service with the citizens.

President Michael McConnell commented it was a privilege to go through this merger process with Monroe, and our two unions are working together collaboratively. The first step will be an interlocal agreement between the two unions; and then next we will work with employer and address any impacts. We achieve our best when we work together.

Executive Summary

Chief O'Brien reviewed how a merger would improve service, reviewed efficiencies, and how we could move forward from here.

Improving Service

The goal of consolidating is to be more efficient, improve staffing and training opportunities, and to provide improved service to the citizen. A merger will improve our emergency response capabilities for the people we serve.

Moving Forward

The Fire Chiefs recommend moving forward towards a merger of Fire District 7 and Lake Stevens Fire for the following reasons:

- Improve Service
- Regional Planning
- Fiscal Accountability
- Succession Planning
- Planning for the Future

Merger Committee

This committee would include commissioners from each board, chiefs and staff as needed, and a labor representative from each local.

- Identify the key issues and agree on recommendations for each of the key issues
- Develop a recommendation to be presented to the Boards of Fire Commissioners

Potential Timeline

- February 2018 – Consideration of merger by Boards of Fire Commissioners
- March 2018 – Labor impacts of merger are vetted. Decision to move towards merger with petition / resolution needed by RCW.
- April 2018 – SEPA adoption, legal description and preparation for Boundary Review Board (BRB).
- May 2018 – Submission to BRB with 45 day waiting period to end on July 1, 2018.
- August 2018 – Submission to county elections by August cutoff date for November ballot.

Options

- Develop a full consolidation plan that culminates in a merger.
- Pursue a partial consolidation in various areas of operations and administration.

- Continue collaborative relationship and revisit at a later date

Chief O'Brien asked if there were any questions, and there was no additional comment.

Chief Meek commented we are listening and we want to hear your concerns. We recognize Lake Stevens Fire has a strong relationship with their community. The citizens of Monroe have not seen a transitional affect since our merger. It has been a collaborative effort and those community relationships are important to us as well.

Chief O'Brien explained we will continue to meet with our staff and our commission boards. He thanked our Commissioners for coming together this evening; he thanked the unions for providing dinner this evening; he thanked the admin staff for working together; and he thanked Chief Meek for his leadership.

ADJOURNMENT

Motion to adjourn the meeting at 1930 hours.
Motion by Chairman Steinruck and 2nd by Vice Chair Gagnon.
Vote Unanimous.

Minutes respectfully submitted by Laana Larson, Communications Director/District Secretary.



Chairman Jim Steinruck



Vice Chair Paul Gagnon



Commissioner Troy Elmore



Chief Kevin K. O'Brien