



## **Board of Fire Commissioners Special Joint Meeting Minutes**

Snohomish County Fire District 7 Station 31 Training Room  
163 Village Court, Monroe, WA 98272

February 6, 2019

1800 hours

### **CALL TO ORDER**

Chairman Waugh and Chairman Elmore called the joint meeting to order at 1800 hours.

### **PLEDGE OF ALLEGIANCE**

### **ATTENDANCE**

Representing Lake Stevens Fire: Chairman Elmore, Vice Chair Steinruck, Commissioner Gagnon, Chief O'Brien, Deputy Chief/Fire Marshal Messer, Director of Finance & Administration Leah Schoof, and Communications Director/District Secretary Laana Larson.

Representing Fire District 7: Chairman Waugh, Vice Chair Snyder, Commissioner Wells, Commissioner Woolery, Commissioner Fay, Chief Meek, Assistant Chief Andrews, Deputy Chief Clinton, Public Information & Education Officer Heather Chadwick, CFO Camille Tabor, President McConnell, and District Administrative Coordinator Denise Mattern.

Commissioner Schaub is an excused absence.

### **BENEFITS OF A POTENTIAL MERGER OF LAKE STEVENS FIRE & FIRE DISTRICT 7**

### **LAKE STEVENS FIRE & FIRE DISTRICT 7 MERGER MANAGEMENT PLAN**

### **FINANCIAL FORECAST**

Chief O'Brien thanked the Commissioners for meeting this evening, over time we have been working together and good things are happening. Last month we introduced a merger management plan, we have updated the financial forecast model and we have met with the Commissioners individually to review it.

Chief O'Brien explained we are essentially two districts who provide the same service: EMS, Firefighting, Rescue, Community Risk Reduction and Helping People. Coming together our goal is to create the "model" regional emergency response organization including: 11 fire stations, 234 career personnel, 40 part-paid personnel, 140 square miles, 162,000 residents, 17,670 calls, and \$27,393,329,265 A/V.

### **Merging Goals:**

- Improve Service
- Regional Planning
- Fiscal Accountability
- Charting the Course



### **Improving Service**

- The goal of consolidating is to be more efficient, improve staffing and training opportunities, and to provide improved service to the citizen.
- We have had success in partnering in fire marshal services, training programs, shop projects and our Community Resource Paramedic.
- A merger will improve our emergency response capabilities for the people we serve.

### **Regional Planning**

Regional planning helps both districts provide a high level of service.

- Stations can be located strategically to maximize response time and area.
- Emergency units can be placed to better meet response time goals.
- Standardized training and operations.
- Coordination and planning with our regional partners is critical.

### **Fiscal Accountability**

- Fire districts strive to be fiscally responsible with the funds entrusted to us by our citizens.
- Duplication is not efficient.
- Regionalization streamlines services, reduces duplication and is fiscally accountable.

### **Financial Philosophy**

- Responsible Stewardship

We take pride in being responsible stewards of public funding.

- Effective Communication

We recognize that public trust is built on our ability to operate efficiently, plan for the future, and communicate effectively with our partners and the public.

- Meeting the Demand for Emergency Response

We recognize the challenges and opportunities presented by financial constraints, and pursue both balance and growth to meet the demand for emergency services for the citizens and communities we have the privilege to serve.

The Finance Team includes: Chief Silva, Chief Meek, Chief O'Brien, Camille Tabor, Leah Schoof, and Jennifer Pardee. The Finance Model Developer is Bill Cushman.

### **Building the Financial Model**

- Developed a reasonable plan
- Opportunities: flexible to plan for growth
- Challenges: flexibility to react to a recession
- Down-Turn Contingency Planning
  - Use designated reserve funding
  - Bonds go from councilmanic to voted
  - Capital replacement timelines extended
  - Staffing plans amended
  - Maintenance and Operations Levy
  - Other as needed



### **Financial Model Assumptions**

The financial model currently includes:

- Proposed Management Plan is adopted – Merge LSF into Fire District 7
- Current operations model – 3 Battalions
- Proposed organizational chart efficiencies (two less Chief Officers)
- Capital replacement plans intact – Councilmanic Bonds
- Staffing plans to meet demands for service
- Maintaining the every other year lid-lift plan (as needed)
- Year-End cash balance at or above the 25% threshold
- Assessed value growth based on 15 year average
- Inflation

### **Financial Model Analysis**

Camille Tabor reviewed financial model and commented this is where we merged the two budgets for 2019, based on levy rate increases every other year, and when there is no lid lift we assumed the Commissioners would approve the 1%. We've anticipated growth rates for operating expenses; and an average of 7.86% for new construction and growth. We tested it in a number of ways with potential changes in AV and a potential downturn in economy.

Commissioner Fay asked for a summary of the supporting documentation.

### **Fiscally Responsible Merging**

- Both districts are guided by comprehensive financial plans.
- The current financial plans for Fire District 7 and LSF are similar in nature.
- The blending of financial plans for a merged District support the current capital and staffing plans for Fire District 7 and LSF.
- The financial forecasting model of a new merged District provides time and the flexibility to develop a long-term, sustainable, staffing and capital planning.
- The forecasting model for a new merged District works and reflects a financially resilient regional emergency response organization.

### **Merger Management Plan**

- Improve Services in our Communities
- Create a New Organization
- Begin Strategic Planning Now
- Focus on Culture – Cultural Integration Team ASAP
- Sound Financial Forecasting Model Developed
- Consider New District Name
- Boards to Select Governance Model
- Chief O'Brien Serves as Chief - Chief Meek is Liaison
- Executive Staff – Structured Selection Process

### **Management Plan**

Chief O'Brien reviewed draft organizational structure.



### **Management Plan Efficiencies**

- Efficiencies in Emergency Response Operational Services
- Improved Staff Utilization
- Efficiencies in Admin Services, Community Risk Reduction
- Fiscal Responsibility
- Professional Development Opportunities
- Enhanced Fleet and Facility Maintenance
- General Quality Improvement
- Preparing for the Future

### **Resource Allocation**

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

- Battalion 71: 71, 72, 73, 76, 77
- Battalion 31: 31, 32, 33
- Battalion 81: 81, 82, 83

Operational deployment models will be continually evaluated.

### **Capital Facility Planning**

- Station 84 - New
- Station 72 – Remodel
- Station 81 – Remodel
- Station 32 – Remodel
- Station 76 – Remodel
- Station 83 – Remodel

Create updated Capital Plan for New District.

### **Charting the Course**

- Combining our people will create a stronger team.
- Developing leaders within the organization to take us to the future.
- Mentorship at all levels of the organization.
- Reaching out to our regional partners.
- Serving our communities is at the heart of what we do.

### **August 2019 Timeline**

- February 6, 2019 – Fire District 7 and LSF Joint Board Approval of Management Plan and Forecasting Model
- February 2019 – LSF Submits Petition
- March 14, 2019 – Fire District 7 Accepts Petition
- March 15, 2019 – SEPA adoption, Legal description to the Boundary Review Board
- May 10, 2019 – LSF submits resolution for August ballot



Chief O'Brien asked the Commissioners for any questions.

Commissioner Fay asked if the Commissioners were ready to move forward. There has been significant feedback that the Fire District 3 & 7 merge took its toll and we are still working through it. He is interested in a discussion, we don't want to put our Admin through this again. We have an excellent staff, and if we are going to learn from Dr. Sikora's report, the timing of this is questionable to me. It seems we are still working through things; and adding a third culture at this time might be more concerning after reviewing Dr. Sikora's report.

Chief Meek commented the merging process with Fire District 3 & 7 was much more rapid than this. We started talking in 2015 and we had merged our Admins in 2016. We've been working through this much longer with Lake Stevens Fire and this is a slower timeline. We will certainly have to digest Dr. Sikora's report and we need to address the concerns. The organization has to adopt the mindset that we are getting larger.

Commissioner Fay commented everyone wants to move forward, but we don't want people to "play injured".

Chief O'Brien commented this merger is going to be helpful for both organizations. We all go through the growth phase. We are focusing on the cultures and that will help us be successful bringing our teams together.

Commissioner Woolery commented we would not have known the issues without going through the merger process. Sometimes you just need to do it and see what plays out. Once you have all the pieces together you need to make a choice, we can't just drag it out. I'm ready to move forward.

Chairman Elmore commented we are talking about Fire District 3 & 7; we would be in the same boat again if we restart this at a later time. Let's put the cultures together now rather than waiting and just repeating the process later.

Chief O'Brien commented we are a fire department and we will continue to have issues.

Vice Chair Steinruck commented we have a lot of work to do with our Lake Stevens community, and we want to do the right thing for our community. The word is out but I don't think they fully understand the impacts. I'm in favor with guarded optimism.

Commissioner Ray asked for clarification on efficiencies.

Chief Meek commented we would only need one financial software program, we would be negotiating fewer labor contracts and going through just one audit.

Commissioner Wells asked about operational efficiencies.

Chief O'Brien commented we would have a stronger bench, a larger group of people to draw from; training; and potential move ups to cover for each other.

Chief Meeks commented we would be regionalizing the MSO position; providing service when a unit is out of service; sharing equity back and forth; and not having to brown out a station with a larger pool to draw from.



Chief O'Brien commented there would be a larger pool of paramedics and technical rescue members.

Commissioner Gagnon commented he is ready to move forward with the petition. Dr. Sikora's report reflects comments on change. Changing the district's name early on would help.

Commissioner Elmore commented small kingdoms don't work, and we don't have that mentality in Lake Stevens. We can do so much more as a larger organization; and not touching borders doesn't bother me. The opportunities are limitless. It is good for us to be proactive, we can overcome the growing pains.

Vice Chair Snyder questioned if it is too much change too rapidly. The merger makes sense and he thinks the timing is right; both organizations are ready. He was encouraged by Dr. Sikora's report; overall it was a positive report.

Commissioner Fay asked if Lake Stevens Fire has had a similar bottom up culture.

Chairman Elmore commented we had a top to bottom culture for a long time, and we now have a similar culture to yours. We anticipate that type of culture would continue.

Chief O'Brien commented everyone in the organization is important; and everyone has a say. We have teams as well; and we just recently put together a Hiring Committee. There are also lines of authority and we believe in the chain of command.

Chairman Waugh commented he has questions about the financial model. We are seeing a bit of reluctance from the community to pass every levy; and when looking at the financial model it shows Fire District 7 would be better off alone. When everyone is at the same levy rate we can make anything happen, and that is what we are moving towards. In the model assumptions we start in 2019 with the levy lid lift which would be a 17.8% increase in our budget. That is a big request and I wonder why that happens in one year. We can afford it, but can we continue to afford it at that rate. At some time the citizen may say enough is enough. I support regionalization but there is some significant push back. We still need to look into the financial model a bit further.

Chairman Elmore commented most budgets are not sustainable long term; we are doing what we can with what we have. All fire departments have the same concerns; we appreciate what you are saying.

President McConnell commented our Labor group 2781 is trying to determine how we can help; the shadow shifts will be helpful. We are trying to learn from past experience as we move forward. We have had joint officer meetings; and we will see what we can do about efficiencies with the MSO Officer and Training. There is always a certain nostalgia about how things used to be; and as we get bigger things will change. Our job as leaders is to press our members onward to best serve our citizens. We need to get pushed outside our comfort zone to grow. We are better today as we have worked through things; and as we continue to grow we will become more refined and more resilient. Unfortunately some of our members will be stuck in the past. The organizational benefits by bringing our organizations together could be tremendous.

Chairman Elmore commented everyone is worried about their identity. We need to push things in order to grow and it's not always comfortable.

Commissioner Fay commented Dr. Sikora's report was with a resounding number of comments. There was a lot of chatter how they just want to absorb us and I'm concerned about our members who may be communicating that Fire District 7 is planning to take over, we need to encourage the labor group. We can't



make everyone feel good; and we need to address the issue. Commissioner Fay asked if the LSF Commissioners had any concerns about the Fire District 7 Commissioners. He commented we want to make sure we are blending our leadership together as well. We have to represent the voters with how this is done; and we want to have the conversations early if there are concerns.

Commissioner Wells commented the one thing adopted from Fire District 3 is that we no longer have two hour Commissioner Meetings. I was upset when I read Dr. Sikora's report, there were too many comments about this merger specifically. They are afraid they are going to be taken over. Communication needs to be the number one thing that we do. There is a lot that has been done that we don't know about; and I don't want our people to have to go through what they went through before.

Chairman Elmore commented a good number of us will be on the retreat next week. Please let us know your concerns so we can work through them. I believe we hire the executive officers and then let them run it. I have concerns about having a Commissioner on the negotiation team; it is culturally not what we have done. It is all workable; we have worked through some issues with our Dr. Sikora report. If we are stable as a group it will translate all the way to the crews. For us to be all on the same page, that will say a lot to our members.

Commissioner Gagnon commented we can learn from each other.

Chairman Waugh commented that Lake Stevens Fire has seen a report from Dr. Sikora before. I will read through it again though I was disappointed. We would not have known about those thoughts without going through this process. I simply have more reservations after going through the report.

Chairman Elmore commented the fact that you actually went through the process and shared it; it will make for a better organization.

Commissioner Wells commented I realize we are the Board for the fire department and realize the department is made up of mostly firefighters, though our Admin plays an integral part.

Chairman Elmore commented annually we review pay raises for all our members. We recognize everyone is valuable; and our Admin keeps things running.

#### **PETITION FOR LAKE STEVENS FIRE TO MERGE INTO FIRE DISTRICT 7**

Chairman Waugh commented they reviewed the petition at last night's meeting.

#### **MONTHLY JOINT MEETING SCHEDULE**

Chairman Waugh commented we have moved our meetings to 3:30pm and we are very active in the Sno-Isle Fire Commissioner Meetings.

Chairman Elmore commented we will need to review our calendars to schedule the next Joint Commissioner Meeting.

#### **MERGING EXECUTIVE STAFFS**

Chief O'Brien commented once we receive the feedback from our Boards to move forward, we would then relocate the executive staffs and work out of the same office.

Chairman Waugh asked as we move forward, how we determine decisions on the following topics: financial, dual medic system, captain / lieutenant position, location of admin staff, Board meeting schedules, the

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timing on adding an FTE, etc. Do we have the discussions right now or wait until later? When do we ask these questions?

Vice Chair Steinruck commented I feel like a lot of those questions would be answered by the Admin.

Chairman Waugh commented it would be appropriate to have the petition in place first.

Commissioner Fay asked if there has been some planning for relocating admin and the Chiefs confirmed there has been some discussion.

Motion to sign the petition asking to merge Lake Stevens Fire into Fire District 7 as submitted.  
Motion by Commissioner Gagnon and 2<sup>nd</sup> by Vice Chair Steinruck.  
Vote Unanimous by Chairman Elmore, Vice Chair Steinruck and Commissioner Gagnon.

#### ADJOURNMENT

Chairman Waugh and Chairman Elmore adjourned the joint meeting at 1945 hours.

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

Chairman Troy Elmore

Vice Chair Jim Steinruck

Commissioner Paul Gagnon

Chief Kevin K. O'Brien