

2020 FD8 BUDGET POLICY RECOMMENDATIONS

ADOPTED 12 NOVEMBER 2019

Executive Summary: this document is intended to provide policy guidance for development of the 2020 District Budget. It is based upon the District's master planning work (Phases I, II and III) and the adopted 2019-2020 District Goals & Objectives. Work derived from the master planning and Goals/Objectives is intended to ultimately result in improved Incident Readiness & Response (IR&R) staffing through a major shift of culture for membership, one of consummate training, education, leadership and teamwork.

Background: Since 2013, part of the budget development process has involved the Board and Fire Chief agreeing upon policy direction prior to developing a detailed financial plan. Some key events that have transpired since our last report in 2018:

- In July 2017, the District adopted and began implementing the *Strategic Staffing Plan* ("*Staffing Plan*") to address two primary objectives: 1) provided for consistent round-the-clock staffing for a two firestation deployment model; and 2) solve the current staffing challenges without undermining long-term volunteer recruiting and retention. Progress is continuing in this area.
- As a result of the Phase II master planning (facilities & deployment) efforts, the District adopted a long term goal to operate from two strategically staffed firestations (east & west) with a centrally located training and headquarters facility. Interim measures are also addressed through the employment of a volunteer resident responder program for Station 8-2 in the Johnson Point area. Those real properties identified as not necessary to meet that goal were declared surplus and were disposed of in 2019. The proceeds of the sale of the real estate were deposited into the District's capital facilities projects account (Fund 6685).
- In order to achieve the minimum staffing targets set forth in the Staffing Plan, key efforts have been made to provide sufficient staffing resources. The District began a promotional register process for career Lieutenant positions (and filled one position in May 2019), hired two new Dayshift Firefighter-EMTs in May 2019, and promoted two new volunteer Lieutenants in July 2019. Supervision of IR&R crews at Station 8-3 have been augmented with career staff on a temporary basis at an overtime-rate. Recruitment, testing, orienting and assignment of new volunteer responders continues at a robust rate (nearly two dozen per year).
- District master planning is proceeding in its third phase, more detailed examination of specific programs that support mission and vision. Four focus areas were evaluated: 1) training and education, 2) IR&R operations, 3) community risk reduction and 4) apparatus and equipment. The *IR&R Operations Master Plan* and the *Apparatus & Equipment Master Plan* were adopted by the Board on 11 June 2019. The other two plans are set for adoption by the Board by the end of 2019 or just after the first of 2020. These will serve to provide guidance in budget development for 2020.
- On 18 April 2019, the District entered into negotiations with the IAFF Local 2903 bargaining unit for a renewal of the collective bargaining agreement set to expire on 31 December 2019. The process is expected to be completed by the end of the year (*as it always has*), and will include discussions regarding wages, benefits and some scheduling, operational assignments and work details.

- In 2018, the District was successful in asking voters to restore the District’s regular property tax levy rate to \$1.50 per \$1,000 assessed valuation and raising the levy lid from 101% to 106% for the ensuing five years. This helped stabilize funding for planned initiatives and increased costs. District staff continue to analyze estimated future revenues and expenses (on a five-year horizon) as fiscal conditions, operational needs and policy change over time.
- During 2019, the Board and Fire Chief worked on a comprehensive goal setting and performance accountability process, wherein annual goals and objectives would be established (based on prior master planning work). Four goals and fourteen objectives were developed and adopted by the Board on 8 October 2019. The Fire Chief will be accountable for this work. The goals and objectives are defined in *Section A (2) “Priorities”* below.

These events significantly affect the course of actions and assumptions for the District. The following recommendations reflect these actions and are categorized into six areas.

A. Policy

1. Balanced budget: To ensure long-term solvency, the current budgeted expenditures should not exceed the current budgeted revenues and approved supplemental fund transfers. It is estimated that the District is eligible to receive \$3.17 million in revenue from property tax in 2020 [*based on currently available data from the Thurston County Assessor*].

2. Priorities: The District adopted the following Vision, Mission, Values and Goal statements:

- The **MISSION** of: *“[being] committed to serve our community with prompt, consistent and professional fire suppression, basic life support, rescue and prevention/preparedness services.”*
- The **VISION** of: *“[striving] to meet adopted Target Levels of Service¹ to our community through deployment based on two or more strategically located firestations, staffed round-the-clock with competent responders and equipped with all necessary apparatus and equipment to provide Mission and Value driven services”.*
- The **PRIMARY DISTRICT GOAL** is to *“provide customer service consistent with our adopted Target Levels of Service”¹*. In addition, **specific annual goals** and objectives have been established for 2019-2020:

Goal #1: The District shall achieve minimum Incident Readiness & Response (IR&R) staffing levels, as identified in the *District Target Levels of Service (TLoS)* at least 90% of the time on average by January 2021.

- 1) The District shall fill all vacant (*as of October 2019*) full-time career positions by March 2020.
- 2) The District shall provide adequate qualified staffing for a minimum of two Apparatus Driver-Operators for each shift by August 2020.

¹ **Target Levels of Service** (summary): for fire operations, respond within 10 minutes of receiving the alarm with minimum of 4 qualified personnel; emergency medical operations, respond within 8 minutes if receiving the alarm with a minimum of 2 qualified personnel.

- 3) The District shall provide adequate qualified staffing for a minimum of one Basic Life Support (BLS) aid car unit for each shift by August 2020.
- 4) The District shall continue to strive to attain 100% staffing for its IR&R targets.

Goal #2: The District shall determine the specifications, receive Board approval, purchase, receive and place-in-service a replacement Type 1 pumper by December 2020.

- 1) A committee will be formed and empowered to produce recommended specifications to the Fire Chief by no later than January 2020. The recommendations shall be in compliance with the provisions of the *District Apparatus & Equipment Master Plan*.
- 2) The District shall procure the replacement Type 1 pumper in a manner consistent with public procurement requirements and prudent fiscal practices no later than October 2020.
- 3) All relevant District Driver-Operators will be qualified to operate the new Type 1 pumper by December 2020.

Goal #3: The District shall implement the first phase of a comprehensive IR&R District training & education program by December 2020.

- 1) The Board shall approve and adopt the *District Training & Education Master Plan* as presented by the Fire Chief by December 2019.
- 2) Consistent with Goal #1, Objective #1, and the adopted *District IR&R Master Plan*, the District will establish and begin delivery of a standardized ongoing training program of basic firefighting and emergency medical services curriculum to each on-duty shift by July 2020.
- 3) The District shall develop and implement the initial phase of a comprehensive officer skills maintenance training program for all existing District officers by September 2020.

Goal #4: The District shall adopt and begin implementation of a comprehensive District public communications program by December 2020.

- 1) The Board shall approve and adopt the *District Community Risk Reduction Master Plan* as presented by the Fire Chief by January 2020.
- 2) The District shall develop and adopt a list of key messages it wishes to convey to its stakeholders by February 2020.
- 3) The District shall identify and implement means and methods for effectively communicating key messages and other information (consistent with the adopted *District Community Risk Reduction Master Plan*) to the public by April 2020.
- 4) The District shall create, distribute, collect and analyze a comprehensive survey of public interest/opinion of key District messages by November 2020.

3. Community Risk Assessment: While the District has not conducted a formal community risk assessment, it has participated in several community wide efforts that help to establish a basic portrayal of the District's hazards. The District participated in the 2017 update to the *Thurston County Comprehensive Emergency Management Plan* and *Natural Hazards Mitigation Plan*, identifying key potential hazards in the community and predictable impacts created by them. The District has been

instrumental in current development of the *Thurston County EMS Comprehensive Plan*, which will help form the basis for future strategic and tactical decision-making in Thurston County. Further, ongoing work on a more comprehensive system of analyzing and reporting District IR&R services will incorporate base-line community risk parameters.

One significant element within the past two to three years has been the emergence of the wildland and wildland-urban interface (W/WUI) fire threat in Thurston County. This type of incident, formerly present primarily in the Eastside of Washington, is a growing concern to IR&R planning staff at the local and state levels. In the District, we have undertaken mandatory W/WUI firefighting training for all fire IR&R staff since 2016. The necessary skills training and practice will be included in efforts as outlined in 2019-2020 Goal #3, Objective 2, implementing W/WUI operational training into the regular IR&R curriculum delivery process.

B. Revenue

4. Property tax revenue: I recommend that the Board request a property tax levy of \$3.17 million in 2020, approximately \$146 thousand more than in 2019. This figure also depends upon the final total assessed valuation of the District [*based on currently available data from the Thurston County Assessor*]. Due to the passage of *Proposition 1* in 2018, the maximum increase of the regular levy will be limited to 6% (of the highest levy of record since 2015 when the merger was approved) for the next four years. Booked new construction value for 2020 is \$20.15 million, revenue which is calculated at the 2019 levy rate of \$1.50 per thousand of assessed valuation.

5. Capital Repairs & Replacements Fund (CR&R): As part of its master planning effort (Phase III), the Board adopted an *Apparatus & Equipment Master Plan* in June 2019. This effort was coordinated with the requirements of resulting from the Phase I and II master planning efforts. In June 2019, the Board also approved the *CR&R Plan and Budget*, which will be reviewed annually as part of the overall budget process and serve as a planning and budget guideline for 2020 capital expenditures.

Likewise, staff continue to evaluate maintenance and operations practices for facilities, apparatus and equipment to 1) maximize asset life and mission reliability, 2) establish cost benefit analysis for replacement cycles and 3) establish overall asset values for planning purposes. Consistent with Goal #2, Objectives #1 and #2, a replacement Type 1 pumper will be procured and placed into service in 2020. The needs for a replacement vehicle for wildland firefighting will also be evaluated, and recommendations developed for such replacement, during the course of 2020.

I recommend that the District allocate \$275,000 to the CR&R in 2020 as planned for.

6. Reserve Fund: District Policy 1-60 “District Funds & Budgets” provides that the fund “...maintain an approximate level of funding for six-months of general operations...” The District has not needed to draw upon this fund since November 2006. The funds balance entering 2020 will be approximately \$1.27 million. I recommend the District evaluate the average cash balance of the Operating Budget Fund (6680) and determine if the current level of targeted reserves in both funds are necessary to cover [potential] financial risk.

7. Capital Facilities Project Fund: I do not recommend allocating any additional funds to the Capital Facilities Projects Fund in 2020; options for funding of major capital outlays in the future will be considered during future master planning efforts (*refer to the Phase II master plan report*).

C. Staffing

8. Volunteer staffing: The 2017 Staffing Plan provides for “...an appropriate initial fire [and EMS] response resources (Type 1 Pumper staffed with minimum of 2 qualified [responders]) at each firestation...” at both Stations 8-1 (South Bay) and 8-3 (North Olympia). This vision was better defined in the *Incident Readiness & Response Master Plan* adopted by the Board in June 2019, and Goal #1 Objectives #2 and #3.

In addition to the two targeted responders, the goal is to provide for a qualified supervisor for each company and a qualified shift commander (Battalion Chief) for each shift. The Plan further provides for a volunteer resident program for Station 8-2; this is addressed as an interim measure in Phase II master planning (*refer to the Phase II master plan report*).

Another product of the Staffing Plan is the increased emphasis on training and education. A clear message from participants during the workshop was that well organized meaningful training and leadership development opportunities were high motivators for volunteers, which would assist in member retention. The Plan, as well as Goal #3, Objectives #1 through #3, provides for significant focus on both as detailed in *Section E-17 Training & Education* below.

Continued emphasis has been applied to a) preparing new members with the required skills necessary to respond (i.e. EMT certification, completion of FF1 standards for firefighting, certification as driver-operator on apparatus), b) providing adequate supervision and mentoring of new members by more seasoned District members and c) continual “churn” of existing members out of the roster limited the overall growth of numbers in 2019. There have been successes in placing recruits into both the Medic One EMT School and the Thurston County [Fire] Recruit Academy as a result of this work. The District is also working with both Medic One and the Thurston County Fire Chiefs’ Association (sponsor of the Recruit Academy) to increase their capacity to accommodate the growing needs of the county.

The Final Report of Phase II master planning, objective 2, calls for implementation of a new resident program to help improve Johnson Point service on an interim basis. Preliminary policy, legal and staff planning work began in 2018, with a significant issues about housing for resident staff still requiring attention and resolution prior to implementation; addressing this issue will continue to be a priority in 2020.

9. Incident Command: In 2019, senior IR&R leadership evolved into what is now known as the “Operations Team”, consisting of all chief officers (Fire Chief, Assistant Fire Chief and five Battalion Chiefs). This team is responsible for oversight and management of on-duty responders, and, act as general counsel for operational policy, procedures and attendant training needs. An on-duty Battalion Chief is the senior representative for emergency operations and provides coordination, command and control for incident response.

10. Daytime IR&R strategy--volunteer staffing: Daytime periods are defined as Monday through Friday, 06:00 to 18:00 (regardless of holiday falling during weekdays). The District will continue efforts for motivating volunteers to staff daytime shifts.

11. Daytime IR&R strategy--career staffing: In 2020, an average of two career Lieutenants and four career Dayshift Firefighters (represented by IAFF Local 2903) will provide the core of the daytime IR&R coverage. On-duty chief officers generally provide battalion-level response duties and augment primary response as necessary. This will allow an average of 2 to 3 responders to be available for call at both Station 8-1 and 8-3. Career staffing is also addressed under Goal #1 Objective #1.

12. Night/Weekend IR&R staffing: As a result of 2017 Staffing Plan, in 2020 three career Lieutenants are planned to be assigned to 24-hour shifts to augment volunteer IR&R staff, primarily to provide training and supervision. This will help address the critical shortage of company level officers and push ahead on the aggressive training program called for in Phase I master planning. Goal #1, Objectives #1 through #3 address proposed improvements to IR&R staffing levels for Station 8-3.

13. Volunteer stipends: The FD8 Volunteer Stipend Rates were updated in 2017. I recommend that a 2.3% cost of living adjustment be made in 2020 to the current rates, based on Consumer Price Index for all Urban Consumers, Seattle-Tacoma-Bremerton, measured from June 2018 to June 2019.

14. Career salaries: As mentioned above, the collective bargaining agreement is planned to be updated by 2020, wherein the salary and benefits provisions will apply.

D. Projects

15. Training Center: The District's *Training & Education Master Plan* and subsequent program will be subject to review by the Operations Team and the Board. Chief LeMay will identify additional features that can be included into the Training Center to support the training mission. It is anticipated that the bulk of these features will be training props that can be added into the structures without much structural impact (i.e. major design and construction work), included in a 2020 capital budget request.

16. Deployment strategies: The *Final Report of Phase II Master Planning* defined eight objectives, four of which were completed by the end of 2019. The remaining four include:

- 1) Continue implementation of IR&R staffing improvements to support consistent two-station staffing as per the staffing plan conditionally adopted July 2017 and Goal #1 (*see Section C*). This includes implementation of a new resident program to help improve Johnson Point service on an interim basis (*see Section C-8*).
- 2) Ongoing: actively inform and dialogue with community members regarding the issues related to this Plan through newsletter articles, website postings, formal public meetings, informal local community meetings and other proactive means. This is prescribed by Goal #4, Objectives #1 through #4.

- 3) Regularly, at least annually, review and evaluate the planned and actual levels of IR&R staffing and actively assess public support for implementing this facilities plan. This is prescribed by Goal #4, Objectives #1 through #4.
- 4) When the Board of Fire Commissioners determines that a) two-station staffing is consistent and sustainable and b) there is sufficient public support, it will initiate efforts to fund, acquire land, and build a new fire station centrally located on the Johnson Point peninsula and upgrade the North Olympia station.

E. Operations

17. Training & Education: Consistent with the *Training & Education Master Plan* and Goal #3, primary emphasis will be on 1) maturation of a company officer level Officer Development Program (“ODP”), 2) development and implementation of an ongoing skills maintenance training program for all District officers, 3) growing the ongoing skills maintenance training delivery system, including dedicated staff (24-hour scheduled career Lieutenants) for training delivery, for all District IR&R personnel, 4) integration of W/WUI doctrine into the initial and ongoing skills maintenance training, and 5) development of a chief level ODP program.

I recommend that the District continue to support the Thurston County Fire Chiefs’ Association Training Cooperative format for a county-wide training system. Furthermore, I continue to commit the support of Chief LeMay toward the Training Officers’ Group to actively influence the efforts of the Cooperative and overall fire service training doctrine in Thurston County. The District will also continue to work closely (at all levels) with Thurston County Medic One to ensure adequate access for initial and ongoing EMT skills training that meets the District’s IR&R staffing mission.

18. Contracts and agreements: I recommend we continue to pursue diligent management of contracts with the best terms we can obtain. I recommend that we continue to contract for key services such as IT maintenance, apparatus & vehicle maintenance and other operations & maintenance work of a nature that is not achievable by in-house staff. Refer also to *Section F-20 Maintenance & Operations* below.

F. Capital

19. CR&R Plan: As noted in Goal #2 and the adopted CR&R Plan and Budget, primary focus will on 1) replacement of a Type 1 pumper (carry-over from 2019), 2) replacement of a wildland fire suppression vehicle (to be determined in 2020), 3) replacement of the District’s inventory of self-contained breathing apparatus (SCBA), (carry-over from 2019) and 4) implementation of approved Training & Education Plan support capital assets (for the District Training Center and firestation based educational tools. There are no known significant facilities related capital expenditures planned for 2020.

In June 2019, the Board adopted the Apparatus & Equipment Master Plan which set forth five future strategies on apparatus and equipment repairs and replacements. These will assist in the evaluation of replacement decisions and development of specifications for new apparatus and equipment.

20. Maintenance & Operations: Integration of District asset inventory, maintenance & operational, and capital planning information will continue in 2020. This is important to identify assets that may be costing more in maintenance than they are worth, provide important warnings on impending costly failures, predict future operating and capital costs and allow for better cost benefit analysis for budgeting. District facilities are a primary target of this work with key focus on energy use and costs.

Contract maintenance of facilities systems (e.g. HVAC, water treatment, fire protection & security systems, electrical/electronic controls) and exterior vegetation management services are expected to continue to be used. Staff oversight of these services will ensure that their value is beneficial and cost effective. Where practical, contract services that can be handled by in-house staff (i.e. on-duty IR&R personnel, staff assigned functions, etc.) will be evaluated and terminated.

Apparatus fleet maintenance will continue to be provided by the City of Olympia under contract. They have provided a high quality service placing our vehicles in an improved state of mission readiness. The primary challenge for new and future apparatus is more stringent environmental controls on emissions and exhaust; this has complicated the operation of internal combustion engines and raised the cost of procurement, maintenance and operations.

21. Stations: Stations 8-1 (South Bay) and 8-3 (North Olympia) have been identified as the primary firestations in the District (*Section IV-16*). Station 8-2 (Johnson Point) has been identified as needed for [interim] coverage staffing with primary resident IR&R personnel. Other than the District Training Center, all other real properties from both pre-merger districts were declared surplus by the Board and were sold in 2019.

22. Fleet: I recommend the District maintain one certified Type 1 pumper (with BLS capability), one certified Type 2 tender and one ambulance-type BLS aid unit at each of Station 8-1 and 8-3 as the two primary response firestations in 2020. I further recommend one certified Type 1 pumper (with BLS capability) and one certified Type 2 tender be located at Station 8-2 (mainly un-staffed). If the deployment model changes as a result of planning efforts (*Section D-16 Deployment strategies*), this could be reduced to two firestations.

In addition to the above vehicles, I recommend a fleet inventory of a minimum of one back-up Type 1 pumper (fully functional), one back-up Type 2 tender (fully functional), one SUV-type vehicle for the on-duty command officer ("Battalion 8"), one comparably equipped back-up command vehicle and one or more emergency response capable general-use passenger vehicles as needed for staff duties. Depending on the further development of W/WUI staffing capability and competency, a minimum of one brush truck (Type 7 or larger) vehicle should be provided that meets Thurston County mutual-aid and DNR standards.

Changes to primary apparatus include 1) receiving and placing into service a replacement BLS aid unit in 2019-2020, 2) plans to replace the second BLS aid unit in 2021 by re-building the vehicle "in-kind" (identical to the 2019 rebuild), 3) replacement of a Type 1 pumper (carry-over from 2019) (refer to Goal #2, Objectives #1 and #2, and 4) replacement of a wildland fire suppression vehicle (to be determined in 2020).