

2023 FD8 BUDGET POLICY RECOMMENDATIONS

ADOPTED 11 OCTOBER 2022

Executive Summary: This document is intended to provide policy guidance for development of the 2023 District Budget. It is based upon the District’s master planning work (Phases I, II and III, 2016-2020) and the proposed 2023 District Goals & Objectives (*Section A-2a*) with subsequent review and approval by the Board. Work derived from the master planning and resulting Goals/Objectives is intended to ultimately result in efficient and effective deployment of District resources to meet the demands for fire protection, emergency medical services and related needs in the community.

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 2022 include:

- The District continues to be subject to the influence of the SARS-COV2 / COVID-19 pandemic (since February 2020). Some of the long-term effects of the pandemic have disrupted the normal process to recruit and retain both volunteer and career members. This has led to a significant reduction in available responders exacerbating service delivery challenges.
- As the direct impacts of the pandemic have “normalized” to a large degree, in March the District gradually re-opened access to the District facilities for public use. In-person meetings have resumed and activities such as the annual member recognition event (held on August 13th at the Odd Fellows Park) have been held. Even with the resumption of in-person contacts, it is evident that remote-virtual meetings will continue to be a significant feature of organizational communications into the long-term future.
- In May, the District adopted policies and procedures to coordinate its master planning, budgeting and performance/accountability processes. Among the changes were an annual schedule for review of the year’s goals & objectives, directly linking the goals & objectives with the annual budgeting process, regularly scheduled evaluations of the performance in achieving the goals & objectives, and inclusion of such performance in the individual’s Performance & Development Plan (PDP) process.
- The District Executive Team (Chief VanCamp, Assistant Chief LeMay and Secretary Stumpf) worked with Liz Loomis Public Affairs consultant in the development of a *Strategic Communications Plan* to consolidate and coordinate all public communications, public education and community service efforts, establish a well-defined set of key messages and outline the means by which to share them. The Plan was adopted by the Board in May.

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. Budget: To ensure long-term solvency, the Board and Staff are evaluating service options and attendant future costs to determine an appropriate budget and revenue strategy for 2023-2027 (refer to 2023 Goals #2) and beyond. For 2023, it is estimated that the District is eligible to receive \$ 3.91 million in revenue from property tax [*based on currently available data from the Thurston County Assessor*].

2. Priorities: The District adopted the following Mission and Vision 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 (TLoS) 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 are established annually.

2a. 2023 Goals & Objectives:

2023 Goal #1: The District shall adopt and begin to implement a three-year (2023-2025) staffing plan to provide sufficient Incident Readiness & Response (IR&R) staffing deployed from two firestations to meet TLoS response objectives.

- 1) Based on the 2022 Goal #2 (2022 negotiating process), Chief VanCamp shall complete negotiations with the IAFC Local 2903 for renewal of the Collective Bargaining Agreement by December 2022.
- 2) The Board will adopt a strategic IR&R staffing model as presented to them by Chief VanCamp by January 2023. The proposed model shall result from work conducted for 2022 Goal #1 (preparing for and completing an initial implementation of a strategic staffing model).
- 3) Chief VanCamp shall provide regular reports to the Board regarding achievement of desired/planned staffing levels and performance to TLoS objectives (no less than a monthly basis).

2023 Goal #2: The District will adopt a 2023-2027 financial plan that will provide sufficient funding to ensure adequate staffing, operational support and capital assets commensurate with the IR&R staffing plan in Goal #1.

- 1) Chief VanCamp shall provide a 2023-2027 financial plan proposal for Board approval by February 2023.
- 2) An interactive process based on the District *Strategic Communications Plan* will be coordinated by Secretary Stumpf to share information and receive input on the adopted 2023-2027 financial plan starting in January 2023.
- 3) The Board will adopt a resolution to place on the 2023 General Election ballot a measure to provide additional funding to support the 2023-2027 financial plan in accordance with 2023 scheduled election date(s).

2023 Goal #3: The District will update its position descriptions and position requirements to clarify competency requirements, encourage professional development and promote performance accountability.

- 1) Assistant Chief LeMay will convene a team to review and update the position descriptions for all positions and provide a recommendation to Chief VanCamp by March 2023.
- 2) Assistant Chief LeMay will convene a team to review and update the minimum requirements for competencies for all positions and provide a recommendation to Chief VanCamp by June 2023.
- 3) Assistant Chief LeMay will convene a team to review and update the District’s *Training & Education Master Plan* by December 2023.
- 4) Adopted changes to position descriptions and minimum competencies requirements will be used to help in professional development planning/accountability in the 2024 (for 2023) PDP process.

3. Community Connections: The provisions of the District *Strategic Communications Plan*, as managed by Secretary Stumpf, will guide District actions with the community.

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.

3a Community Risk: While the District has not conducted a formal community risk assessment, it has been working with the Thurston County Natural Hazards Mitigation Planning team since 2022, with the goal to produce a separate annex for the District in the county-wide plan in 2023. Completion of this plan and acceptance by the Federal Emergency Management Agency (FEMA) will allow the District to access Federal mitigation grants in the future, if needed. A significant emergence of the wildfire and wildland-urban interface (W/WUI) fire threat in Thurston County has caused the District to undertake mandatory W/WUI firefighting training for all fire IR&R staff.

B. Revenue

4. Property tax revenue and Operating Funds (Fund 6680): I recommend that the Board request a property tax levy of \$ 3.91 million in 2023, approximately \$ 260 thousand more than in 2022. This figure also depends upon the final total assessed valuation of the District [*based on currently available data from the Thurston County Assessor*]. Booked new construction value from 2022 is \$ 28.8 million. The resulting 2023 levy rate is estimated to be \$1.20 per thousand of assessed valuation.

5. Capital Repairs & Replacements Fund (CR&R--Fund 6681): Based upon the 2019 *Apparatus & Equipment Master Plan* and the updated (2022) CR&R schedule/budget plan, the 2023 schedule/budget will serve as guideline for current capital expenditures. Major facilities and equipment capital expenditures are highlighted in *Section F Capital* below. (*At the time of drafting this document, a final 2023 budget has not yet been established for Board approval*).

Staff continue to evaluate maintenance and operations practices for facilities, apparatus and equipment to 1) maximize asset life and mission reliability, 2) analyze optimal asset replacement cycles and 3) establish overall asset values for planning purposes. The impacts due to the SARS-COV2 / COVID-19 pandemic during 2020-2022 created shortages of consumer goods, equipment and construction labor & materials. Some purchases and projects were delayed significantly due to these limitations.

6. Reserve Fund (Fund 6683): District Policy 1-60 "District Funds & Budgets" provides that the fund "...maintain an approximate level of funding for four-months of general operations..." The District has not needed to draw upon this fund since November 2006. The funds balance entering 2023 are estimated be \$ 1.59 million. In order to maintain a base 33% (of annual expenditures) balance, I recommend that \$ 290,000 be allocated from Fund 6680 into Fund 6683 in 2023.

7. Capital Facilities Project Fund (Fund 6685): I do not recommend allocating any additional funds to the Capital Facilities Projects Fund in 2023. The estimated beginning balance for the fund (2023) is \$ 1.67 million.

C. Staffing

8. IR&R staffing: The 2017 IR&R 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).

The Goal #1 will hopefully address and support volunteer/career staffing practices to improve achievement of TLOS performance. Unfortunately, in 2022, the challenges noted previously about the SARS-COV2 / COVID-19 pandemic impacts have greatly limited the progress in this area. In fact, in 2020-2022 overall volunteer resignations for all reasons exceeded the number of new members critically challenged "growing" adequate numbers of qualified volunteer apparatus driver-operators and officers.

Implementation of a new resident responder program to help improve Johnson Point service on an interim basis was placed on hold in 2020-2022 due to the SARS-COV2 / COVID-19 pandemic. Basic improvements to the resident

facility at 5501 63rd Ave NE were conducted to provide a safe location for District members who may need to be quarantined or isolated. In March 2022, it was determined that the pandemic was at a stage where these precautions are no longer necessary. Efforts to recruit and select volunteer resident IR&R staff began shortly thereafter and continue into 2023. The target is for 6 resident IR&R staff at the site.

9. Incident Command: District volunteer and career officers are 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. During 2021, a combination of events caused a transition from predominantly volunteer staffing of the Battalion Chief position to career staffing.

Due to a pilot deployment plan, in 2022 there were 3 on-duty career Battalion Chiefs scheduled in rotating shifts. This deployment may be permanently adopted in 2023 based on Goal #1. Each Battalion Chief is responsible for one of three “platoons” (A, B, C), each with three of the nine shifts (1-9). The three career Battalion Chiefs also have program management responsibilities for facilities & equipment management, health & safety and training & education.

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, however, with the model platoon system, volunteers have also been encouraged to staff 24-hour shifts as they can.

11. Daytime IR&R strategy--career staffing: In 2022, the District and IAFF Local 2903 agreed to a memorandum of understanding to create a pilot deployment plan utilizing 24-hour shifts as the basis of scheduling. The pilot utilizes three “platoons” to which all bargaining unit IR&R staff are assigned. The results of the pilot are being examined and will be considered by Chief VanCamp in his recommendation to the Board as outlined in Goal #1. During 2022, some career member longer-term disability leave events caused interruptions in consistent staffing at Station 8-3.

12. Night/Weekend IR&R staffing: The segregated night/weekend IR&R staffing practices have largely been incorporated into the three platoon 24-hour career IR&R staffing pilot. Volunteer IR&R staff continue to be assigned to one (or more) of the nine shifts as in the past but have increased flexibility to adjust their shifts between 12- and 24-hour schedules and among the three shifts within each platoon (to better accommodate their ability to schedule their availability).

13. Volunteer stipends: The FD8 Volunteer Stipend Rates were last updated in 2022. I recommend that a 10.1 % cost of living adjustment (CPI-U Seattle-Bremerton, June 2021-June 2022) be made in 2023 to the current rates.

14. Career salaries & benefits: Bargaining unit employees’ salaries and benefits are defined under the current Collective Bargaining Agreement.

D. Projects

15a. Training Center: The District’s *Training & Education Master Plan* will define any capital improvements made on the facility. Due to the current and foreseeable high cost and limited availability of construction resources, I recommend that the District delay any further work until at least 2024. The long-term vision is to add water storage, ventilation props and water-flow props at an estimated (2020) cost of \$231,000; funding sources for these features have not yet been determined.

15b. District Residence: I recommend that the District allocate funds from Fund 6681 to complete work to secure the rear exterior upstairs access (now a wood deck) and any other work necessary to safely house resident IR&R volunteers. This work is also in support of Goal #1.

15c. North Olympia Station 8-3: Since 2018 there has been a desire to develop projects for 1) replacement of the fire protection system storage & pumping, 2) replace the emergency electrical generator, and 3) initial design development for interior remodeling. In 2021 and 2022, failure of some facility components caused un-planned repairs; some of this was related to the fire protection water supply system. I recommend that funds be allocated from the Capital Facilities Budget (Fund 6685) to pay for replacement of the fire protection system storage & pumping equipment and the emergency electrical generator in 2023, and that further evaluation of a remodeling of the facility be made during 2024 for possible pre-design or design (or some phased portion of it) in the 2025-2027 time period.

15d. South Bay Station 8-1: In 2021, efforts to secure a contractor to upgrade the overburdened septic system were not successful due to bids exceeding the estimated budget; the unacceptable bids were due to pandemic related construction resource limitations. In the meantime, pandemic-caused minimal occupancy at the firestation has temporarily reduced demand on the system, helping to delay the upgrades. I recommend that the District continue to monitor construction costs and be prepared to issue as request for bids for the work in 2023, funded with a transfer from the Capital Facilities Budget (Fund 6685).

16. Deployment strategies: The *Final Report of Phase II Master Planning* (2019) defined eight objectives, five of which have been completed. The remaining three include:

- 1) Continue implementation of IR&R staffing improvements to support consistent two-station staffing as per the staffing plan and Goal #1. 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, engage 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 #2.
- 3) 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 and build a new fire station on the land already acquired (5501 63rd Ave NE) and upgrade the North Olympia station.

E. Operations

17. Training & Education: Consistent with the *Training & Education Master Plan* (as may be amended by Goal #3), primary emphasis will continue to be on 1) training and certifying adequate numbers of volunteer EMTs and Apparatus Driver-Operators, 2) development and implementation of an ongoing skills maintenance training program for all District officers, 3) maturation of a company officer (and ultimately battalion chief) level Officer Development Program (“ODP”), 4) continued growing of the ongoing skills maintenance training delivery system for all District IR&R personnel and 5) continued integration of wildfire/wildland urban interface doctrine into the initial and ongoing skills maintenance training.

I recommend the District continue to support the Thurston County Fire Chiefs’ Association Training Cooperative format for a county-wide training system. 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. In 2022, the District committed increased resources to providing more “in-house” EMS training to its members.

18. Contracts and agreements: I recommend we continue to pursue diligent management of contracts with the best terms we can obtain; with increased focus by staff (assigned business functions to career Battalion Chiefs) I expect greater service oversight and “value-added” effort for service effectiveness and cost benefit. 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 reasonably achievable by in-house staff. Refer also to *Section F-20 Maintenance & Operations* below.

F. Capital

19. CR&R Plan: the schedule and budget have been updated for replacement of facilities assets & components and replacement of apparatus/equipment assets and components. Due to expected dramatic future increases in cost and extended delivery times, District staff recommended that a replacement pumper be purchased ahead of schedule (2023) in 2022; the manufacturer is reporting that a 2 to 3 year delivery time should be anticipated. In addition, a 2022 planned replacement of the Battalion 8 command unit (\$90 thousand) was completed and replacement of a Type 6 brush unit was authorized by the Board, with its expected delivery 18 to 24 months in the future (2024).

20. Maintenance & Operations: Integration of District asset inventory, maintenance & operational, and capital planning information will continue in 2023. 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. Two career Lieutenant positions are established for equipment maintenance & operations and facilities maintenance & operations. They both report to Battalion Chief McBride, who oversees the overall District asset management program.

- 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.
- In 2023, a replacement Type 1 engine is scheduled to replace an engine of 1993 vintage.
- 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 such contracts be terminated.

21. Stations: Stations 8-1 (South Bay) and 8-3 (North Olympia) have been identified as the primary firestations in the District. Station 8-2 (Johnson Point) has been identified as needed for [interim] coverage staffing with resident responder personnel.

22. Fleet: I recommend the District maintain one certified Type 1 engine (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 2021. I further recommend one certified Type 1 engine (with BLS capability) and one certified Type 2 tender be located at Station 8-2 (staffed by resident responders).

In addition to the above vehicles, I recommend a fleet inventory of a minimum of one back-up Type 1 engine (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.

| Fleet # | Vehicle Description | Assignment | Life: | Condition: | Replacement: |
|---------|-----------------------------------|----------------------|----------|------------|------------------------|
| 3138 | 2010 Chevrolet Tahoe SUV | Command | 15 years | Good | 3 years |
| 3503 | 2021 Chevrolet Tahoe SUV | Command | 15 years | New | 15 years |
| 3130 | 1996 Pierce Type 1 Engine | Reserve | 20 years | Fair | 6 years past due |
| 3126 | 2010 Kenworth-Fouts Type 2 Tender | Station 8-1 | 20 years | Good | 8 years |
| 3502 | 2021 Pierce Type 1 Engine | Station 8-1 | 20 years | New | 19 years |
| 3123 | 2000 Ford E-450 Ambulance | Station 8-1 (Backup) | 15 years | Poor | 7 years past due |
| 3129 | 2005 Ford F-350 Pickup | Station 8-1 (Brush) | 15 years | Fair | (Replacement on order) |
| 3131 | 1993 Pierce Type 1 Engine | Station 8-2 | 20 years | Fair | 8 years past due |
| 3135 | 2005 Kenworth-Fouts Type 2 Tender | Station 8-2 | 20 years | Good | 3 years |
| 3127 | 2010 Kenworth-Fouts Type 2 Tender | Station 8-3 | 20 years | Good | 8 years |
| 3136 | 2015 Pierce Type 1 Engine | Station 8-3 | 20 years | Good | 13 years |
| 3500 | 2019 Ford E-450 Ambulance | Station 8-3 | 15 years | Good | 11 years |
| 3122 | 2006 F-350 Ford Pickup | Utility | 15 years | Fair | Due |
| 3137 | 2009 Chevrolet Tahoe SUV | Utility | 15 years | Good | 2 years |