2026 FD8 BUDGET POLICY RECOMMENDATIONS

DRAFT

Executive Summary: This document is intended to provide policy guidance for development of the 2026 District Budget. It is based upon the District's master planning work (Phases I, II and III, 2016-2020 and overall updates in 2024 and 2025) and the proposed 2026 District Goals & Objectives (*Section A-3*) with subsequent review and approval by the Board of Fire Commissioners (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 2025 include:

- As part of its 2024-2028 Five Year Plan, the District requested voter approval of Proposition 1 (for an excess levy for maintenance & operations) in the 2024 Primary Election, which was voted down; the proposition was subsequently approved by voters in the 2024 General Election.
- In the fall of 2024, the Board approved updates to the District master plan covering facilities & equipment, community communications & risk reduction, incident readiness & response, health & wellness and training & education; this lead to extensive work in program updates during late 2024 and 2025. Major emphasis on review of incident readiness & response procedures was undertaken and will continue as part of a proposed goal in 2026 (*Goal 2025 #1 in Section A-3 below*).
- The tri-annual Washington State Auditor's Office audit for the District was completed in November 2025 without any findings, exceptions or notes.
- In January 2025, the Board approved the capital project to upgrade North Olympia Station 8-3's fire protection system (including a new water storage reservoir, emergency power, pumps & plumbing and underground piping), a project long in planning; the expenditures were paid from Capital Repairs & Replacements funds.
- As part of the its Five Year Staffing Plan, in 2025 the District hired five new "lateral" (career transfer from another fire department) Firefighter-EMTs. Also in 2025, one new "entry level" (without career fire service experience) Firefighter-EMT was hired, with plans to add five more in 2026 (including recruitment and testing).
- The District and IAFF Local 2903 conducted negotiations in the renewal of the Collective Bargaining Agreement (set to expire in December 2025) during the year.
- The District underwent a scheduled evaluation by Washington Survey & Rating Bureau (WSRB) during the year. The current Public Protection Classification for the District is Class 3. The WSRB plans to evaluate each Washington State fire agency on a five-year cycle.

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 2026-2030 and beyond. For 2026, it is estimated that the District is eligible to receive a total of $ 7.42 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 Service* [1] (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 goals and objectives are established annually.

3. 2026 Goals & Objectives:

2026 Goal #1: The District will evaluate its progress with the *District Five-Year Incident Readiness & Response* ("IR&R") *Master Plan* (2024-2028) implementation process and determine if any adjustments are indicated for (a) recruitment, (b) selection, (c) on-boarding, (d) initial training and (e) deployment of both volunteer and career responders into the District IR&R force. The current goal is to have 25 volunteer and 28 career responders by the year 2028 that will meet requirements for round-the-clock staffing of South Bay Firestation 8-1 and North Olympia Firestation 8-3.

1) Chief LeMay will oversee the implementation of volunteer and career hiring and promotional activities commensurate with the Master Plan approved by Chief VanCamp for 2026 events by December 2026.
2) Chief LeMay will provide Chief VanCamp a "strength, weakness, opportunity and threats" analysis of the Master Plan efforts during 2025 to determine what, if any, changes to assumptions, planning or implementation are indicated, by June 2026.
3) Chief LeMay will re-evaluate the District's Resident Responder program and make recommendations to Chief VanCamp with special emphasis on increasing emergency response capabilities within the Station 8-2 area by August 2026.
4) If any changes are indicated, Chief VanCamp will consider the recommendations and develop relevant recommendations for Board review and approval by September 2026.
5) Chief VanCamp will continue to provide monthly data for on-duty and response statistics to the Board and provide trend analysis to determine impacts from the implementation of the Master Plan.

2026 Goal #2: The District's Community Outreach Team ("COT") will continue to develop and refine its delivery of community education and risk prevention activities while exploring opportunities to increase public interaction in order to improve District transparency and support community resiliency to hazards and risk.

1) Secretary Stumpf will provide Chief VanCamp an "strength, weakness, opportunity and threats" analysis of the COT efforts during 2025 to determine what, if any, changes to planning or implementation are indicated, by March 2026.
2) Secretary Stumpf will provide Chief VanCamp a list of specific deliverables intended to expand two-way communications between the District and the community, by May 2026. The communications should include feed-back processes from customers regarding their satisfaction with District services.

[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) Secretary Stumpf will provide Chief VanCamp a COT proposal on potential programs that could be offered by the District to improve community resiliency to hazards and risk (e.g. fall prevention, fire prevention, preparations for emergencies related to storms, first-aid/CPR training, "Fire-Wise" wildland-urban interface protection, etc.) by July 2026.

2026 Goal #3: Recognizing that high quality service depends on the fitness, training and operational readiness of its responders, the District will investigate, examine and promote member access to (a) proactive physical and mental health training, (b) team mentorship and positive cultural alignment, (c) routine peer support, (d) regular physical and mental examinations/assessments and (e) member and their immediate family engage in the District's wellness culture.

1) The District Safety Committee under the direction of Chief Hall will conduct a broad survey and review of existing organizational health & wellness initiatives that could be applicable to a District-sponsored program and provide a report to Chief VanCamp by April 2026.
2) The District Safety Committee under the direction of Chief Hall will conduct a survey of members regarding input on a) their interest in potential health & wellness support activities (e.g. physical training, nutritional support, social engagement, etc.), b) their interest in potential peer support for physical and mental health and c) their interest in potential physical and mental health examination/assessment opportunities and provide a report to Chief VanCamp by July 2026.
3) Based on the reports submitted (from objectives #1 and #2), Chief VanCamp will convene an ad-hoc committee with representatives from a) the South Bay Firefighters' Association, b) IAFF Local 2903, c) the Board and d) senior District management to develop a long-range strategy for implementation of an integrated, durable and member-centric health and wellness program by October 2026. Any significant budgetary implications could be considered for the District's 2027 annual budget.

2025 Goal #1 (Continuation): The District will conduct a review and update of its Incident Readiness & Response (IR&R) policies, procedures and operational guidelines to conform with its *District IR&R Master Plan* (adopted 8 October 2024). This is a carry-over of work planned for 2025 but not completed.

1) Chief LeMay will continue to manage the development of new and revised procedures and operational guidelines ensuring that they are coordinated to the extent practicable with neighboring agencies for compatibility and operational efficiency.
2) Chief LeMay will submit the draft updates to Chief VanCamp for review and approval by June 2026.
3) Chief VanCamp will submit draft District IR&R *policy modifications* to the Board for their review and approval by July 2026.
4) Chief LeMay will be responsible to ensure implementation of the operational changes to District IR&R policies, procedures and operational guidelines no later than August 2026.

4. Community Connections: In 2024, the Board approved an update of the *Community Communications and Risk Reduction Master Plan* which highlights the use of the District website, regular newsletter, firestation reader-boards, sponsorship or participation in community events, interaction with social media, appropriate use of press releases and personal outreach. Most of these methods are coordinated by the District's Community Outreach Team (COT) under the direction of Secretary Stumpf. Messages sent out include those about accident prevention, fire prevention, disaster preparedness, updates of events and programs, highlights of members' accomplishments and other relevant information. In 2026, goals/objectives for the COT are proposed to evaluate the current program and make improvements to the flow of information to and from the community.

4a. 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 with the goal to coordinate and include its local issues and interests into the county-wide plan. 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.

Thurston County in 2024-2025 undertook a review and update of its Comprehensive Emergency Management Plan (CEMP) which covers natural and man-made hazards that the county could encounter, specifically, measures necessary to assess and prepare for potential impacts, organize appropriate resources, develop concepts for operations, assign responsibilities, determine resource requirements and develop supporting plans and procedures. The District participated in this process, particularly in the fire and emergency medical response aspects of the planning. The predominate risks in the District's community include earthquake, wildland urban interface fire, and seasonal storm impacts (power outages, transportation disruption, etc.).

B. Revenue

5. Property tax revenue and Operating Funds (Fund 6680): The assessed real and personal property values (AV) for the District have exhibited a historical *growth rate* of 8.2% through the years 2015 through 2022, and 7.5% through the years 2023-2026; initial AV figures from 2025 for 2026 show an estimated 1.5% increase. The AV year-after-year growth factor for the 2024-2028 Five Year Plan was estimated at 6.5%. Current future economic estimates indicate *significant decreases* in mid-term (5-10 years) AV growth; with this in mind, the District's anticipated AV growth factors will be changed to 1.5% in 2026 for the next five year period (2026-20230). ***This dramatic change will require the District to re-examine revenue-expense assumptions for out-lying years (i.e. 2027 and beyond).***

I recommend that the Board request a property tax levy of $ 5.42 million for the regular base levy and $ 2.00 million for the maintenance & operations (M&O) excess levy in 2026, approximately $ 0.18 million more than in 2025. The total levy includes the base levy and the 2024 voter approved M&O levy (planned through 2028). 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 2025 is $ 24.7 million. The resulting 2026 levy rate is estimated to be $ 2.06 ($ 1.50 for the regular levy and $ 0.56 for the M&O levy) per thousand of assessed valuation.

6. Capital Repairs & Replacements Fund (CR&R--Fund 6681): Based upon the *District Facilities & Equipment Master Plan* and the updated CR&R schedule/budget plan, the 2025 schedule/budget will serve as guideline for current capital expenditures. Major facilities and equipment capital expenditures are highlighted in *Section F Capital* below. I recommend that the Board allocate $ 407 thousand from Fund 6680 into Fund 6681 in 2026.

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.

7. 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 2026 are estimated to be $ 2.01 million. In order to maintain a base 33% (of annual expenditures) balance, I recommend that $ 332 thousand be allocated from Fund 6680 into Fund 6683 in 2026.

8. Capital Facilities Project Fund (Fund 6685): I recommend that this fund be terminated as its intended purpose for capital expenditures has since been changed by Board policy. I further recommend that any residual funds deposited in this account be transferred to CR&R Fund 6681.

C. Staffing

9. IR&R staffing: The 2017 IR&R staffing master 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). In 2024, the Board approved the updates to the *District Incident Readiness & Response Master Plan* addressing staffing, services, interoperability and program currency. The 2024 planned target career IR&R staffing level is for three (3) Battalion Chiefs, nine (9) Lieutenants and fifteen (15) Firefighter-EMTS by 2028, based on a three-platoon deployment model. The target level for volunteer IR&R staff is set at twenty-five (25). During 2025 six new career Firefighter-EMTs were added to the roster; one career Lieutenant was promoted from career Firefighter-EMT. The District did not recruit any new volunteer IR&R staff in 2025.

Due to the significant change in property tax revenue assumptions described in Section B-5 above, the planned hiring of five additional career FF-EMTs provided for in the staffing plan will need to be re-examined.

9a. Resident Responder Program: The resident responder program (to help improve Johnson Point service on an interim basis) continues to be implemented at a measured pace due to limited availability of willing and qualified volunteer responders. The target is for six resident IR&R staff at the site (5501 63rd Ave NE).

9b. IR&R Management: District IR&R 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 the 2021-2024 period, a combination of events have resulted in a transition from predominantly mixed volunteer/career officer staffing to almost entirely career officer staffing.

9c. Daytime IR&R strategy--volunteer staffing: Daytime periods are defined as Monday through Friday, 07:00 to 19:00 (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.

9d. Daytime IR&R strategy--career staffing: The District utilizes three "platoons" to which all bargaining unit IR&R staff are assigned.

9e. Night/Weekend IR&R staffing: The segregated night/weekend IR&R staffing practices are incorporated into the three platoon 24-hour career IR&R staffing model. Volunteer IR&R staff continue to be assigned to one (or more) of the three platoons as in the past but have increased flexibility to adjust their shifts between 12- and 24-hour schedules to better accommodate their ability to schedule their availability.

10. Volunteer stipends: The FD8 Volunteer Stipend Rates were last updated in 2025. I recommend that a <u>2.7 %</u> cost of living adjustment (CPI-U Seattle-Bremerton, June 2024-June 2025) be made in 2026 to the current rates.

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

D. Projects

12a. 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. As mentioned above, in late 2024 the District engaged Hatton Godat Pantier LLC to develop engineering specifications for the first phase of a two-phase project. Phase I includes the 2025 replacement of the emergency power system, replacement of the fire-pump and control equipment and install replacement electrical service equipment; this work will be complete by 2026. Phase II will include finishing building fire sprinkler piping and equipment, replacement of the water storage reservoir and any attendant underground piping. All of this work is funded from the District's Capital Repairs & Replacement plan and budget.

12c. Information Technology: In 2024-2025, the District engaged in a comprehensive examination of it information technology (IT) assets and how they served its business and support functions. A project to replace existing incident reporting management information systems was completed with the installation of a program called "First Due", which consolidated functions previously performed by multiple disparate vendor supplied programs.

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

1) **Ongoing:** implement IR&R staffing improvements to support consistent two-station staffing as per the staffing plan and as resources permit; recent career IR&R staffing additions will address this objective.

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 process is addressed in the *District Community Communications and Risk Reduction Master Plan*.

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

14. Training & Education: In 2024, the Board approved the updated *District Training & Education Master Plan* which addresses the delivery and standardization of training for District personnel. It also recommends further development of the District Training Center (3349 South Bay Rd NE). The Chief Clowes (Training & Education) supervises three fire service skills trainers and three EMS skills trainers, who provide in-house skills maintenance training to IR&R personnel. The EMS training and education is coordinated with the Thurston County Medic One training office and the Medical Program Director.

A trend experienced since the COVID-19 pandemic is a critical shortage of willing and qualified applicants for new positions (both volunteer and career). The entry level requirements for the same are being adjusted to allow for applicants without prior firefighter training or experience (as had been prevalent in the past) in order to meet the quantity of positions being filled. New "entry level" responders are being enrolled in the South Sound Regional Academy (SSRA--sponsored by Lacey FD3) where both initial firefighter and EMS skills training is provided.

I recommend that 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.

15. Health & Wellness: In 2024, the Board approved the *District Health & Wellness Master Plan* which addresses workplace safety, continuous review and improvement, promotion of a culture of care and support, provides for medical evaluation and surveillance of members' health, supports member behavioral health and wellness, ensures member physical fitness for duty and streamlines member return to duty after an injury or illness. The District also has participated in the Washington Department of Labor & Industries Firefighter Injury & Illness Reduction Program (FIIRE) since its inception in 2021 (with attendant grant funding for needed equipment and training), has active participation in the countywide chaplaincy and peer support programs, and Chief Hall (Health & Safety Officer) has provided leadership in the countywide Health & Safety Officer Sub-Committee of the Thurston County Fire Chiefs' Association.

As noted in Section A-3 above, a significant 2026 strategic goal and attendant objectives are proposed to enhance the physical and mental health and wellness of all District members. These efforts are in conjunction with the District's new Drug Free Workplace policy, updated member physical examination and testing processes and recognition of the importance of member mental wellness (both pro-actively and reactively).

16. 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 and duties related to Executive Staff) 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-17 Maintenance & Operations* below.

F. Capital

17. Facilities & Equipment: In 2025, the Board approved the update of the *District Facilities & Equipment Master Plan* which addresses the *District Capital Repairs & Replacements Plan and Budget*, apparatus deployment and life-cycle, equipment, CR&R review and updating, standardized specifications for apparatus and equipment, facilities maintenance and operation, and preventative maintenance. Chief McBride (Facilities & Equipment) oversees these efforts with four staff positions (for facilities, equipment, uniforms-PPE and systems technology).

17a. CR&R: the schedule and budget for replacement of facilities assets & components and replacement of apparatus/equipment assets and components are reviewed and updated on an annual basis. The scope of the CR&R covers two staffed firestations, one un-staffed firestation, one District training center, one residence (site of future firestation), apparatus and equipment assigned to each firestation and the attendant support equipment (e.g. information technology & media, training, etc.) needed to perform the District's mission.

17b. Radio System: Since 2016, Thurston County public safety agencies have been planning for a replacement land-mobile radio system known as Thurston County Emergency Radio Network (TCERN). In 2024, the TCERN project (led by TCOMM911) provided and installed new base, mobile and portable radios equipment to the District, replacing the old "VHF" radio equipment. During 2025, the radio network fully transitioned from the legacy "VHF" network to the new trunked 700 MHz network. One of the new 700 MHz base sites is located at Johnson Point Station 8-2; a shared use agreement has been established between the District and TCOMM911.

17c. Maintenance & Operations: Integration of District asset inventory, maintenance & operational, and capital planning information will continue in 2026. 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.

- Apparatus fleet maintenance will continue to be provided by the City of Olympia under contract. The repair facility is located next to Lacey Fire District 3 Station 3-4 has provided high-quality service placing our vehicles in a reliable state of mission readiness.
- By 2026, the District expects to receive a replacement Type 1 engine that is scheduled to replace an engine of 1993 vintage. Also, through the Thurston County Medic One program, a surplus medic-unit ambulance is planned to be put into service by the District allowing retirement of 25-year old vehicle (that is in reserve status).
- 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.

18. 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.

19. Fleet: I recommend the District maintain one certified Type 1 engine (with BLS capability) and one certified Type 2 tender at all three firestations. The District should maintain at least one ambulance-type BLS-EMS aid unit at either of the two primary response firestations (8-1 or 8-3). A Type 6 brush truck, which will also act as a BLS-EMS response unit; is located at Station 8-1. Other vehicles include one SUV-type vehicle for the on-duty command officer ("Battalion 8"), and one or more emergency response capable general-use utility vehicles as needed for staff duties and operational support.

I recommend a fleet inventory of one back-up Type 1 engine (fully functional), one back-up ambulance-type BLS-EMS aid unit (fully functional) and one back-up SUV command vehicle (fully functional).

Fleet #	Vehicle Description	Assignment/ Call Sign	Life:	Condition:	Replacement:	Notes:
3500	2019 Ford E-450 Ambulance	Station 8-3 (AU-83)	15 years	Good	2034	
3123	2000 Ford E-450 Ambulance	Station 8-1 (AU-81, Backup)	15 years	Poor	2015	In reserve, awaiting surplus from Medic 1
3503	2021 Chevrolet Tahoe SUV	Command (BN-8)	15 years	New	2036	
3138	2010 Chevrolet Tahoe SUV	Command (BN-82)	15 years	Good	2026	Scheduled for replacement
3504	2024 Ford F550 Type 6 Engine	Station 8-1 Brush (81)	15 years	New	2039	
3129	2005 Ford F-350 Pickup	Station 8-3 (BR-83)	15 years	Fair	2020	Monitor for replacement
3502	2021 Pierce Type 1 Engine	Station 8-1 (E-81)	20 years	New	2041	
3131	1993 Pierce Type 1 Engine	Station 8-2 (E-82)	20 years	Poor	*2013*	*(Replacement on order)*
3136	2015 Pierce Type 1 Engine	Station 8-3 (E-83)	20 years	Good	2035	
3130	1996 Pierce Type 1 Engine	Reserve (E-84)	20 years	Fair	2016	7 years past due
3126	2010 Kenworth-Fouts Type 2 Tender	Station 8-1 (T-81)	25 years	Good	2035	
3135	2005 Kenworth-Fouts Type 2 Tender	Station 8-2 (T-82)	25 years	Good	2030	
3127	2010 Kenworth-Fouts Type 2 Tender	Station 8-3 (T-83)	25 years	Good	2035	
3122	2006 F-350 Ford Pickup	Utility (U-83)	15 years	Fair	2021	Monitor for replacement
TBD	*2025 Pierce Enforcer Type 1 Engine*	*Station 8-1 (Future E-81)*	*20 years*	*New*	*2045*	*20 years*