

2022 FD8 BUDGET POLICY RECOMMENDATIONS

DRAFT

Executive Summary: this document is intended to provide policy guidance for development of the 2022 District Budget. It is based upon the District's master planning work (Phases I, II and III, 2016-2020) and the proposed 2022 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 2021:

- The District has been subject to the continual and overbearing influence of the SARS-COV2 / COVID-19 pandemic since February 2020. While the pandemic produced unprecedented complications for responders in providing service, it also disrupted the normal process to recruit and retain volunteer members. This has led to a significant reduction in available volunteer responders further exacerbating service delivery challenges.
- The Board agreed upon a six-year (2021-2026) fiscal master plan for the various funds and budgets in July 2020. Changing environmental impacts have caused them to re-examine details of the master plan to balance service capabilities and resource availability to meet customer/community service demand. The 2022 budget process will be affected by this re-examination.
- Chief VanCamp and TCOMM-911 Director Keith Flewelling negotiated an agreement to install a radio-system repeater site at Station 8-2 (Johnson Point); they made personal visits with the neighbors and sent a mailing to all residents within a 5-mile radius regarding this project. The installation is part of the county-wide public safety communications upgrade.
- In November 2020, Commissioner Gleckler retired from his post on the Board of Fire Commissioners. The Board subsequently appointed Dan Bivens to the vacant seat.
- In a sign of the (pandemic) times, the annual members' recognition event was held virtually on February 6th, 2021. A live and pre-recorded media-event was created with the usual "speeches" and "presentations" for all members.
- The District applied for a FEMA Public Assistance Grant for pandemic related costs and received \$63 thousand in reimbursements.

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 2022-2027 (refer to proposed 2022 Goals #1 and #3) and beyond. For 2022, it is estimated that the District is eligible to receive **\$3.64 million** in revenue from property tax in 2022 [*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 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. 2022 Proposed Goals & Objectives:

2022 Goal #1: The District shall prepare for and complete initial implementation of an agreed upon strategic staffing model/plan.

- 1) The Board will evaluate and decide upon a strategic IR&R staffing model from options presented to them by Chief VanCamp by December 2021.
- 2) Based upon the adopted strategic IR&R staffing model, the Operations-Training-Safety Team, led by Assistant Chief LeMay, will identify implementation options, evaluate alternatives and recommend a plan to Chief VanCamp on details implementing the strategic IR&R staffing plan by February 2022. The recommendation(s) shall consider the District Mission and Vision, strategic IR&R staffing model parameters, available resources (including budget), sustainability (including volunteer/career recruitment & retention) and effective & efficient use of staffing.
- 3) Chief VanCamp will evaluate the recommendations and develop and present a proposal to the Board for a five year (2023-2027) strategic IR&R staffing plan implementation by March 2022. Ultimate implementation may depend upon the results of the 2023-2025 Collective Bargaining Agreement terms (Goal #2).
- 4) The Operations-Training-Safety Team lead by Assistant Chief LeMay will review the current District IR&R training plan and provide recommendations for any changes to better support the Goal targets and implementation of the strategic IR&R staffing plan, providing the same to Chief VanCamp by July 2022.

2022 Goal #2: The District shall complete negotiations with the IAFF Local 2903 on the 2023-2025 Collective Bargaining Agreement.

- 1) The District’s representatives, coordinated by Chief VanCamp, and the Union negotiating team will successfully complete negotiations and receive ratification by the Board and the Bargaining Unit members on or before December 1st, 2022.

2022 Goal #3: The District will adopt a 2023-2027 financial plan that will provide sufficient funding for the District to ensure adequate staffing, operational support and capital assets commensurate with the adopted IR&R staffing plan in Goal #1.

- 1) Based upon the work accomplished for 2021 Goal #4 (“The District will reach out and inform its citizens and customers through an ongoing public communications program.”) Chief VanCamp will coordinate efforts to establish a clear and concise stakeholder communications plan by March 2022.
- 2) The District will implement mechanisms developed in Objective #1 above to seek input from all stakeholders on estimated IR&R staffing cost/funding options developed by Chief VanCamp in Goal #1 by July 2022.

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) Based upon conclusions derived from the work in Objective #2 above, Chief VanCamp will provide specific recommendations on potential revenue ballot measures to the Board by December 2022.

3. Community Connections: As a result of master planning and work performed in 2021, efforts will continue to enhance communications with stakeholders (Goal #3).

3a Community Risk: 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. A significant emergence of the wildland 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: I recommend that the Board request a property tax levy of **\$3.64 million** in 2022, approximately **\$236 thousand** more than in 2021. 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 2021 is **\$20.85 million**. The resulting 2022 levy rate is estimated to be **\$1.34** per thousand of assessed valuation.

5. Capital Repairs & Replacements Fund (CR&R--Fund 6681): I recommend that the District allocate **\$299,600** to the CR&R in 2022 as planned for. Based upon the 2019 adopted an *Apparatus & Equipment Master Plan* and the updated (2021) CR&R schedule/budget plan, the 2022 schedule/budget will serve as guideline for 2022 capital expenditures. Capital expenditures are highlighted in *Section F Capital* below.

Staff continued 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. The impacts due to the SARS-COV2 / COVID-19 pandemic during 2021 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 2022 are estimated be **\$1.39 million**. I recommend that an annual transfer of funds from Fund 6680 into the Reserve Fund be planned and implemented to maintain a minimum of 33% of the Operating Budget (Fund 6680) level; in 2022, the amount of the transfer is estimated to be **\$94 thousand**.

7. Capital Facilities Project Fund (Fund 6685): I do not recommend allocating any additional funds to the Capital Facilities Projects Fund in 2022. A deposit of \$875 thousand was made into the account in 2021 from receipts from the lease agreement of the communications tower at the District Training Center. The estimated beginning balance for the fund (2022) is **\$2.40 million**. I recommend the District transfer **\$750 thousand** from Fund 6685 into Fund 6680 in 2022. These funds will be used to help balance annual revenues-expenditures for Operating Fund 6680. I also recommend the District make a one-time transfer of **\$313 thousand** into the CR&R Fund 6681 for supplemental capital projects as highlighted in *Section D Projects* below.

C. Staffing

8. Volunteer 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 review current volunteer/career staffing practices in an effort to improve achievement of TLoS performance. Unfortunately in 2021, the challenges noted previously about the SARS-COV2 / COVID-19 pandemic impacts have greatly limited the progress in this area. In fact, 2021 overall volunteer resignations for all reasons exceeded the number of new members. This also effected “growing” adequate numbers of qualified apparatus driver-operators.

Implementation of a new resident responder program to help improve Johnson Point service on an interim basis was placed on hold with 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. When it is determined that the pandemic is at a stage where these precautions are no longer necessary, continued work on establishing a roster of resident responders will commence (Goal #1).

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; there are 3 on-duty career Battalion Chiefs scheduled in rotating shifts.

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.

11. Daytime IR&R strategy--career staffing: In 2021, an average of two career Lieutenants and four career Dayshift Firefighters (represented by IAFF Local 2903) provided the core of the daytime IR&R coverage. This is planned to provide an average of 2 to 3 responders to be available for call at both Station 8-1 and 8-3. During 2021, some longer-term career member disability leave events caused interruptions in consistent staffing at Station 8-3.

12. Night/Weekend IR&R staffing: As a result of the 2017 Staffing Plan, in 2020 three career Lieutenants were assigned to 24-hour shifts to augment volunteer IR&R staff, primarily to provide training and supervision. This has helped to 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 will attempt to address improvements to IR&R staffing levels, however, reduced staffing levels due to pandemic restrictions and member unavailability in 2021 have negatively affected night/weekend IR&R staffing.

13. Volunteer stipends: The FD8 Volunteer Stipend Rates were last updated in 2021. I recommend that a **5.0%** cost of living adjustment be made in 2022 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 2023. 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: The District's *IR&R Master Plan* defines any capital improvements made on the facility. As part of the six-year (2021-2026) fiscal strategic plan, it was planned to allocate \$37,500 for deck replacement from the Capital Facilities Budget (Fund 6685) in 2021, however, this work was not accomplished. 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 2023, except for work necessary to secure the rear exterior upstairs access (now a wood deck). This work is also in support of Goal #1.

15c. North Olympia Station 8-3: As part of the six-year (2021-2026) fiscal strategic plan, it was planned to allocate a total of \$873,950 from the Capital Facilities Budget (Fund 6685) for 1) replacement of the fire protection system storage & pumping, 2) replace the emergency electrical generator, 3) initial design development for interior remodeling and 4) interior (non-structural) remodeling. In 2021, failure of some facility components caused unplanned repairs; some of this was related to the fire protection water supply system. I recommend that approximately \$230 thousand 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 2022, and that further evaluation of a remodeling of the facility be made during 2022 for possible pre-design or design (or some phased portion of it) in 2023.

15d. South Bay Station 8-1: In 2021, efforts to secure a contractor to replace the failing 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 replacement. I recommend that the District continue to monitor construction costs and be prepared to issue bids for the work in 2022, funded with \$78 thousand allocated 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 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 #3.
- 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 and upgrade the North Olympia station.

E. Operations

17. Training & Education: Consistent with the *Training & Education Master Plan* (as may be amended by Goal #1), primary emphasis will continue to be on 1) training and certifying adequate numbers of Apparatus Driver-Operators, 2) development and implementation of an ongoing skills maintenance training program for all District officers, 3)

maturation of a company officer 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 W/WUI doctrine into the initial and ongoing skills maintenance training.

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. Due to the SARS-COV2 / COVID-19 pandemic, both academies must practice under a hybrid format of distance-learning and small group skills practice participation for the foreseeable future.

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 current schedule calls for replacement of aggregate facilities assets & components for a value up to **\$519 thousand**, and replacement of aggregate equipment assets and components for a value up to **\$436 thousand**. In addition, a 2021 planned replacement of the Battalion 8 command unit (\$90 thousand) was not completed due to unavailability of contract vehicles; if such contracts are available in 2022, this unit is planned to be replaced.

For related reasons, the planned replacement of a Type 6 brush truck was delayed in 2021, and therefore if not purchased by the end of 2021, I recommend it be purchased in 2022 (budgeted at \$220 thousand). It will also be equipped for BLS response.

20. Maintenance & Operations: Integration of District asset inventory, maintenance & operational, and capital planning information will continue in 2022. 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.

In 2021, two positions for Dayshift Lieutenant were established: one for equipment maintenance & operations and one for 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 2021, a replacement Type 1 engine was received from Pierce Manufacturing replacing 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 terminated.

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 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:
3120	2006 Ford Expedition SUV	(to be surplus)	15 years	(to be surplus)	
3122	2006 F-350 Ford Pickup	Utility	15 years	Fair	Due
3123	2000 Ford E-450 Ambulance	Station 8-1 (Backup)	15 years	Poor	6 years past due
3124	1996 KME Spartan Type 1 Engine	(to be surplus)	20 years	(to be surplus)	
3126	2010 Kenworth-Fouts Type 2 Tender	Station 8-3	20 years	Good	9 years
3127	2010 Kenworth-Fouts Type 2 Tender	Reserve	20 years	Good	9 years
3129	2005 Ford F-350 Pickup	Station 8-1 (Brush)	15 years	Fair	Due (to be replaced)
3130	1996 Pierce Type 1 Engine	(to reserve)	20 years	Fair	5 years past due
3131	1993 Pierce Type 1 Engine	Station 8-2	20 years	Fair	7 years past due
3134	2009 Kenworth-Fouts Type 2 Tender	Station 8-1	20 years	Good	8 years
3135	2005 Kenworth-Fouts Type 2 Tender	Station 8-2	20 years	Good	4 years
3136	2015 Pierce Type 1 Engine	Station 8-1	20 years	Good	14 years
3137	2009 Chevrolet Tahoe SUV	Command	15 years	Good	3 years
3138	2010 Chevrolet Tahoe SUV	Command	15 years	Good	4 years
3500	2019 Ford E-450 Ambulance	Station 8-3	15 years	Good	12 years
	2021 Pierce Type 1 Engine	Station 8-3	20 years	New	20 years