SOUTH KING FIRE & RESCUE

SPECIAL COMMISSIONERS MEETING
Budget Workshop – Public Hearing
Virtual via WebEx
October 13, 2020

Commissioner Gates called the meeting to order at 0900 hours with Commissioners Thompson, Rickert, Berger and Fuller in attendance virtually. Board Secretary Lauri Perry recording.

Pledge of Allegiance was led by AC Goodsell.

Commissioner Gates welcomed everyone to the meeting, adding that this is a Special Meeting/Pubic Hearing to present the 2021 draft budget. The goal is to approve the 2021 budget at the October Regular Meeting. He asked the Commissioners to hold their questions until the end of each division budget and we will have public comments at the end of the draft budget presentation.

COMMISSIONER COMMENTS

Commissioner Berger had no comments.

Commissioner Fuller had no comments.

Commissioner Rickert is excited to get into this and go over the budget, this budget has been reviewed and is in line with the appropriate budgeted line items.

Commissioner Thompson agrees with Commissioner Rickert's. This year's proposed budget is much more clearer and easier to navigate and understand and properly identifies the budget categories.

Commissioner Gates had no comments.

COMMISSIONER BUDGET WORKSHOP/PUBLIC HEARING

Chief Pennington noted that it is a privilege to be her today this morning to discuss the 2021 budget. As the fire chief it is all about efficiencies the budget has changed and he has made some changes establishing a team approach and effectiveness and efficiencies. He thanked the Administrative Team for their hard work on creating the 2021 budget. We have met with all division leaders to come up with this budget. The Administrative team held 4 budget workshops.

Executive Director of Business Operations Ganem presented the 2021 draft budget adding that the Fire Chief set a few objectives for the team most were accomplished, some will carry over until next year's budget process, for the most part we achieved what we were set out to do. We reviewed the revenue sources for accuracy, we discovered that we were consistently bringing in more money than what was accounted for and there were some line items that had not been updated in 10 or more years. We identified over and under budgeted line items, updated the budget on current needs and there was a bunch of things in the budget that needed to be updated it has been stagnant for some time. We updated the five year proforma, reestablished the capital improvement plan, and identified upcoming capital projects. Yesterday he received an update on projected Assessed Values.

Executive Director Ganem presented the 2021 draft budget;

- The Fire District is a stand-alone district organized under Title 52 (RCW) with an elected Board of Fire Commissioners providing governance and policy direction to the Fire Chief and staff of

the district. That direction includes the development and adoption of a fiscally responsible budget.

- The expense side includes a cost of living increase for all qualified personnel established at 2.00% based on CPI-W at 1.91% which was rounded to the contractual minimum of 2%.
- Medical costs are factored in with an estimated 6.4% increase, due in part to an increase in staff positions.
- The budget funds a portion of the sixth year partnership with Valley Regional Fire Authority (VRFA), Enumclaw Fire and District #44 for the CARES Program, formerly named Community Medical Technician or CMT.
- The expense side reflects a 5.25% increase in total operating costs, which is driven mostly by added firefighter costs and positions to support sustainable staffing of Aid 63.
- Funds a vacant Fire Marshal office position.
- Funds two (2) new Business Operations positions.
- On the revenue side we have used a 2.77% increase in Assessed Valuations as the final basis for the 2021 revenue projections.
- In August 2020 voters approved a new four-year Maintenance and Operations (M&O) Levy to replace the expiring one. Beginning in 2021 and collected through 2024. The M&O will augment revenues by $3.75 million to support increases to services provided by the district.
- As explained in the levy explanatory statement $1.0 million will be used to fund the district's Capital Improvement Plan (CIP). Over the next four years the districts CIP calls for the upgrade and/or replacement of aging equipment and infrastructure in excess of $5.0 million.
- Property taxes on existing parcels are estimated at $30,415,456.00 and new construction at $228,770 and prior year re-levied taxes at $10,715 for a combined 2021 property tax revenue of $30,348,499.00. Total revenues for 2021 including M&O Levy are projected at $39,033,459.00

Operating Budget

- Total operating expenses are budgeted at $35,495,364.00, this is an increase of 5.25% or $1,772,928 from 2020.
- The district has two (2) new labor contracts that were not finalized until early 2020.
- Hiring of four additional firefighter positions to support the regular scheduling of Aid 63.
- Funding for a vacant Fire Marshal office position
- Funding Business Operations Manager position
- Funding an IT Specialist position
- Funding for upcoming labor negotiation
- Funding new programs and initiatives as directed by the Fire Chief.

Capital Improvement Plan $2,193,689

- 2 new Fire Engines - $707562 each or $1,415,124 or total
- Marine 67 replacement (state grant our match is $500,000)
- Operations Equipment $74,980
- Information Systems (computers, laptops software and pagers) - $97,084
- Misc. Equipment - $106,500

Capital Carry-over (this is a new addition to the budget);

- Capital 2020 Project Carry-Over - $201,000 (PSERN Radio, Website Rebranding, Nederman Exhaust L64)

Projected Revenues;

- Property taxes are based on projected Assessed Valuation of $20,429,484,019.

- This is an increase of 2.44%
- The total effective fire levy rate in 2021 is;
    - $1.50 per $1,000 of AV – Regular Property Tax
    - $.019 per $1,000 of AV – Maintenance & Operations Levy
    - $.012 per $1,000 of AV – Safety Improvement Bond
    - $1.81 per $1,000 of AV = Total Fire Levy Rate

2021 Revenues;
- We have updated these amounts after working with Finance based on historical information.

Projected Balance Sheet;
- Reviewed Projected Fund balances for January 2021 and 2022.

Reviewed Source of Funds

Commissioners, Legislative and Audit budget has remained the same

Reviewed Use of Funds
General has increased 17.27% based on some of the below increases
- Housewares
- Office supplies – decrease costs
- Legal costs
- Negotiations
- Consultants
- Diversity
- Newsletter and publications
- Decrease in emergency coordination, used to be in partnership with VRFA, we will not fund this position at his time
- Vehicle cleaning
- Janitorial Services
- Causality & Liability Insurance

Administration decreased 17.4% by moving staff around

Business Operations has increased 30.7% by moving staff around and adding GIS Program

At 1002 hours the meeting took a 5 minute break

At 1010 hours meeting reconvened

We will be hiring a new Finance Manager to focus on projects

Operations budget decreased 2.1%
- Adding four (4) new firefighter positions
- Battalion Chiefs were removed from the Operations budget, they have their own budget
- There are new budget lines built in for overtime and different pay grades, so we can track and budget accordingly next year for;
    - Overtime – Response
    - Overtime – Training
    - Overtime – Meetings/Committees

- Acting Pay
- Premium/Specialty Pay
- L&I costs were not reflected by true costs (saw decrease of $460,960)

Battalion Chiefs this is a new budget category (moved BCs from Operations)

EMS has decreased 93.5% (Clinical reviews will be transferred to the Consortium)

Rescue has remained even ($49.00 difference)

Marine has increased 5.8%
- New equipment
- Cleaned up Premium Pay

Hazmat has increased.1% ($49.00 difference)

Health & Safety has an increase of .1% ($200.00 difference)

Fire Marshal's Office has increased 10.0%
- 1 new full time employee
- Increase in King County Investigations

Community Affairs has decreased 73.6%
- People and programs have moved to CARES

CARES this is a new budget category (moved personnel from Community Affairs)

Training has decreased 0.2%
- 2020 was the first full year as part of the Consortium
- Annual membership
- Tactical Athlete was part of capital budget last year
- First Watch is a new initiative

Facilities has increased 2.8%
- Certifications
- HVAC Contract

Fleet Maintenance has a reduction of 0.5%

Logistics has an increase of 45.7%
- PPE costs
- Extinguisher repairs/service

Information Systems has an increase of 19.4%
- 1 new position
- Technology supplies

Health Benefits has an increase of 6.4%
- Increase in number of personnel (new positions)

Commissioner Fuller inquired about Accreditation. Chief Pennington responded that it would take less than a year to complete the accreditation process, it is a huge body of work to review policies. It is important work something that we need to look at little closer in the future. It is definitely something to consider we would need a FTE to support this project, we need to have a little more conversation about this in the future.

Executive Director Ganem added that we are budgeting more accurately this year than we have in the past. For instance there was $500,000 of fluff budgeted. We went line by line to make sure we were calculating everything correctly, this is why we were able to absorb some new positions. We have also created the following budgets; a five year proforma, capital projects, reestablish capital improvement plan, capital reserve allocation, increase staffing and maintain vacant positions.

Commissioner Berger noted that he is impressed with the achievement of the goals that you set out. He is pleased to see the budget and looks forward to the result. What is the goal with the diversity program and the substance and process of going through it? Chief Pennington responded that we are in the very beginning stages he has discussed this with the King County Fire Chiefs and our Zone Chiefs, the program has many different facets to reach out to underrepresented groups, seek community input, reaching out to different communities and to provide the opportunity to people not involved in the firefighter community. Commissioner Berger followed up the question by asking who do you see leading the program and who is involved with the program. Chief Pennington replied that he has been working with Yolanda Morgan, Mary Stevens and Captain John they have been having conversations and he plans on reaching out to bring in a consultant to help us with this. IT Manager Mitchell Lee added that he has also been part of this group.

Commissioner Gates inquired about the training budget how is our fee that we pay the Consortium determined. Chief Pennington replied that the fee is determined on the number of people that we have, the number of employees that we have, we receive credit for providing three (3) training officers and we receive credit for providing the training facility. Commissioner Gates also asked do we anticipate getting the boat in 2021 or 2022. AC Mataftin noted that we probably won't take delivery of the boat until 2022.

Public Comments
There were no public comments.

Chief Pennington thanked everyone for their time adding that this is a strong budget that is transparent.

Meeting adjourned at 1106 hours.

CHAIR/COMMISSIONER

VICE CHAIR/COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

BOARD SECRETARY

SOUTH KING FIRE & RESCUE IS AN EQUAL OPPORTUNITY EMPLOYER