SOUTH KING FIRE

SPECIAL COMMISSIONERS MEETING
Budget Workshop – Public Hearing
Virtual and Station 68
November 14, 2023

Commissioner Gates called the meeting to order at 1400 hours with Commissioners Thompson, Berger, and Vadino in attendance. Commissioner Fuller was excused. Board Secretary Lauri Perry recording.

The Pledge of Allegiance was led by Commissioner Berger.

COMMISSIONER COMMENTS
Commissioner Thompson had no comments.

Commissioner Berger had no comments.

Commissioner Vadino had no comments.

Commissioner Gates had no comments.

RESPONSES TO COMMENTS AND QUESTIONS DURING THE DISTRICT FINANCE PRESENTATION ON OCTOBER 3, 2023
Executive Director Ganem welcomed everyone to the meeting. He presented charts that showed the call volume for 10 years and Operations staffing for 10 years. He also provided a staffing summary for 10 years for Chief Officers and day staff. Executive Director Ganem added that he and Interim Chief Van Valkenburg have talked about looking deeper into the staffing summaries and sharing more on this subject in the future.

FUND BALANCE & RESERVES POLICY
Commissioner Gates talked about the importance of having our reserve funds and he thanked Finance Supervisor Kelsey Barret for researching and developing the Policy. Executive Director Ganem added that the Policy was reviewed at the Budget, Finance & Audit Committee Meeting. Commissioner Thompson moved adoption of the Fund Balance and Reserve Policy. Motion was seconded by Commissioner Vadino. Executive Director Ganem outlined the names of the Reserve Funds, the suggested balances and description. He added examples of acceptable usage of the funds and how they would be replenished. Motion passed unanimously.

COMMISSIONER BUDGET WORKSHOP/PUBLIC HEARING
Commissioner Gates stated that this is a draft budget, and no action will be taken today. We will seek approval of the 2024 budget at the November Regular Meeting. At the end of the public hearing today we will have time for public comments.

Interim Fire Chief Van Valkenburg welcomed everyone to the meeting, adding that this budget is driven by the Strategic Bridge Plan (SBP). He thanked Executive Director Ganem, Finance Supervisor Kelsey Barrett, and the Administrative staff for all their work behind the scenes. Our budget continues to grow from last year and change. We need to be flexible and adapt to changing times.

Interim Chief Van Valkenburg and Executive Director Ganem met and reviewed the 2024 budget requests and priorities. Interim Chief Van Valkenburg set the direction and made the decisions on what our priorities will be in 2024.

Executive Director Ganem talked about the SBP and how it is driving our budget and our priorities moving forward. He shared highlights and accomplishments in the budget's Executive Summary recapping progress made this year. Items of significance included SBP work, running and passing a multi-year lid lift (one-year early), and changing our name to South King Fire (not a rebranding effort). The District also underwent a leadership change with Chief Mataftin retiring and the Board appointing an Interim Chief on September 1st. He discussed budget increases related to personnel which includes increasing Operations staffing levels up to 146 firefighters, adding a Deputy Chief and appointing a new District Chief position to focus on a new MIH program. The budget also funds our Capital Replacement Program. On the revenue side, with the passage of the multi-year lid lift the District will capture the full $1.50 per $1,000 of Assessed Values in 2024. The lid-lift helps district revenues, but the current Maintenance and Operations Levy expires in 2024, which equates to $3.75M annually. This is something the SBP funding pillar will tackle.

- Operating Budget Highlights:
  - Hiring of eight (8) to increase staffing.
  - Hiring of eight (8) firefighters to fill current vacancies.
  - Funding for one (10 new position, Financial Analyst to assist Finance and Administration with current and future funding strategies.
  - Funding for one (1) Communications position to assist with community outreach and content development.
  - The hiring of one (1) new Deputy Chief of EMS to oversee the creation of a new MIH program to serve the community.
  - Appointment of one (1) District Chief to work with the Deputy Chief of EMS on MIH responses.
  - Represented personnel will receive wage adjustments based on the outcome of their negotiated collective bargaining agreements.
  - Qualified non-contract personnel shall also receive a cost-of-living adjustment.
  - Increases in L&I rates.

Other projects and initiatives include:

- Labor negotiations
- Strategic Bridge Plan
- District policy and compliance services
- Workplace training and performance evaluations
- Officer development
- Educational opportunities
- Employee leave management
- Workplace Development
- Legislative Advocate to assist in securing alternative funding
- Software for electronic invoicing and processing
- Network security upgrades/Wi-Fi system upgrades
- Data storage capacity increases

- Total District Expenses – increase of 12.48%

- Capital Budget $1,157,850
  - Staff (MIH and Motor pool) Vehicles - $180,500
  - Emergency Apparatus - $68,350
  - Operating Equipment - $175,465
  - Information Technology - $376,275
  - Facilities District and Station Improvement
    - Station - $185,900
    - Total Misc Equipment and Expenses - $66,100
  - Capital Contingency Reserve (for project overruns) - $105,259

- There are several Capital Carry-Over items due to incomplete projects that can be mostly attributed to manufacturing delays and current supply chain constraints. Carryover amounts are listed below:
  - Vehicle Replacements - $97,116.45
  - Fire Hoses - $38,000
  - Fitness Equipment - $17,000

- Fire Levy Rate for 2024 - $1.73 per $1,000 AV
  - $1.50 per $1,000 AV – Regular Property Tax
  - $ .13 per $1,000 AV – Maintenance & Operations Levy
  - $ .10 per $1,000 AV – Safety Improvement Bond
  - There is an approximate 3.61% reduction in AV's for 2023 (collected in 2024). This equates to nearly a billion-dollar loss in AV's over last year's value.

- Reviewed 2024 Revenues

- Reviewed Projected Fund balances for 2024.
  - General Fund – 60 days of average expenses or equivalent to $7.7M
  - Contingency Cash Fund – Eight (8) percent or equivalent to $3.7M
  - Capital Fund – Ten (10) percent or equivalent to $4.6M
  - Insurance Reserve Fund (Rainy Day) – Ten (10) percent or equivalent to $4.6M
  - Employee Medical Reserve Fund – Set by State
  - LEOFF1 Medical Fund - $1M

- Reviewed Source of Funds and Use of Funds

- Reviewed Divisional Budgets:

- Commissioners, Legislative and Audit budget. Commissioners' compensation is expected to increase in 2024. This will be the first pay increase in 5 years as established by the State.

- General has increased $272,491 or 16.6%. Significant increases include:
  - Next year we will be celebrating our 75th Anniversary – District Recognition
  - Negotiations
  - Strategic Bridge Plan
  - Causality & Liability Insurance
  - Fuel & Utilities

- Administration has increased $564,167 or 38.5%

- The increase in variance over last year is due mostly to realigning personnel from other budget codes and increase in administrative personnel.

- Business Operations – Finance has decreased $251,077 or 23.9%
  - Decrease due to moving personnel into another budget. The new budget is strictly Finance staff; no longer includes data systems and GIS.

- Business Operations – Human Resources has decreased $69,042 or 10.4%
  - The work on the Department of Commerce Grant has been completed. Previous years budget was inflated due to grant funds.
  - There will be a new L&I Claims Management company to help us process claims and create better efficiencies pertaining to employee leave management.

- Operations budget has increased $2,988,087 or 13.3%
  - Due to hiring additional firefighters and wage adjustments based on the outcome of negotiated collective bargaining agreements.

- Battalion Chiefs has increased of $72,362 or 7.3%

- EMS will look a lot different next year due to the recent hiring of the Deputy Chief of EMS. Currently this is no budget allocation for EMS.

- Special Teams - Rescue has increased $7,777 or 5.9%

- Special Teams - Marine has increased $18,832 or 20.8%

- Special Teams - Hazmat has increased $13,708 or 12.9%

- Swimmers Unit has increased $20,862 or 31.3% - Captain Michaels has requested to do additional training that also breaks out instructors.

- Health & Safety has increased $8,166 or 4.4%

- Fire Marshal's Office has increased $70,738 or 5.2%
  - A few minor adjustments in the budget were based on Fire Marshal Nichols request.

- Community Affairs has decreased $88,485 or 22.4%
  - A significant reduction is a result of not hiring a second previously position in this division.

- MIH has increased $356,399 or 338.4%
  - This increase is due to the anticipated hiring of two (2) new FTE 's and associated program startup costs. MIH allocations from King County EMS are designed to the MIH budget.

- Training has increased $33,617 or 3.6%
  - Last year we budgeted for four (4) training officers, based on the Training Consortium's request to have four (4) South King Fire Training Officers. The position was not filled, so the District will maintain three (3) training officers in 2024.
  - Annual Membership at the Consortium increases reflects credits for three (3) training officers not four (4).

- Business Operations - Facilities has increased $31,636 or 4.7%

- Business Operations - Fleet Maintenance has increased $63,462 or of 8.0%
  - A few adjustments in line-item descriptions.
  - Increase due to inflation.
- Business Operations - Logistics has increased $78,217 or 8.6%

- Business Operations - Information Systems has increased $365,233 or 42.3%
  - Due to realignment of personnel – added Data Systems and GIS personnel into this budget from Finance in 2023.
  - Significant increase in Software Contracts as most companies are moving to the Software As a Service (SAAS)
  - IT requested an FTE that isn't funded due to financial uncertainty after 2024 and the prioritization of the SBP.

- Employee Health Benefits has increased $606,306 or 10%
  - Renewal rates are below 10%
  - The reflected increase is due to additional personnel that will be hired in 2024.

The Commissioners asked several questions throughout the 2024 budget presentation to seek clarification on different line items or budget changes.

Public Comments
There were no public comments.

Meeting adjourned at 1519 hours.

COMMISSIONER (CHAIR)

COMMISSIONER (VICE CHAIR)

COMMISSIONER

COMMISSIONER

COMMISSIONER

BOARD SECRETARY