

**Whatcom County Fire District #21  
Station 61 – Blaine  
9408 Odell Street, Blaine WA 98230  
1:00 pm  
December 20, 2018  
Regular Board of Fire Commissioners Meeting**

**CALL TO ORDER**

Chairman Bosman called the regular Whatcom County Fire District #21 Board of Fire Commissioners meeting for December 20, 2018 to order at 1:02 p.m. at Station 61 – 9408 Odell Street, Blaine, WA 98230.

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

Attendees: Chairman Rich Bosman; Vice-Chairman Bruce Ansell; Commissioners Larry McPhail, Dean Berkeley and John Crawford; Fire Chief William Pernet; Assistant Chief Joe Noonchester; Division Chief Henry Hollander; Attorney Rich Davis.

**PUBLIC COMMENT**

- None

**VOLUNTEER FIREFIGHTER OATH OF OFFICE**

Chief Pernet conducted the swearing in of new volunteer firefighters Samuel Rylaarsdam, Ben Segura-Rivas and Noah Silverman.

**RECESS INTO PUBLIC HEARING**

Chairman Bosman opened the public hearing at 1:09 p.m. to hear comments for proposed Resolution 2018-22 Adopting the Tax Revenues and Budget for 2019.

**PUBLIC HEARING STATEMENT**

Chief Pernet provided a 2019 budget presentation which included the district's shared vision.

*“Striving to be an innovative organization we are driven to be a leader in our community and profession, while honoring our values and accomplishing our mission through fiscal responsibility.”*

Chief Pernet noted that much of the information he will be presenting has been discussed during the previous Board work sessions, where agreement was reached regarding the direction of the district:

- Fiscal responsibility to our taxpayers
- Allocation of funds linked to the strategic plan
- Continue to streamline the processes

- Improve on existing and search for new, innovative and responsible revenue streams

Areas the district may look to for additional funding include property values, new construction, District 4 EMS / annexation agreements, transport revenues, grant funding opportunities and the General Emergency Medical Transport (GEMT) Program.

Chief Pernet reviewed the 2019 fiscal areas of focus that were identified during the earlier district work sessions:

- Constant staffing levels
- Healthcare
- Operational and capital item needs
- Funding wage and benefit increases
- New Fire Chief and Division Chief search (consultant)
- Master planning (consultant)
- Expand / evolve fire prevention division
- Bolster awards program

Chief Pernet reviewed some of the challenges that the district will face in 2019 including property tax statutory limitations, expenses out pacing revenue (healthcare / insurance / personnel, L&I), operational and capital needs and replacement of equipment. The district may want to consider asking the community for a levy lid lift or operations levy in the future to help fund the service that the district currently provides.

#### Healthcare

The 2019 healthcare costs are expected to increase by just over seven percent. The districts' liability insurance is expected to increase by approximately four percent. Labor and Industry costs will rise about eight percent in 2019.

Chief Pernet provided a six year healthcare cost comparison. Chief Pernet noted that the district typically sees one good year followed by a poor year with regards to healthcare claims. 2018 was a low claim year allowing the district to secure a decent renewal rate for 2019. In contrast, with a traditional plan, the district will see no savings regardless of how low the claims.

Chief Pernet noted that total yearly maximum liability for medical is \$1,566,285.80 however, only eighty percent is budgeted since the district has never reached maximum claims. In addition, the district also maintains a healthcare savings account to offset any overages.

In the future, the district will need to weigh the benefits vs. risks of maintaining a self-funded healthcare plan. The Healthcare Committee will continue to complete yearly evaluations of traditional healthcare plans alongside the districts' self-funded plan and make the appropriate recommendations.

### Long Term Debt

Chief Pernet noted that the district will pay off the 2010 Long Term General Obligation (LTGO) Commissioner Bond for the three engines and the ladder truck at the end of 2019.

Vice-Chairman Ansell requested information regarding utilizing mitigation fees for partial payment of the bond. Chief Pernet stated that some of the mitigation funds have been utilized for payment on the ladder truck. Even if the loan is payed off early, the district still remains responsible for all interest fees.

### Values

Chief Pernet reviewed an eight year comparison of the districts' assessed values and new construction. The district has realized some gains in 2018.

### Tax Revenues

Chief Pernet reviewed what monies the district can ask the county to collect from local tax payers:

- Assessed valuation of property, new construction, state assessed property, annexations and refund amounts.
- The district is limited to a one percent increase to the budget due to tax reform only if not at the maximum levy rate of \$1.50 and the commissioners approve a resolution.
- The state automatically adjusts the levy rate base on property values.

Chief Pernet noted that the one percent increase cap presents a challenge for the district.

Vice-Chairman Ansell questioned whether if in the future, property values go up and the levy rate goes down, could the Board ask the public for a levy lid lift. Chief Pernet stated that a levy lid lift of up to \$1.50 could be voted on (simple majority) by the taxpayers.

Chief Pernet reviewed the tax revenues the district receives:

- Limited to one percent increase over last year's levy, not including new construction.
- Highest lawful levy \$6,009,023 (2018)
- One percent increase over the highest lawful levy = \$60,090.23 (2018)
- Plus new construction and utilities = \$99,967.30
- State accessed property = unknown at this time
- Refund amount = unknown at this time
- Total tax and new construction estimated to increase the budget for 2019 as of December 20: \$160,057.53

Chief Pernet noted that the estimated 2019 levy rate will be from \$1.38 - \$1.40. In the future, District 4 will need to evaluate going back to the taxpayers to request additional funding.

Chief Pernet reviewed the 2019 budgeted revenues including property taxes, timber excise tax, grants, contracts (District 4, Casino), state parks, school districts, ambulance transport fees, apparatus repair contract (Lynden), investment interest, rental income, leasehold excise tax, medial reimbursements, gift, pledges and LTGO bonds.

Chief Pernet noted that because the district is a government agency, when the district contracts with a nongovernment agency, the district is required to collect and then pay a leasehold excise fee. The district does receive a two percent recompense.

Chief Pernet noted that government and federal entities are exempt from paying fees to the district however, both state and counties do pay fees.

### 2019 Base Budget

Chief Pernet reviewed the districts' 2019 budgeted expenses which are equal to the total expected revenues of \$8,220,433 for a balanced budget. This total does not include any capital items.

- A salary comparison not including benefits shows a two percent (2%) increase over 2018.
- Legislative Division - \$858,675
- Operations - \$5,910,978 (majority of employees)
- Training - \$243,237 (steady increase)
- Fire Prevention / Public Education - \$153,512. Chief Pernet pointed out that the division chief's salary was added to help build the structure of what is to come, based on the decisions of the new fire chief and Board.
- Facilities Support - \$218,050 (no salaries or benefits)
- Fleet Maintenance - \$464,792

### Fund Balances

Chief Pernet reviewed the districts' fund balances. The expense fund pays the monthly bills including payroll. The district pays approximately \$600,000 in monthly expenses. The fund only receives tax monies twice per year and needs to maintain a balance to carry the district between tax payments. Because the district has been diligent over the past few years, Chief Pernet was able to transfer some funds from the expense account to various reserve accounts.

The reserve accounts are like saving accounts that are utilized for one time purchases.

Changes to the health insurance account include being required by the auditor to maintain sixteen percent of the districts' healthcare claim total in reserve instead of the prior eight percent.

Mitigation funds need to be tracked in order to be utilized (capital purchases only) prior to the five year timeline of collection. If not utilized within the five year timeline, the monies will need to be paid back with interest.

Vice-Chairman Ansell requested that Chief Noonchester create a spreadsheet which will include mitigation information, a timeline and report on how monies can be utilized along with any restrictions. It was also requested that Chief Noonchester provide a recommendation for acquisitions that could be purchased by mitigation monies that are approaching their five year timeline.

#### Capital Items

Chief Pernet provided information regarding the approved 2019 capital purchases:

- Buildings and structures - \$42,000 (majority for septic system redesign and installation for Laurel Station 69)
- IT system update - \$15,000
- Computer replacements - \$7,500 (Windows 7 no longer supported)
- Protective clothing - \$ 20,000 (extra set of turnout gear project)
- Thermal imaging cameras - \$37,000 (replace old cameras)
- Rescue struts - \$8,000 (Engine 12 for conformity)
- Generator light - \$2,100 (Engine 12 for conformity)

Chief Pernet noted that it has been challenging over previous years to maintain a balanced budget due to the number of increases. Monies have been taken out of overtime to offset those increases. Chief Pernet also took into account the increased twelve person minimum staffing for 2019 along with two vacancies. The chiefs intend to keep a close eye on the overtime budget throughout the year and manage it accordingly. Due to unforeseen injuries and vacancies throughout 2018, the overtime budget was exceeded by \$20,000.

There was no public comment.

#### **RECONVENE INTO REGULAR MEETING**

Chairman Bosman reconvened the regular meeting at 1:45.m.

#### **NEW BUSINESS**

- **Resolution 2018-22 Adopting Tax Revenues and Budget for 2019:**

**MOTION:** Vice-Chairman Ansell moved to approve Resolution 2018-22 Adopting the Tax Revenues and Budget for 2019. The motion was seconded by Commissioner McPhail and approved 5-0.

#### **RECESS**

Chairman Bosman called a recess for approximately five minutes at 1:45 p.m.

#### **RECONVENE**

Chairman Bosman reconvened the regular meeting at 1:53 p.m.

## **APPROVAL OF CONSENT AGENDA**

1. Meeting Minutes
  - a) November 15, 2018 – Public Hearing
  - b) November 15, 2018 – Work Session
2. Staff Reports – Chiefs / Operations / Training / Technical Support
3. Financial Report / Revenue
  - a) Total Revenue – November \$973,322.22
  - b) Total Expenditures – December \$845,328.26
4. Voucher / Payroll / Benefits
  - a) NWFR Employees Direct Deposit Payroll: \$363,785.19
  - b) Non-Direct Payroll: \$435.08
  - c) Benefits Voucher: \$278,120.04
  - d) Monthly Expenditure Vouchers: \$185,810.02
  - e) Capital Projects Voucher: \$17,177.93

Vice-Chairman Ansell pointed out some grammatical errors.

Commissioner Berkeley questioned the district's legal fees for November. The November legal fees were \$3,345, while the 2018 year to date total fees are \$29,161.22.

**MOTION:** Commissioner McPhail moved to approve the Consent Agenda as corrected. The motion was seconded by Commissioner Crawford and approved 5-0.

## **IAFF LOCAL 106 MONTHLY REPORT**

- Chief Pernet announced that firefighter Kenneth Cunningham was recently elected as a Local 106NW representative and is expected to attend future Board meetings to provide Local 106NW updates.

## **NW FIRE COMMISSIONER MONTHLY REPORTS**

- No reports.

## **LEGAL ISSUES**

- Attorney Rich Attorney reiterated that the State Family Medical Leave Act (FMLA) has been adopted in four states, including Washington. The Act allows employees to take extended leave for medical reasons with partial compensation. In addition to spouses and parents, leave can also be taken to care for siblings, children of any age and grandchildren.

The Act will go into effect in phases with the first in January, 2019, when employers as well as employees will begin paying premiums into the system.

Employees will be able to take advantage of the system beginning January 1, 2020.

Members can utilize sick and vacation leave prior to using FMLA.

Board members will also pay a .004% of their stipend to the state even though they do not qualify for the benefit. Attorney Rich Davis noted the Act is still under review and will forward a memo to the Board outlining how the program works along with any additional information as it becomes available.

#### **UNFINISHED BUSINESS**

- **Fire Chief Recruitment Process:** Chairman Bosman noted the fire chief recruitment process remains ongoing. More information may follow the executive session.
- **Resolution 2018-23 Interim Fire Chief:** Chief Noonchester has been appointed by the Board as Interim Fire Chief.

**MOTION:** Commissioner McPhail moved to approve the Resolution 2018-23 Interim Fire Chief. The motion was seconded by Commissioner Berkeley and approved 5-0.

- **Resolution 2018-24 Investment Officer:** Chief Noonchester has been appointed Investment Officer.

**MOTION:** Commissioner McPhail moved to approve the Resolution 2018-24 Investment Officer. The motion was seconded by Commissioner Berkeley and approved 5-0.

- **Resolution 2018-25 Secretary to the Board:** Chief Noonchester has been appointed Secretary to the Board.

**MOTION:** Commissioner McPhail moved to approve the Resolution 2018-25 Secretary to the Board. The motion was seconded by Commissioner Berkeley and approved 5-0.

- **Northwood Store:** Chairman Bosman announced that he and Chief Pernet have met with Northwood Store owner Layne Brennick to sign the easement contract as approved by the Board at the November 15, 2018 meeting.

#### **NEW BUSINESS**

- **PogoZone Contract:** Chief Pernet reminded the Board that two years prior, a contract was approved allowing PogoZone to utilize some of the fire station locations to set up some internet sites for customers in remote areas. In lieu of

rent, the district has saved on fiber optic cables and internet service that was fairly expensive at the time.

Since that time, proposed changes and additions by PogoZone have made it advantageous to renegotiate the contract. The rent agreement for the addition of putting transmitters at Stations Smith Rd. St 13, Delta St 68, Wisner Lake St 70 and Northwood St 72, will again cover most of the cost of the fiber optic usage as well as a minimal internet access cost. Attorney Rich Davis has also reviewed the proposed contract.

**MOTION:** Vice-Chairman Ansell moved to authorize the Fire Chief to sign the revised PogoZone contract as presented. The motion was seconded by Commissioner Crawford and approved 5-0.

- **Resolution 2018-26 Public Records Policy and Procedure:** Chief Pernet reviewed the changes to the 0100.1101.00 Public Records Policy pertaining to the fees the district may charge for costs related to medical records requests:

*5.11.5.4 Medical Records. Pursuant to federal law (under HIPAA and HITECH), reasonable, cost-based fees may be imposed only for certain permitted activities, such as the actual copying (whether on paper or to electronic media), postage, preparing a summary or explanation as allowable and in accordance with State law, and the cost of supplies for creating the paper copy or electronic media (i.e., physical media such as a compact disc (CD) or universal serial bus (USB) flash drive), if the individual requests that the electronic copy be provided on portable media. Search and retrieval fees may never be imposed unless the law changes to reflect otherwise. The District will determine these fees through any manner deemed permissible by the U.S. Department of Health and Human Services Office of Civil Rights (“OCR”). These costs may align with those permitted by the State so long as the State-authorized costs are the same type of costs permitted under 45 CFR 164.524(c)(4) and are reasonable.*

- a) Per-page fees for medical records that are maintained electronically are not considered reasonable by OCR, and as such, are not permitted in the context of those specific records.*
- b) For these permitted activities identified in 5.11.5.4, the District may charge for average allowable costs, or a flat fee not to exceed the maximum flat fee rate of six dollars and fifty cents (\$6.50) or as deemed otherwise permissible by law. The District also reserves the right to, alternatively, charge actual costs for these permitted activities so long as the District advises the requestor in advance what the approximate costs will be for honoring their request.*

The district’s attorney Rich Davis made the updates at no charge to the district. Vice-Chairman Ansell pointed out a transposed paragraph from a previous resolution and asked that it be removed.

**MOTION:** Commissioner McPhail moved to approve the Resolution 2018-26 Public Records Policy and Procedure as corrected. The motion was seconded by Commissioner Berkeley and approved 5-0.

- **Resolution 2018-27 Meeting Dates (2019):** The Board will continue to meet on the third Thursday of each month at 1:00 p.m. at Odell Station 61.

**MOTION:** Chairman Bosman moved to approve the Resolution 2018-27 Meeting Dates (2019). The motion was seconded by Vice-Chairman Ansell and approved 5-0.

- **Resolution 2018-29 Cancellation of Warrant:** Chief Pernet noted that the warrant was issued in error.

**MOTION:** Vice-Chairman Ansell moved to approve Resolution 2018-29 Cancellation of Warrant. The motion was seconded by Commissioner Berkeley and approved 5-0.

- **Awards and Recognition:** Chief Noonchester noted that he had recently reached out to Board members to get their opinion on a district awards and recognition program. Historically, the district has presented yearly awards for volunteer, firefighter and employee.

Other recognition suggestions include presenting years of service awards (five year increments) during a Board meeting or an awards banquet.

Chief Noonchester provided information regarding a recent structure fire when a passerby and her son woke up sleeping occupants and helped them vacate their home. The district hopes to award the mother and son with a citizen commendation at an upcoming Board meeting.

Vice-Chairman Ansell requested information regarding utilizing district funds for future award banquets. Attorney Rich Davis noted that the district can pay for banquet essentials including de minimis awards for district members however, friends, spouses and other family members must pay their own expenses.

Chief Pernet noted that the current strategic plan does have a committee tasked with awards and recognition among other things. The group has not met recently but is expected to be reactivated in the near future.

Volunteer, career and employee of year, years of service and the citizen commendations are expected to be awarded during an upcoming Board meeting.

Other possible ideas include commissioner awards that can be presented throughout the year for special recognition.

Chief Pernet provided information regarding how other fire departments recognize their members including a shift / station traveling golden axe award.

Commissioner McPhail also provided information regarding how other groups acknowledge members.

Chief Noonchester is expected to provide additional information during the next Board meeting.

## **POLICIES & PROCEDURE**

- None

## **CORRESPONDENCE**

- Northern Light article re: Interim Fire Chief
- Northern Light letter to the editor re: Thanksgiving Baskets
- Northern Light article re: New career firefighters
- Bellingham Herald article re: Border-crossing trains
- From Pam Robinson: Thank you for services
- Lynden Tribune Obituary: Former volunteer Alec North
- The Responder: District newsletter, December issue

## **FIRE CHIEF RECOGNITION**

- **Resolution 2018-28 Fire Chief William Pernet Recognition:** Chairman Bosman recognized Chief Pernet for his years of service with the district.

**MOTION:** Vice-Chairman Ansell moved to approve the Resolution 2018-28 Fire Chief William Pernet Recognition. The motion was seconded by Commissioner Crawford and approved 5-0.

## **ANNOUNCEMENTS**

- **January Board Meeting Attendance Query:** All Commissioners are expected to attend the January 17 meeting.

## **PUBLIC COMMENT**

- None

## **AGENDA ITEMS FOR THE NEXT MEETING**

- Board Officer Elections
- 0400.0003.00 Division Chief of Operations
- Ambulance Bid Approval
- 2018 Budget Amendment
- Mitigation Fund Information
- Awards and Recognition

**EXECUTIVE SESSION**

Chairman Bosman recessed the meeting for an Executive Session, per RCW 42.30.110(1)(c) *“to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of decreased price.”* And;

per RCW 42.30.110(g) *“to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.”*

at 2:44 p.m. until approximately 3:00 p.m. Chief William Pernet, Assistant Chief Joe Noonchester, Division Chief Henry Hollander and Attorney Rich Davis remained for the executive session.

**RECESS**

Chairman Bosman called a recess for approximately five minutes at 3:10 p.m.

**MEETING RECONVENED**

Chairman Bosman called the regular meeting back into open session at 3:16 p.m. Action will not be taken as a result of the executive session. The Board will continue to explore options for a fire chief process.

**SIGNING OF DOCUMENTS**

**ADJOURNMENT**

**MOTION:** There being no further business Vice-Chairman Ansell moved to adjourn the meeting at 3:33 p.m. The motion was seconded by Commissioner McPhail and approved 5-0.

Respectfully Submitted by:

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Jennie Sand, Recording Secretary

**ATTEST:**

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Rich Bosman, Chairman

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Bruce Ansell, Vice-Chairman

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Larry McPhail, Commissioner

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Dean Berkeley, Commissioner

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John Crawford, Commissioner

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Chief Noonchester, Board Secretary