

Whatcom County Fire District#21
Via Zoom Meeting
9:00 am
December 10, 2020
Budget Work Session

CALL TO ORDER

Chairman Ansell called the special Whatcom County Fire District #21 Board of Fire Commissioners meeting for December 10, 2020, to order at 9:05 a.m. via Zoom Meeting.

ROLL CALL

Chairman Bruce Ansell; Vice-Chairman Rich Bosman; Commissioners John Crawford, and Scott Fischer.

Commissioner McMurray was excused from this meeting due to a work commitment.

Other Attendees: District 4 Commissioners Dave Hanson and Harry Andrews; Fire Chief Jason Van der Veen; Division Chief Shaun Ward; Business Manager Benita Williams; Administrative Assistant Jennie Sand; District4 Administrator Kris Parks; Labor Representative Kenneth Cunningham.

PUBLIC COMMENT

- None

2021 BUDGET WORK SESSION

Chief Van der Veen welcomed all participants to the 2021 budget study session. Chief Van der Veen invited all commissioners to meet with him in person to review the budget in more detail prior to the next meeting scheduled for Thursday, December 17, when commissioners will be asked to approve the budget.

Chief Van der Veen noted the challenges over the past year including COVID-19, transition in leadership, and taking over a partially completed budget. Chief Van der Veen noted that 2021 will continue to be challenging with COVID-19 and Regional Fire Authority (RFA) planning and the hope is to keep the budget somewhat at a status quo.

Both Chief Van der Veen and Finance Manager Benita Williams have worked on cleaning up the budget and making District4's payment for services fair as well as clearer for both entities. The Chairs from both Boards have met with Chief Van der Veen on several occasions to review District 4's costs.

BUDGET SUMMARY

Chief Van der Veen noted that the budget summary can be utilized for comparisons from 2015 through 2020 and pointed out the increases.

Chief Van der Veen noted that he is showing all revenue coming into the district and budgeting just under that amount. The district intends to run a close to zero-based budget, although any savings will be deposited into reserves. Chief Van der Veen believes this is

the clearest way to budget. Various divisions have been neglected over the years including facilities and apparatus, which the district will need to deal with in the near future or risk jeopardizing the infrastructure.

DISTRICT 21 REVENUE

Chief Van der Veen reported on the taxes the County expects the district to receive. The 2021 tax revenue for District 21 is \$6,446,206.03.

Chief Van der Veen pointed out that revenue items include typical grants, excise tax, transport fees, District 4 contract fees, other fire service contract fees, general investment interest, apparatus repair service, reimbursements, paramedic overtime reimbursements, credit card rebates, and capital asset sales (surplus equipment). Transport fee revenue was increased in 2020, due to a higher call volume in both Districts and the auto aid agreement with the City of Bellingham in District 4's area.

Chief Van der Veen pointed out that the revenue amounts from the County will not be finalized until late December or early January. The proposed budget numbers provided at this time are based on experience and the work of Chief Van der Veen and Business Manager Benita Williams.

The total expected revenue is \$9,643,707.28.

DISTRICT 21 EXPENDITURES

Chief Van der Veen reviewed the District 4 contract for service fee. He pointed out the amounts that were either credited to the District 4 contract or removed as a fee.

Administration Division

District 4 will not pay a portion of:

- District 21 commissioner meetings
- Regional Fire Authority (RFA) commissioner meetings
- PFML benefits
- Commissioner apparel
- Audit fees
- Election costs
- Professional services – RFA (will be taken out)

Kris Parks questioned if the retired LEOFF 1 employee costs should be removed. Chief Van der Veen will discuss the suggestion with both Board Chairs.

Kris Parks noted that District 4 has also budgeted for professional services. Chief Van der Veen stated if District 4 is going to pay their professional services then they will be removed as a District 4 fee. Chairman Ansell noted that the professional services cost listed may be a combination of the fees of both Districts. Chief Van der Veen will investigate and make updates as necessary.

Chief Van der Veen reviewed the administrative costs which will not change, with the following exceptions:

- RFA professional services – \$50,000
- Professional dues – \$6,500
- Elections costs for 2 commissioners – \$30,000

Chief Van der Veen pointed out that the administration and mechanic salaries reflect a three percent wage increase, which is comparable to what the bargaining unit received. With the exception of two employees, the group received no wage increase in 2020.

Labor and Industries (L&I) rates decreased, while there was a slight increase in healthcare and dental (2.5%).

Operations Division

Chief Van der Veen reviewed the operational costs.

- Salaries – 3% contractual wage increase, including four new hires – \$4,525,000.00.
- Volunteers – \$25,000
- Division Chief – \$120,000
- Longevity / Education / SCBA Incentives – \$130,000
- Out of Class – \$5,000
- Overtime – \$400,000
- Sick Buy-Out – \$17,000
- L&I – \$225,000 (decreased)
- Medical and Dental – 2.5% increase – \$1,200,000
- Voluntary Employees' Beneficiary Association plan (VEBA) – Members who opt-out of healthcare to go under a spouse's plan receive a monthly payment that goes into a medical expense account for the member – \$41,000.
- Uniforms – \$15,000 (career) \$1,000 (volunteer) – slight increase for uniform rental
- Immunizations – \$1,600 – slight increase – possible COVID vaccine costs unknown
- EMS Operational supplies – \$20,000 – \$5,000 increase based on expenses
 - Grants may partially reimburse for personal protective clothing (PPE)
- FARS Assessment – \$25,000 – slight increase
- SERP assessment – \$5,500
- Third-Party Billing Service – \$55,000

With the possibility of a COVID vaccine, anticipated overtime costs may decrease.

Kris Parks requested information regarding whether the third-party billing service includes District 4 costs. Chief Van der Veen will investigate.

Prevention Division

Chief Van der Veen reviewed the prevention division costs.

- Fire Marshal - \$103,100 – bargaining unit position to replace a division chief
 - Inspector
 - Plans examiner
 - Mitigation funds
- Overtime – \$5,000
- Registration and Tuition – \$5,000
- Annual Bicycle Rodeo - \$1,000

Chief Van der Veen noted that public education costs remained unchanged based on the hope that businesses will begin to open up in the near future.

Chief Van der Veen recognized that there has been an interest by the Board to increase public education, however, it is unlikely to happen in 2021.

Most of the prevention budget was eliminated from the District4 fees with the exception of CPR classes.

Commissioner Hanson joined the meeting at 9:38 a.m. Chief Van der Veen reviewed the information covered with Commissioner Hanson.

Chairman Ansell requested to see the differences between the previous budgets and the proposed 2021 budget. More information will be shared with the Boards before the December 17 Board Meeting.

Chairman Ansell noted that once the budget is approved, it can be amended or adjusted as things change and once accurate numbers are received from the County. Chief Van der Veen responded stating that the proposed budget is his best guess and expects to work with the Board as changes become necessary.

Training Division

Chief Van der Veen reviewed the training division costs. Chief Van der Veen stated that one of his focuses for 2021 is to revitalize the training division. This division is critical for the health and welfare of the members.

An additional four firefighters were added to the budget. Chief Van der Veen noted that per the labor contract, the district has always strived to send new firefighters through the North Bend State Fire Academy. There is a concern that the academy COVID precautions do not mirror the district's.

Since member's health and safety are a priority, the district is considering utilizing an in-house academy that will teach the North Bend principles. The academy may include online classroom instruction, manipulation skills are completed at each department. Testing and certification will be completed by an outside company. It was noted that the district cannot provide the same intense live-fire experience that North Bend offers. The proposed budget includes both the North Bend Academy and in-house academy costs.

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Chief Van der Veen hopes to have more clarification by the upcoming December 17 meeting.

- Training Captain – \$102,000
- Instructors – \$10,000 – significant increase
 - Firefighter 1, Firefighter II, IFSAC certified classes
 - Fire Officer 1 and Fire Officer II certifications for upcoming promotions in the organization
- Registration and Tuition – \$25,000 – increase

Facilities

Chief Van der Veen reviewed the facilities division costs. Chief Van der Veen is currently drafting a request for proposal (RFP) for a maintenance service contract as directed by the Board.

- Alarm Monitory – \$6,500 – slight increase
- Sprinkler Testing – \$8,200 – slight increase
- Custodial Services – \$3,000 – increase
 - carpet cleaning
- Repair and Maintenance – \$55,000 – increased
- Maintenance service contract – \$50,000

Chief Van der Veen removed the \$75,000 budgeted for the facilities and maintenance personnel and added those monies to the repair and maintenance of stations and the maintenance service contract.

Kris Parks inquired if consideration had been given the fact that with the recent sale of Station 11, District 4 has only two stations. Chief Van der Veen stated that Station 11 had only a minimal effect on the costs and the Britton Loop Station has two complete buildings.

Fleet / Maintenance Division

Chief Van der Veen reviewed the fleet/maintenance division costs which had very minimal increases.

- Operational supplies – \$2,000 – slight increase
- Mobile radio repair/maintenance – \$3,000 – new so better able to track
- Tires increase by \$5,000 – \$20,000
 - Replace tender tires
- Fire Engines / Pumpers – \$25,000 Increased due to age of apparatus

Commissioner Crawford suggested that the district research tire vendors to possibly receive a reduced state cost.

Vice-Chairman Bosman expressed his appreciation to Chief Van der Veen for creating a transparent budget.

Capital Projects Division

Chief Van der Veen noted that he has not yet completed the capital projects division however, he expects to spend money in the maintenance shop and budget for an additional ambulance. An update will be sent out before the December 17 meeting.

Chief Van der Veen noted that the Ground Emergency Medical Transportation (GEMT) breakout was not included and will be part of the updates.

RECESS

Chairman Ansell recessed the meeting for a five-minute break at 10:05 a.m.

MEETING RECONVENED

Chairman Ansell reconvened the meeting at 10:13 a.m.

Bias Accounting Software Presentation

Chief Van der Veen provided a demonstration of how Bias works with regards to the budget.

Total Expected Revenue – \$9,643,707.28

Expenditures – \$9,536,205.00

Expected Savings – \$107,502.28

Chief Van der Veen stated that the district will need more revenue in the coming years based on the fact that with the assessed valuation for 2021, District 21's levy rate is actually \$1.14. The district has not passed a levy lid lift in so many years that the levy rate has dropped.

Chief Van der Veen reiterated the importance of forming an RFA. In order to be able to provide continued and better service to our customers and for the districts (RFA) to remain financially healthy, the levy rate will need to be adjusted and more revenue created. Even if an RFA is not formed, both districts will need to raise their levy rates in order to sustain or increase the current level of service.

Chief Van der Veen noted that he believes the district is accomplishing its mission with this budget. Chief Van der Veen thanked the group for their patience. Updated information will be sent out in the next couple of days.

QUESTIONS / COMMENTS

Local 106 representative Kenneth Cunningham had no comments however, he will review the draft budget and expects additional discussion regarding the North Bend Academy.

Division Chief Ward noted that he thought Chief Van der Veen was very forthright in his budget presentation.

Commissioner Hanson stated that he thinks the budget looks good and understands that this is Chief Van der Veen's first budget creation. In addition, Commissioner Hanson

noted that he appreciates attending additional meetings with Chief Van der Veen and Chairman Ansell.

Commissioner Andrews congratulated Division Chief Ward on his new position.

Chairman Ansell is hopeful that Davison Chief Ward will be able to lessen Chief Van der Veen's workload.

Vice-Chairman Bosman noted that sending out paperwork prior to the Zoom meetings does makes it easier to follow along. Vice-Chairman Bosman would also like to see the yearly budget comparisons.

Commissioner Crawford echoed Vice-Chairman Bosman's comments and congratulated Division Chief Ward on his new position.

Commissioner Fischer concurred with Vice-Chairman Bosman's comments.

Kris Parks plans to review the new numbers once they are made available.

ADJOURNMENT

MOTION: There being no further business Vice-Chairman Bosman moved to adjourn the meeting at 10:29 a.m. The motion was seconded by Commissioner Fischer and approved 4-0.

Respectfully Submitted by:

Jennie Sand, Board Secretary

ATTEST:

Bruce Ansell, Chairman

Rich Bosman, Vice-Chairman

John Crawford, Commissioner

Scott Fischer, Commissioner

Jason Van der Veen, Fire Chief