

**Whatcom County Fire District#21
Station 61 – Blaine
9408 Odell Street, Blaine WA 98230
Special Board of Fire Commissioners Meeting
10:00 a.m.
December 4, 2021
Budget Work Session**

CALL TO ORDER

Chairman Ansell called the special Whatcom County Fire District #21 Board of Fire Commissioners meeting for December 4, 2021, to order at 10:04 a.m. at Station 61 – 9408 Odell Street, Blaine, WA 98230.

ROLL CALL

Chairman Bruce Ansell; Commissioners John Crawford and Kimberly McMurray; Fire Chief Jason Van der Veen; Division Chief Shaun Ward; Labor Representative Scott Brown

Commissioner Fischer was excused from this meeting for medical reasons. Vice-Chairman Bosman will be arriving later.

Chairman Ansell noted that the levy lid lift did not pass. Chairman Ansell commented that the District's final counts reported by the Northern Light in their Thursday, December 2, 2021, issue were incorrect. The newspaper stated that the District's levy was currently at \$.30 per \$1,000 instead of the true amount of \$1.15 per \$1,000, making the increase to \$1.45 per \$1,000 appear much higher. Chairman Ansell intends to call or write a letter on the Board's behalf to the Northern Light and request a retraction or clarification of the levy amount.

2022 BUDGET WORK SESSION

Chief Van der Veen welcomed all participants to the 2022 budget study session. He noted that he had previously reviewed the budget separately with Chairman Ansell, District 4 Commissioner Mark Lann, and District 4 Commissioner Steve Cooley.

BUDGET SUMMARY

Chief Van der Veen reviewed the budget summary. The fund balances presented were as of November 30, 2021.

Chief Van der Veen pointed out that taxes are collected primarily in April and October, but small amounts (*late*) can continue to trickle into for up to four years. Those funds are not transferred to the general fund until the combined amount reaches \$40,000.00.

Other monies sitting in reserves are mainly collected from Ground Emergency Medical Transportation (GEMT) funds. Chairman Ansell requested a report showing how much GEMT funds have been collected and what has been purchased with those funds.

The health reserve account will no longer be utilized since the District is no longer self-insured. All medical insurance debts have been paid.

Chief Van der Veen reported on the District's capital projects accounts.

- Capital Projects: \$998,162.98
- Facilities: \$1,485,463.77
- Apparatus: \$103,914.96

- Volunteers: \$47,639.93
- Mitigation Fees: \$180,324.12

Mitigation funds must be spent within five years and only on specific district growth, or they must be returned to the payee with interest. Mitigation funds have been utilized for the remaining balance on the ladder truck 63, purchase of aid units, a command car, and a shop vehicle. Mitigation fees cannot be used to replace an existing vehicle or for routine maintenance.

Chairman Ansell requested information regarding when mitigations funds were collected and the exact timeline of when those funds need to be utilized, specifically in 2022. Chief Van der Veen will check with finance about providing the requested information.

STATION MAINTENANCE ISSUES

Chief Van der Veen noted that although there is enough growth in the Semiahmoo area to justify keeping Semiahmoo Station 62, due to the levy failure there are no funds to staff this station. Birch Bay Station 63 was built as a volunteer station and also cannot accommodate an additional ambulance crew, Chief Van der Veen stressed the importance of having an updated facility in the Birch Bay/Semiahmoo area since it is on the growth path.

Chairman Ansell questioned if mitigation funds could be utilized if the District was preparing for the future and seeking to upgrade those stations where growth is expected. Other questions regarding what types of upgrades would be allowed or if mitigation fees were only earmarked for building new stations? Examples included repairing stairway and door rot, bay door, and exhaust system replacement. The question regarding upgrades will be forwarded to the attorney for clarification.

Chief Van der Veen mentioned that fire districts may be receiving funding from the County EMS levy in the future to reimburse Basic Life Support (BLS) services on a yearly basis. These funds will provide much-needed funding to allow districts to support the Advanced Life Support (ALS) program in the County. The Whatcom County Fire Chiefs are expected to have additional discussions during their December meeting.

Chairman Ansell plans to have additional discussions regarding future funding with EMS Director Mike Hilley prior to the Whatcom County Fire Chiefs' Meeting.

Chairman Ansell noted that the funding for the EMS levy is collected via tax dollars countywide as well as GEMT monies. The County has collected monies far beyond what had been expected, resulting in a surplus of funds that has yet to be earmarked. Some funds will be encumbered if the upcoming County EMS levy renewal does not pass, although enough monies would remain to cover BLS expense reimbursement countywide. More information is expected in the near future.

DISTRICT 21 FORECASTED REVENUE

The overall projected 2022 revenue for District 21 is \$9,934,688. (\$6,597,438 from taxes and \$2,303,895 from District 4)

Chief Van der Veen reported on the taxes the County expects the district to receive in 2022.

Due to how BLS transport fees are now being calculated, those fees are expected to increase in 2022, while GEMT revenue is expected to decrease. GEMT is a federal program that the district is receiving, although it was noted that it is not permanent and unknown how long the program will last.

Chief Van der Veen reviewed the District 4 contract for service fee, which is \$2,303,895.00. The majority of that money is spent on twelve firefighters and an engine. District 4 is responsible for their one employee, election costs, audit, and legal fees in addition to the contract for services. Chief Van der Veen noted that the cost is a true number than what had been presented in the past.

Chief Van der Veen has met with Chairman Ansell, District 4 Commissioner Lann, and Commissioner Cooley separately to review the 2022 contract for services payment.

DISTRICT 21 SUMMARY EXPENDITURES

Chief Van der Veen reviewed the 2022 expenditures per division (salaries/benefits/operations). Chief Van der Veen noted that without the passing of the levy lid lift, the district's operations will remain status quo.

Chief Van der Veen pointed out that although the district budgeted \$1,781,000 for an engine and two aid units in 2020, which never arrived until the following year, the amount was rolled over to 2021. The \$379,500 budgeted in 2022 is for a third aid car. There is currently a backlog of aid units that may take up to two years to receive, so the district will most likely begin an additional aid car order process in 2022.

With the increased call volume, the district continues to accumulate high miles on even the newer aid units.

Legislative/Administration Division

- \$1,030,526
- Election fees increased from \$30,000 to \$75,000.
- Audit fees increased from \$15,000 to \$40,000.
- Five percent pay increases for all admin staff, which follows the current labor contract.

Operations Division

- \$7,195,992
- There is a slight decrease in salaries due to three senior retirements, even with the five percent increase.
- Slight increase in benefits.
- Slight increase in EMS supplies.
- Adding funds to the overall operations of the fire district
- Training captain assessment center in January 2022 (all outside candidates).
- Overtime for Battalion 76 (B76) coverage.

Currently, the NWFR fire chief and division chief along with the assistant chief from the and Lynden Fire Department share the B76 duty rotation. Chairman Ansell noted that his goal is to relieve Chief Van der Veen of some or all of the B76 duties so he can focus on running the district. The Board and Labor Representative Scott Brown concurred. The fire chief will continue to respond to significant calls. Chairman Ansell requested that potential B76 funding be included in the budget.

Prevention Division

- \$184,562
- Increase in CPR budget from \$2,000 - \$4,000.

Training Division

- \$268,556
- Money allocated for North Bend Recruit Academy for any needed new hires of up to four firefighters.

Facilities

- \$335,550
- Increases in electricity and natural gas.
- Maintenance service contract (\$50,000) for regularly yearly scheduled routine maintenance.

Chairman Ansell noted that many of the facilities are in dire need of repair due to past management. Chief Van der Veen announced that the antiquated phone system is only marginally functional and will need to be replaced in the near future. It was stated that the longer routine maintenance is postponed, the more it will cost overall.

Chairman Ansell questioned if monies could be utilized from the capital facilities fund to complete more urgent repairs. Chief Ward noted that some of those funds have been earmarked for repairing the Birch Bay Station 63 tower.

Chief Van der Veen noted that budget amendments can be approved by the Board, as needed, throughout the year, allowing the public to see how and what the fire district utilizes its savings.

Chairman Ansell stated the importance of the fire chief to be able to do his job utilizing the funds available.

Commissioner McMurray questioned if some contracts could be renegotiated and spread out more evenly throughout the year. Chairman Ansell noted that the district is somewhat constrained since it is a public entity. However, Chief Ward is working diligently to streamline suppliers and reduce specific bills. The District will continue to look at all options.

Chief Van der Veen agreed to discuss costs with the information technology (IT) vendor.

Vehicle Maintenance

- \$539,994
- Cost of operation increasing due to the age of apparatus.
- Hiring a second mechanic to replace the one that retired in October.
- Increase in engine maintenance.
- Industry-wide increase in vehicle and facility insurance. (up to 17%)
- Shifted funds from gasoline to diesel. (aid units use gas)

Capital Projects Division

Chief Van der Veen reviewed the expected capital projects for 2022.

- Painting at Odell Station 61 and possibly Britton Loop Station 12. (\$50,000)
- Furniture replacement, including all mattresses and recliners. (\$12,000)
- Bunker gear protective equipment (\$20,000)
- Communication equipment (\$9,000)
- Computer equipment for replacing workstations on a specific timetable to not overburden the District. (\$10,000)
- Ambulance – funds rolled over from 2021. (\$230,000)

- Adding fire hose to the fleet via a five-year replacement schedule. (\$3,500)
- Portable rescue saws replacement (\$10,000)
- Stryker power load system for new ambulance. (\$35,000)

Commissioner Crawford suggested donating unneeded station equipment such as beds and recliners to local agencies once they have been surplused. Chief Van der Veen will include a surplus resolution at the December 16, 2021, Board meeting. The labor group may be amenable to assisting with relocating the equipment.

Chief Van der Veen reminded the Board that the County purchases the Stryker gurneys, however, each district is responsible for purchasing each ambulance's power load system.

Vice-Chairman Bosman arrived at 11:50 a.m.

Chief Van der Veen reviewed the employee total compensation and benefits for 2022 (almost \$8,000,000). The costs include increased budgeted overtime, two firefighter vacancies that are not expected to be filled. As per the current labor contract, wages will increase by five percent. Labor and Industries (L&I) costs will increase by three-and one-half percent.

FUTURE FUNDING/FINANCIAL PLANNING

Chief Van der Veen expressed his frustration noting that the district is not where he expected it to be at this time. Since the district has so many needs, he requested guidance and direction from the Board moving forward.

Chief Van der Veen reviewed an article he had recently read regarding the "Death of a Contract," which discussed how two communities in Washington state had attempted to merge even though they had completely different tax rates and differing political opinions.

Chairman Ansell noted that it is evident from the levy lid lift results that a good portion of the district, including precincts in District 4, want the district to continue with the same service without any additional funding.

Vice-Chairman Bosman noted that the challenge will be to improve and move forward with declining revenue. He further stated that the district cannot stand still.

Chairman Ansell noted that the strategic plan outlines what the district needed to do to move forward, however past chiefs, for whatever reasons, did not reflect those improvements in the previous budgets, nor were there any in-depth discussion on how to increase revenue. Vice-Chairman Bosman noted that the district might need to prioritize its needs, which could prove painful.

Consequences will most likely include Washington State Rating Bureau (WSRB) increases during the upcoming rerate, which will significantly affect homeowner's insurance rates. Chairman Ansell further stated that the district cannot continue to respond to multiple concurrent calls for assistance in a timely manner.

Chairman Ansell voiced his frustration that during the recent flooding and during COVID-19, the first responders continued to assist the public beyond the norm, yet nobody foresaw the need to pay for the service ahead of time. Chairman Ansell believes that there is a lack of understanding by the citizens. Incorrect information that was disseminated throughout the community by no one

specific source and assessed property values increases sent out right before the November election, were not beneficial.

There was discussion regarding using random properties throughout the district and comparing their fire property tax increases in the past five years along with what firefighters actually do, which could be utilized for community education in the future. Chairman Ansell noted that the district cannot ignore the current political climate.

Chairman Ansell announced that he has recently made contact with a national reporter who has agreed to review district information such as the Emergency Services Consulting International (ESCI) report and the district election video and offer an outside view. Chairman Ansell will report on her findings.

Chairman Ansell stated that in his opinion, the district should not remain status quo, and that it is up to the Board to figure out how to attain additional funding.

RECESS

Chairman Ansell recessed the meeting at 12:29 p.m.

MEETING RECONVENED

Chairman Ansell reconvened the meeting at 12:58 p.m.

FUTURE FUNDING/FINANCIAL PLANNING CONT.

The district covers a lot of rural areas. Chief Van der Veen stated that the district's levy rate is currently at \$1.02. After an in-depth search, Chief Van der Veen could not find where former District 3 had ever run a levy lid lift in the past. Vice-Chairman Bosman, a former District 3 commissioner, concurred and further stated that many community members/businesses donated funds as specific needs arose in those early days. Chief Ward noted that in the past districts could take a higher percentage of taxes to keep them afloat.

Chief Van der Veen stated that he does not believe it wise to run another levy lid lift at this time, nor should the district compete with the upcoming library levy or Whatcom County EMS levy renewal. The district may receive BLS reimbursements from the Whatcom County EMS council in the future.

District 7 Chief Hoffman suggested funding the day-to-day operations through a levy and anything else through a bond measure, so that people know precisely how the money will be spent.

It may take an increase in property insurance rates for the community to begin to ask clarifying questions.

In the interim, there was discussion regarding how to make up the gap, including charging an additional fee for car accidents, hazmat, or false alarms and utilizing collection agencies to those who do not pay their BLS transport fees. The district already collects property taxes for fires, BLS transport, and GEMT funds.

The administrative staff will investigate all options during the first quarter.

There was a discussion regarding House Bill 1310. With law enforcement not responding to specific calls, the district has seen a twenty percent increase in call volume, which is more complex. The concurrent calls are also increasing as a result.

Chief Van der Veen noted that his goal is to provide the same level of service, while keeping all members employed and healthy. Chief Van der Veen announced that the potential increase in staff mental health issues due to responding to specific types of calls is also a considerable concern. The administration and the labor group are currently discussing various mental health avenues for members to pursue when needed. The Board concurred.

There was discussion regarding the aging fleet and how it is becoming more difficult to acquire parts for those vehicles.

Possible Station Sale

A local community business has expressed interest in purchasing Wisner Lake Station 70. There was also a discussion regarding possibly renting the station.

The group discussed Haynie Station 65, which currently does have volunteers responding from the station. The City of Blaine Radio Group also stores radio equipment at the station.

BLS Transport Fees

The group discussed increasing the BLS transport fees to align with comparable and local fire departments effective January 1, 2022. (\$653.00 to \$725.00)

District 4 Interlocal Contract for Services Amendment for One Year Extension

Chairman Ansell reminded the Board that the previous District 4 Board had sent a letter terminating the original contract for services agreement which becomes effective December 31, 2021. The group discussed a one-page draft District 4 interlocal contract for services amendment for a one-year extension. It is expected that both North Whatcom Fire and Rescue and District 4 will have a joint special meeting to discuss the proposed draft agreement.

ACTION ITEMS

Wisner Lake Station 70: market analysis.

Haynie Station 65: Contact City of Blaine Radio Group (Brian King) regarding storing items at the station.

BLS transport fee increase: Present resolution for approval during December 16, 2021, meeting.

Contact Attorney Matt Paxton to review the District 4 Interlocal Agreement (ILA) contract for services amendment to extend the contract for one more year until December 31, 2022.

Contact the national reporter who offered to review district information provided during the levy lid lift campaign.

Investigate additional funding options during the first quarter of 2022.

Further discussion regarding Battalion 76 duty rotation.

Chart how much GEMT money has been collected and how it has been spent.

ADJOURNMENT

MOTION: There being no further business Chairman Ansell moved to adjourn the meeting at 2:26 p.m. The motion was seconded by Commissioner Crawford 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

Kimberly McMurray, Commissioner

Jason Van der Veen, Fire Chief