

BAINBRIDGE ISLAND FIRE DEPARTMENT

BOARD OF COMMISSIONERS

Meeting Minutes

October 16, 2019

Acting Chair Scott Isenman called the meeting to order at 6:30 PM. Present were Commissioners Gina Batali and Tim Carey; Fire Chief Hank Teran; Deputy Chief Jared Moravec; Finance Manager Ed Kaufman; and other Department members. Commissioners YongSuk Cho and Fritz von Ibsch were excused.

AGENDA ADDITIONS & DELETIONS

Chief Teran added a discussion of a Puget Sound Energy (PSE) request for information to the *Emerging Issues* section in the Fire Chief's Report.

FIRE CHIEF'S REPORT

- Construction update: Chief Teran briefed the Board on a punch list inspection of Station 22 conducted by the Build Team, including Commissioners Carey and von Ibsch, and representatives of Mackenzie and MZT. 221 items were inspected, of which, approximately 5% were deemed as needing further correction. The Team will provide feedback to MZT for final corrective measures.

The Build Team and Brett Hanson of Mackenzie also inspected the five remaining items at Station 21. Mackenzie will provide feedback on the items and will provide that feedback to Forma for final corrective measures.

- Audit update: Finance Manager Kaufman provided an update on the 2017-2018 audit. Staff anticipates receiving the final audit report from the State Auditor's Office by the end of October.
- WSRB update: DC Moravec briefed the Board on the on-site visit by a representative of the WSRB on October 15. Staff anticipates receiving a rating report from the WSRB by the end of 2019.
- Deputy Fire Marshal introduction: Chief Teran introduced Jackie Purviance (via photo) to the Board. Jackie first day as Deputy Fire Marshal for the Department was October 7th.
- Fire Inspector selection: Chief Teran also announced that FF/EMT James Lee was selected to fill the Fire Inspector position for two years beginning in January, 2020.
- COBI Fireworks Ordinance: Chief Teran briefed the Board on the City Council's action, taken on October 8 to ban personal fireworks. The ordinance will take effect in January, 2021.
- Fire Administration training: Finance Manager Kaufman noted recent training attended by administrative staff at the Washington Fire Administrative Support conference.
- FPI attendance: Chief Teran noted upcoming training at the Fire Prevention Institute that will be attended by five members of the Department.
- Pancake Breakfast summary: Chief Teran provided a summary of Pancake Breakfast activities highlighted by 1,400 breakfasts being served, 1,500 fire truck

rides and a visit by Washington Governor Jay Inslee. Next year's event will be the 25th anniversary of the annual Pancake Breakfast.

Emerging Issues

- Closest unit update: DC Moravec briefed the Board on early closest unit statistics. Closest unit was turned on September 4th. Although the sample size is small, early indications are that response time has been reduced by approximately one minute.
- PD boat update: DC Moravec also briefed the Board on the status of the Police Department boat, Marine 8. The retrofit with the fire pump has been completed and the BIPD expects the boat to be returned to the Island within a week.
- Thurston County ballot measure: Thurston County will be asking voters to approve a 1/10th of 1% increase in taxes for improved 911 dispatch services. Kitsap 911 is considering a similar measure in 2020 and will use the Thurston County election as a preview of voter support.
- Puget Sound Energy RFI: PSE has issued an RFI for community-located distributed solar sites. Chief Teran has requested additional information regarding the RFI and will report back to the Board at a later meeting on this subject.

GOOD OF THE ORDER

Commissioner Isenman noted the upcoming KCFCA meeting on October 29th, hosted by BIFD. The education topic will be a presentation by Life Flight.

Chief Teran noted the "Service Above Self" award presented to VPC Jay Rosenberg by the Rotary Club of Bainbridge Island.

Commissioner Isenman noted a recent CPR class taught for members of the Eagle Harbor Yacht by Special Volunteer Jack Metz.

CITIZEN COMMENTS OR DISCUSSION

None

CONSENT AGENDA

(Vouchers totaling \$71,892.96, Meeting Minutes 10/2/2019.) Commissioner Carey moved to approve the Consent Agenda as presented. Commissioner Batali seconded the motion and the motion passed unanimously.

BUSINESS AGENDA

1. 2020 Draft Budget

Finance Manager Kaufman presented the 2020 Draft Budget for the Board's consideration. The draft budget reflects increased revenue as a result of the renewal and resetting of the EMS levy at \$0.40 by voters as well as an increase in projected transport billing fees. Personnel costs remain the largest expenditure, 86%, in the budget. Total Expense Fund expenditures are projected to exceed \$11 million with revenues of \$12 million. Total Capital Fund expenditures are projected to be approximately \$1 million. Please see the attached 2020 Draft Budget Summary Board Information sheet for budget details. Board action on the final 2020 budget is expected at the November 6 BOC meeting.

ADJOURNMENT

The meeting was adjourned at 7:11 PM.

Submitted by:

A handwritten signature in black ink, appearing to read 'H. Teran', written over a horizontal line.

Henry A. Teran, Board Secretary

Approved

November 6, 2019

Bainbridge Island Fire Department

BOARD INFORMATION

October 16, 2019

SUBJECT: 2020 DRAFT BUDGET

EXPENSE BUDGET:

The attached 2020 draft budget is presented for the Board's review and consideration. Final action on the budget will take place at a subsequent Board meeting.

Personnel costs remain the largest portion of the Department's budget (86%). The voter approved, multi-year levy lid lift in 2015 was designed to allow the Department to increase revenue at a rate consistent with that of salary increases due to COLA. This objective will be met in 2020 with an increase in the general levy of 2.2%. The 2020 budget is consistent with the Department's 10-year planning projections.

Revenue

Revenue projections for 2020 indicate an increase of approximately 16.0% (\$1,667,913) over 2019. This is a result of an increase in our general fire levy of 2.2% (COLA), a voter approved resetting of our EMS levy at \$0.40 and a recalibration of transport billing fees due to the inclusion of BLS transports and associated GEMT revenue. In addition, taxed assessed property values on Bainbridge Island increased 9.7% from 2019 and approximately \$113,000 of new construction revenue was added.

2020 REVENUE			
	2019	2020	± % Change
General Fire Levy	\$ 6,739,655	\$ 7,024,681	+ 4.2%
EMS Levy	\$ 2,689,960	\$ 3,688,887	+ 37.1%
Other Revenue	\$ 972,000	\$ 1,355,960	+ 39.5%
2018 TOTAL REVENUE	\$10,401,615	\$12,069,528	+ 16.0%

Expenses

The total 2020 expense budget is \$11,097,219, a 7.0% increase over the 2019 budget. Changes from 2019 include a 5.0% increase in personnel expenses, a 5.2% increase in non-personnel expenses and a 29.4% increase in transfers to other funds, primarily the Capital Fund. Personnel expenses continue to represent 86% of the operating budget, the same as 2019. 2020 expenditures include an operating budget of \$9,997,219 and transfers to other funds of \$1,100,000.

The breakdown of personnel and non-personnel costs, as well as the total Expense Fund budget is detailed below.

2020 EXPENSES			
	2019	2020	± % Change
Personnel	\$ 8,164,370	\$ 8,574,623	+ 5.0%
Non-Personnel	\$ 1,351,930	\$ 1,422,596	+ 5.2%
Transfers to Other Funds	\$ 850,000	\$ 1,100,000	+ 29.4%
2020 TOTAL EXPENSES	\$10,366,300	\$11,097,219	+ 7.0%

Items of note:

- Personnel salaries have increased 2.2% for COLA.
- BIFD is projecting a 10% increase in medical premiums for 2020. Actual figures will be available prior to final approval of the budget in November.
- Cost Center 310 Fire Operations: 2.1% increase due to personnel costs.
- Cost Center 320 Community Risk Reduction: 20.3% increase due to funding of an update to the Community Wildfire Protection Plan (\$20,000).
- Cost Center 360 Emergency Medical Services: 15.1% increase due to additional EMS equipment purchases and additional gear for the backup Aid Car.
- Cost Center 500 Training & Safety: 7.9% increase due to funding of the Training Facility Master Plan (\$10,000), and additional training for administrative staff.
- Cost Center 700 Facilities & Grounds: 23.8% increase due to deferred maintenance for Station 23 (\$30,000), and increased grounds maintenance costs.
- Cost Center 750 Communications & Information Technology: 14.0% increase due to County-wide dispatching system upgrades with Kitsap 911 (\$21,300), increased cellular technology and fiber optics costs (\$7,400).
- Cost Center 850 Fire Code Management: 12.7% increase due to personnel costs.
- Cost Center 900 Legislative: 62.2% decrease due to no budget allocation for election costs in 2020.
- Cost Center 910 Administrative Personnel: 9.5% increase due to personnel costs.
- Cost Center 915 General Business: 21.7% decrease due to reduction of anticipated Professional Services in 2020 (\$85,000).
- Cost Center 940 Volunteer Services: 50.3% increase due to projected participation in Volunteer/ Candidate Reimbursement (\$55,000), and training costs (\$20,000).

Transfers

Fund transfers include \$100,000 to the Reserve Fund (90839) for unrealized liabilities and \$1,000,000 to the Capital Fund (90841) for ongoing capital apparatus and equipment. These transfers from the Expense Fund are consistent with current 10-year plan projections.

Fund Balance:

The proposed 2020 budget includes revenues/transfers of \$12,129,528 and expenses of \$11,097,219, producing a surplus budget (\$1,032,309) exceeding projections in the Department's 10-Year plan (\$787,000) at the time of the EMS Levy renewal in February, 2019. The significant increase in revenue in 2020 is expected due to the voter approved reset of the EMS levy at \$0.40 per \$1,000 of assessed property value. The 10-Year financial projections indicate surplus budgets for approximately 5 years before the onset of deficit budgets. The Fund balance created by the surplus budgets will allow the Department to delay requests of voters for additional funding for approximately 10 years as planned.

CAPITAL BUDGET:***Revenue:***

Capital revenue includes a \$1,000,000 transfer from the Expense Fund (90838) to pay for capital expenses such as apparatus or other equipment replacement as scheduled.

Expenses:

Capital Expense budget is \$1,043,200. Major capital expenditures in 2020 include scheduled replacement of an engine (\$700,000) and staff vehicle (\$40,000) along with scheduled suppression (\$33,200), EMS (\$80,000) and communications (\$100,000) equipment.

RESERVE FUND:

Fund #90839 is used to provide for compensated absences, such as sick leave payouts for retiring Department members. Revenue includes a \$100,000 transfer from the Expense Fund (90838). The Department anticipates one staff retirement in 2020.

BOND FUND:

Fund #90840 is the Department's debt service fund. Revenue of \$1,109,038 will be collected as an assessment from taxpayers to cover principal (\$620,000) and interest (\$489,038) bond payments in 2020.

Conclusion:

The 2020 Budget has been constructed to meet the projected expense obligations of the Department in 2020, given the projected revenue. It is also designed to fulfill the Department's future obligations, including the sustainability of the staffing model as outlined in the Strategic Plan. It is staff's opinion that the budget presented meets these goals.

Submitted for review by: Fire Chief Hank Teran