

BAINBRIDGE ISLAND FIRE DEPARTMENT

BOARD OF COMMISSIONERS

Meeting Minutes October 17, 2018

Chair Scott Isenman called the meeting to order at 6:30 PM. Present were Commissioners Gina Batali, Tim Carey, YongSuk Cho and Fritz von Ibsch (via phone); Fire Chief Hank Teran; Deputy Chief Jared Moravec; Volunteer Program Coordinator Jay Rosenberg; Finance Manager Ed Kaufman; and other Department members.

AGENDA ADDITIONS & DELETIONS

The Chair added an Executive Session per RCW: 42.30.110 (1)(g) to review the performance of a public employee. The Executive Session was added to follow Business Agenda item #3.

EXECUTIVE SESSION

At 6:30 PM, the Chair called for an Executive Session to last for 30 minutes. The Session was called per RCW: 42.30.110 (1)(d), to review negotiations on the performance of a public contract.

The Executive Session was extended by 15 minutes at 7:00 PM. The Session was extended by another 15 minutes at 7:15 PM. Open session resumed at 7:30.

FIRE CHIEF'S REPORT

- Fire station construction update: Construction Project Manager Charlie Demming provided an update on the station construction project including the following:
 - Framing continues on Station 22. Sheeting will be completed this week.
 - Roofing will be installed in the next several weeks.
 - Station 22 should be weathered in by early November.
 - MZT has been proactive in applying lessons learned from Station 21.
- Lieutenant promotion: Chief Teran provided a recap of the promotion ceremony held on October 15 for Lieutenant Justin Foley, promoted to lieutenant at the end of August.
- Firefighter hiring update: DC Moravec briefed the Board on the current FF/EMT hiring process. A lateral FF/EMT is scheduled to begin employment with BIFD on October 18 and it is anticipated that one more FF/EMT slot will be filled in early November by our volunteer membership.
- Pancake Breakfast summary: Chief Teran thanked the Board for assisting with the Pancake Breakfast on October 13. Approximately 1,600 breakfasts were served along with 40 fire truck rides.
- FPI training: Chief Teran and four other Department members will be attending the Fire Prevention Institute conference from October 22-26. The Chief will provide a summary of the conference at a future BOC meeting.
- MTAC meeting summary: Chief Teran attended the Multi-Modal Transportation Advisory Committee meeting on October 10. The Department intends to remain

active with this committee with regards to transportation safety issues on the island.

- November BOC meetings: Chief Teran reviewed the remaining 2018 scheduled Board meetings with the Commissioners. The November 21 meeting will be cancelled due to the Thanksgiving Holiday and the meeting scheduled for December 19 may be cancelled if Department business for 2018 can be completed at the December 5 meeting.
- 2019 BOC Chair assignment: the Chair asked the Commissioners to begin to consider who should act as Chair in 2019. A decision will be made prior to the end of 2018.

GOOD OF THE ORDER

Commissioner Isenman noted the FF Stairclimb exhibit that was on display at the Pancake Breakfast.

CITIZEN COMMENTS OR DISCUSSION

None

CONSENT AGENDA

(Vouchers totaling \$905,527.76, Meeting Minutes 10/3/2018). Commissioner Batali moved to approve the Consent Agenda as presented. Commissioner Cho seconded the motion and the motion passed unanimously.

BUSINESS AGENDA

1. 2019 DRAFT Budget

Finance Manager Kaufman presented the 2019 Draft Budget for the Board's consideration. The budget includes an operating budget with revenues of \$10,351,615 and expenses of \$10,351,068. Expenses are an increase of 0.6% from the mid-year adjusted 2018 budget. The Capital budget includes funds necessary to complete the construction of the Bucklin Hill fire station as well as appropriations for new apparatus and equipment. The presented budget is consistent with the Department's 10-year financial planning projections. Please see the attached Board Information Sheet for more detail of the 2019 Draft Budget. Staff intends to present the final budget for consideration to the Board on November 7.

2. New Recruit Acceptance

Chief Teran requested the acceptance of two new Special Service Volunteers; Walter Bale and Lisa Thomas. Both Special Service Volunteers will assist the Department with its critical incident stress management program. Commissioner Isenman moved to accept the two new Special Service Volunteers as presented. Commissioner Batali seconded the motion and the motion passed unanimously.

EXECUTIVE SESSION

At 8:22 PM, the Chair called for an Executive Session to last for 10 minutes. The Session was called per RCW: 42.30.110 (1)(d), to review negotiations on the performance of a public contract.

The Executive Session was extended by 5 minutes at 8:32 PM. Open session resumed at 8:37.

BUSINESS AGENDA

3. COBI Fire Safety Services ILA

Chief Teran requested authority to enter into a new, three year Interlocal Agreement with the City of Bainbridge Island to provide fire safety services. The new contract would begin in 2019. Commissioner Carey moved to authorize Chief Teran to enter into an ILA with the City of Bainbridge Island for fire safety services as presented. Commissioner Cho seconded the motion and the motion passed unanimously.

EXECUTIVE SESSION

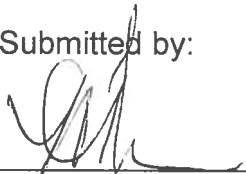
At 8:40 PM, the Chair called for an Executive Session to last for 10 minutes. The Session was called per RCW: 42.30.110 (1)(g), to review the performance of a public employee.

The Executive Session was extended by 5 minutes at 8:50 PM. Open session resumed at 8:55.

ADJOURNMENT

The meeting was adjourned at 8:55 PM.

Submitted by:



Henry A. Teran, Board Secretary

Approved

November 7, 2018

Bainbridge Island Fire Department

BOARD INFORMATION

October 17, 2018

SUBJECT: 2019 DRAFT BUDGET

EXPENSE BUDGET:

The attached 2019 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 2019 with an increase in the general levy of 3.6%. The 2019 budget is consistent with the Department's 10-year planning projections.

Revenue

Revenue projections for 2019 indicate an expected increase of approximately 4.7% (\$461,032) over 2018. This is a result of an increase in our general fire levy of 3.6% (COLA) and an increase in our EMS levy (1%) as allowed by statute. New construction revenue of approximately \$117,000 was added in 2018.

2019 REVENUE			
	2018	2019	± % Change
General Fire Levy	\$6,441,219	\$ 6,739,655	+ 4.6%
EMS Levy	\$2,636,542	\$ 2,689,960	+ 2.0%
Other Revenue	\$ 812,822	\$ 922,000	+ 13.4%
2018 TOTAL REVENUE	\$9,890,583	\$10,351,615	+ 4.7%

Expenses

The total 2019 expense budget is \$10,351,068, a 0.6% increase over the mid-year adjusted 2018 budget. Changes from 2018 include a 2.9% increase in personnel expenses and a 6.3% increase in non-personnel expenses. Personnel expenses represent 86% of the operating budget, the same as 2018. 2019 expenditures include an operating budget of \$9,501,068 and transfers to other funds of \$850,000.

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

2019 EXPENSES			
	2018	2019	± % Change
Personnel	\$ 7,914,024	\$ 8,142,838	+ 2.9%
Non-Personnel	\$ 1,277,541	\$ 1,358,230	+ 6.3%
Transfers to Other Funds	\$ 1,100,000	\$ 850,000	-22.7%
2019 TOTAL EXPENSES	\$10,291,564	\$10,351,068	+ 0.6%

Items of note:

- Personnel salaries have increased 3.6% for COLA.
- BIFD is projecting a 10% increase in medical premiums for 2019. Actual figures will be available prior to final approval of the budget in November.
- Personnel assumptions in Cost Center 310 *Fire Operations* include budgeting for full staffing of 12 members per shift.
- Personnel adjustments include: the Community Risk Reduction Coordinator added to Cost Center 320; the Deputy Fire Marshal added to Cost Center 850; and, the elimination of the Assistant Chief and Executive Assistant positions from Cost Center 910.
- Cost Center 360 *EMS* indicates an 11% increase from 2018 primarily due to increased ferry expenses due to a rise in transports.
- Cost Center 700 *Facilities & Grounds* indicates an 18.5% increase due to costs associated with maintenance and utilities for new Station 21 and 22.
- Cost Center 900 *Legislative* includes \$40,000 for February and November election costs.
- Cost Center 910 *Administrative Personnel* has decreased 16.9% due to the elimination of the Assistant Chief and Executive Assistant positions.
- Cost Center 915 *General Business Expense* indicates 7.1% increase due to a rise in 3rd party billing fees associated with an increase in BLS transports and higher general liability insurance expenses associated with the new stations.

Transfers

Fund transfers include \$100,000 to the Reserve Fund (90839) for unrealized liabilities, \$250,000 to the Capital Fund (90841) for ongoing capital apparatus and equipment purchases and an additional \$500,000 to Capital for anticipated Station 22 construction expenses. These transfers from the Expense Fund are consistent with current 10-year plan projections.

Fund Balance:

The proposed 2019 budget includes revenues of \$10,351,615 and expenses of \$10,351,068, a balanced budget consistent with projections in the Department's 10-Year plan.

CAPITAL BUDGET:

Revenue:

Capital revenue includes a \$250,000 transfer from the Expense Fund (90838) to pay for non-bond related capital expenses such as apparatus or other equipment replacement as scheduled.

Expenses:

All capital facilities bond related expenses will be paid out of the Department's existing Capital Fund (90841) with funds transferred from Fund 90843 as expended. All non-bond related expenses (\$463,000) will be paid out of the existing Capital Fund balance. These expenses include the purchase of a new Tender and the financing of a new Engine. The debt service for financing of a new Engine through the Local Program administered by the State Treasurer's office, will be approximately \$75,000 per year beginning in 2020. The financing of this apparatus over ten years, estimated purchase cost of \$650,000, will provide flexibility for the Department in managing its cash flow over the next decade.

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 does not anticipate any staff retirements in 2019.

BOND FUND:

Fund #90840 is the Department's debt service fund. Revenue of \$1,108,538 will be collected as an assessment from taxpayers to cover principal (\$590,000) and interest (\$518,538) payments in 2019.

Conclusion:

The 2019 Budget has been constructed to meet the projected expense obligations of the Department in 2019, 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 those goals.

Submitted for review by: Fire Chief Hank Teran
