

WAKE COUNTY FIRE COMMISSION

Thursday, May 14, 2015

Adopted Minutes

(Audio Replays of the meeting are available upon request)

A meeting of the Wake County Fire Commission was held on Thursday, May 14, 2015, 7:00 PM, in the Wake County Commons Building, Cary Drive, Raleigh, North Carolina.

CALL MEETING TO ORDER

Commission Chair Lucius Jones called the meeting to order.

The following members were present: Chair Lucius Jones, Chief David Price (South Region Alternate), Chief Tim Pope (North Region), Chief Garland Johnston (West Region Alternate), Chief Chris Perry (East Region Alternate), Billy Myrick (Citizen Consumer), and John Burns (Wake County Commissioner).

The following members were absent: Judge Michael Denning (Citizen/Consumer), Chief Tony Mauldin (South Region Alternate), Chief Todd Wright (West Region), Chief Rodney Privette (East Region), Lee Price (Firefighters Association President), Judge Keith Gregory (Citizen/Consumer), Bob Stagg (Citizen Consumer), Ricky Wright (Citizen Consumer), Chief Ron Early (North Region Alternate), and Matt Calabria (Citizen Consumer).

The following County officials and staff were present: Interim Fire Services Director Charlie Johnson, Wake County Budget Director Michelle Venditto, Budget and Policy Analyst Michael James, Emergency Services Manager Demetric Potts, Darrell Alford (Fire Services) and Cliff Freeman (Fire Services).

Vice Chair Billy Myrick gave an invocation.

ITEMS OF BUSINESS

APPROVAL OF AGENDA

Upon motion of David Price and second by Chief Chris Perry, the Fire Commission unanimously approved the Agenda.

ADOPTION OF MINUTES

Upon motion of Billy Myrick and second by Chief David Price, the Fire Commission unanimously approved the minutes from the January 16, 2015 meeting.

REGULAR AGENDA

CONSIDERATION OF FIRE TAX DISTRICT BUDGET COMMITTEE AND STAFF FY 2016 OPERATING BUDGET AND FY16 - FY22 FIRE CIP

Wake County Budget Director Michelle Venditto presented the Budget Committee and Staff recommended FY 2016 Operating Budget and FY16-22 Fire CIP to the members of the Wake County Fire Commission. The following is a summary of the information presented:

Operative Policy Assumptions

- The single fire tax district created by the Board of Commissioners in 1999 should fund the full cost of fire service to residents of district, which contains all unincorporated areas as well as the Town of Wendell.
 - Any subsidy from the General Fund would mean municipal residents paying for the cost of fire protection of unincorporated areas.
- When the County assumes the role of fiscal agent for Countywide public safety projects or operations, the Fire Tax District should be treated the same as municipal fire departments for the purposes of cost allocation.
 - A good example of this is the 800 MHz Operating Budget, in which user costs are allocated to both municipal and County users based on defined criteria.
- The Fire Tax District Budget should be balanced, sustainable, and reflect the priorities of the Board of Commissioners as advised by the Fire Commission.
 - By policy, a sustainable budget means that the ending balance for the Fire Tax fund represents a minimum of 16% of the subsequent fiscal year's operating budget.
 - A sustainable budget and fire tax model reflects:
 - Realistic revenue growth assumptions based on the current tax rate
 - Realistic expenditure growth assumptions
 - An assumed operating/capital distribution needed to meet fire debt and capital obligations in the Fire CIP

Operating Budget Assumptions

- Use of Fund Balance: \$673,220
- Sustainability through FY18, given base assumptions
- The FY 2016 Base Budget reflects:
 - FY 2015 Adopted Budget plus Annualization of Merit for FY16 Allocated to Regular Salaries, FICA, Retirement, 401(k)
 - Overtime Held Constant with FY15
 - Part-time Held Constant with FY15
 - Wake Forest Board Compensation Held Constant with FY15
 - Health Insurance 20% Growth
 - Longevity, Life Insurance, Dental, Worker's Comp, Unemployment Comp, Volunteer Comp, State Pension, Long-term Disability taken from Department Submissions
 - Merit of 3% Added (Final To Be Determined)
 - Assume same department revenue as FY15

Suspension of Sustainability Policy

- The FY 16 Budget temporarily suspends the Fire Commission's 5-year fund balance sustainability policy. The fund is currently projected to be sustainable through FY 2018 (3

years). In FY 2019, the ending fund balance is projected to dip below the goal of 16% of the subsequent year's operating budget.

Fire CIP (Approved by unanimous vote of the Budget Committee)

- Use of Uncommitted Funds: \$1,060,593
- FY16 projected to end at \$2,179,015
- Wendell Falls: Maintains funding for Wendell Falls acquisition in FY 17 in alignment with EMS County CIP; Prior Year Appropriation of \$350,000 - \$347,800 remains
- Bay leaf Rescue Truck: Includes the acquisition of Bay leaf Rescue 36 in FY 16 via cash with debt financing to reimburse CIP in FY 17 with other debt financings
- Defibrillators: Suspends Department acquisitions of FY 15 funded defibrillators to join the EMS RFP pricing; Equipment committee will identify a plan to replace defibs

FY15 Appropriation (Defibs Project # 062F)	Defibrillator	\$111,392
FY16 Funding	Defibrillator Planned	\$27,862
Pre-FY15 (Defibs Project # 062F)	Available Balance	\$51,598
Defibrillator Funding	Available	\$190,852

- Delays replacement of Holly Springs Engine 3 to FY 17 per request from department

Long Term Challenges

- The current funding model is not sustainable. Expenditures exceed anticipated revenues over the duration of the five-year sustainability timeframe, managed by responsible spending down of excess fund balance.
- A focus on cost savings and/or cost containment is needed in the following areas:
 - Identify appropriate number and specifications for minimum number of apparatus for the system, regions, and departments/stations
 - Develop a staffing standards and operating expense standards for the fire tax system
 - Evaluate options for pooling of health insurance for a better rate (on average)
 - Increase bulk procurement of apparatus on a competitive procurement basis
 - Responsible, collaborative planning for new station locations to minimize coverage gaps, overlap, and thereby limit the overall need for capital and operating costs associated with new fire stations.

Mr. Billy Myrick stated that he would like to thank Budget Director Michelle Venditto for her work with assisting the Budget Committee in developing the budget. Mr. Myrick stated that between the Operating and CIP budget there was approximately a 1.7 million dollar shortfall and to balance the budget a decision was made to use fund balance on the operating side and uncommitted funds on the CIP side. He shared with the Commission that this was the second consecutive year that they were not able to show a five year sustainable budget. He stated that they will need to talk with the Wake County Board of Commissioners to see what it would take to provide the same level of services and not go backwards.

Upon motion of Billy Myrick and second by Chief Chris Perry, the Fire Commission voted unanimously to approve support for the FY 2016 Fire Tax District Budget Committee and Staff

Recommended FY 2016 Operating Budget and FY 16-22 Fire CIP, and recommended submittal to the Wake County Board of Commissioners.

Below you will find the Fire tax District Fund Summary (Budget Book Insert)

Tax Model - FY 2016 Recommended Budget Presentation to Fire Commission - May 14, 2016					page 6
WAKE COUNTY Fire Tax District Fund Summary (Budget Book Insert)					
Fire Tax District Summary	FY 2014 Actual	FY 2015 Budget	FY 2015 Amended	FY 2016 Projection	NOTES:
Fire Tax Revenues					
Operating	18,435,598	18,244,000	18,326,806	18,510,000	Note: Pre-existing debt service will be budgeted directly from CIP as part of FY 2015 Budget to better align with Fire Tax Model (not in budget now)
Subtotal, Operating Revenues	18,435,598	18,244,000	18,326,806	18,510,000	
Capital - Pre-existing Debt Service	327,052				
Remaining Capital Revenues	2,674,092	2,691,000	2,691,000	3,013,000	
Subtotal, Capital Revenues	3,001,144	2,691,000	2,691,000	3,013,000	
Subtotal, Taxes	21,436,742	20,935,000	21,017,806	21,523,000	
Other	37,909	353,000	387,995	623,000	
Interest	20,053	15,000	15,000	15,000	
Total Revenues	21,494,704	21,303,000	21,420,801	22,161,000	
Expenditures					
Department Appropriations	17,208,971	17,655,602	17,655,602	18,213,484	> Base 2014 Recommended (not including Merit or Pre-existing Debt) > The 2% includes merit increase separated out below > Assumes a 2.750% merit allocation on non-vacant positions. > Staff has reviewed line item budget and made changes when necessary from Staff Comp Committee > Funding for this purpose is not authorized in the line-item budgets > Additional 1% for higher merit (adds cumulative costs each year) > Included for one year (does not add to on-going expenses)
Budgeted/Potential Adjustments:					
Merit Adjustment for Full-time					
Health Insurance					
Personnel Adjustments (2 firefighters below the min)					
Reduce Funding for Board Compensation					
Additional 1% merit					
Zebulon Positions (3 SAFER Grant)					
Subtotal, Department Appropriations	17,208,971	17,655,602	17,655,602	18,213,484	
System-wide Appropriations					
800 MHz Fire Costs	125,075	129,366	129,366	130,941	> Received estimate
CAD Fire Costs	6,342	9,954	9,954	9,596	> Received estimate
County-owned Station Utilities	22,398	18,912	18,912	24,224	
Fire Service Training	321,132	358,695	358,695	343,126	> Offsets costs in Fire Services General Fund
HAZMAT Program	89,789	87,595	87,595	77,927	
NC Forestry - Wildfire Prevention	64,124	80,025	80,025	67,929	> Fire District pays 40% of the costs. Decrease was due to one-time cost.
Pager & Radio Maintenance	11,020	17,832	17,832	15,000	
RWCC Dispatch	170,054	187,857	187,857	195,773	
Contracted Services	26,657	-	34,995	20,000	
Other	3,008	-	-	-	
DMV/MV Tax Collection Fees	28,970	50,000	50,000	50,000	
Contingency	-	16,162	16,162	-	
Contribution to Fund Balance	-	-	-	-	> This is the amount of Revenue Over Expenses (if any)
Subtotal, Systemwide	868,568	956,398	991,393	934,516	
Subtotal Operating	18,077,539	18,612,000	18,646,995	19,148,000	
Capital Expenditures					
Department Debt Service	327,052	-	-	-	To be budgeted directly from Capital as part of Adopted
Appropriation to Capital (Current Revenues)	1,350,000	1,284,000	1,284,000	2,051,000	> Lower amount due to revenue shift
Transfer to Debt Service Fund	1,224,000	1,407,000	1,407,000	962,000	
Subtotal Capital	2,901,052	2,691,000	2,691,000	3,013,000	
Total Expenditures	20,978,591	21,303,000	21,337,995	22,161,000	
FY 2014 Projected Surplus / (Gap)					> Surplus is an additional amount to Fund Balance
Operating Surplus / (Gap)	407,907	(291,420)	(225,106)	(89,540)	

FIRE TAX MODEL - FY 2016- 5.5.2015 Final Recommended

COMPENSATION AND STAFFING COMMITTEE RECOMMENDATION TO INCREASE THE CURRENT 2008/2009 FIRE SERVICE PAY BAND MAXIMUMS 2%

Compensation and Staffing Committee Chair Deputy Chief Herman stated that we were currently operating under the 2008/2009 pay plan. He shared that the Committee is charged with working with Wake County Human Resources to produce an updated Market Survey every three years. This is done to keep our fire services staff compensated appropriately with the market. He stated that an updated market Survey was produced in 2012/2013 which showed that the Wake County pay plan was behind 10% across the board for all positions. He stated that the Compensation Committee presented the Market Survey to the Budget Committee last year as well as this with no approval due to lack of funding. Deputy Chief Herman stated that Wake County Human resources believes that they are currently 12-15% behind the market and a new Market Survey is underway as we speak to produce accurate numbers. He stated that it is the Compensation and Staffing Committee's hope that the new Market Survey produced is a priority for the Budget Committee and the Fire Commission next year.

Deputy Chief Herman stated that the 2% increase in the pay band maximums came to the Compensation and Staffing Committee through the Budget Committee. He stated that they understand that we were behind in compensation and this not only affects firefighter pay but also retirement funds. Deputy Chief Herman shared that the current pay plan policy states that if someone is topped out in their pay band they may receive an annual merit increase, but it comes in the form of a bonus, it does not tack on to their annual pay which could impact their retirement. He stated that the Budget Committee and Staff have confirmed that there would be no budget impact this year if there was an increase to the pay band maximums of 2%, so the Compensation and Staffing committee support the recommendation and turn the final approval over to the Fire Commission.

The Fire Commission members stated that there was a need to have additional information about this issue before they could make a decision.

Upon motion of Billy Myrick, and seconded by Chief Tim Pope the Fire Commission voted unanimously to table this discussion until the next Fire Commission meeting in July.

INFORMATION AGENDA

COMPENSATION AND STAFFING COMMITTEE UPDATE REGARDING EASTERN WAKE FIRE DEPARTMENT ORGANIZATIONAL RE-ALIGNMENT

Compensation and Staffing Committee Chair Deputy Chief Herman stated that Chief David Cates requested a change of the Eastern Wake Fire-Rescue organizational structure, making it more in-line and appropriate for how they are currently operating. Past history of the department in the “Apparatus Operator” rank showed 6 Lieutenant Positions. Through the change of administration and staffing it currently has only 2 Lieutenant Positions, 2 Driver/Operator positions, and 2 Firefighters who are driving.

The request that the department made re-aligns the department’s structure to have 3 Driver/Operators (1 per shift) and 3 Lieutenants (1 per shift), all 6 will be apparatus operators with the 3 Lieutenants having the capability to fill-in as Captains.

Deputy chief Herman stated that this re-alignment is normal practice, falls into the standards of the Wake County Fire Services Compensation/Staffing Guidelines, and has been approved by the Wake County Fire Services staff with no change to the Eastern Wake Operating Budget.

FIRE COMMISSION RULES OF PROCEDURE

Interim fire Services Director Charlie Johnson stated that he wanted to thank the committees for their work in supporting the Fire Commission in their initiatives. He stated that there is a lot of work that needs to get done, and it obviously could not get done without the work of these committees. He stated that at the same time he wanted to reiterate the Standing Committee Procedures which state that:

The Chair of the Standing Committee will supervise the meetings and all minutes and agendas. Each member of the Standing Committee or subcommittee of the Fire Commission shall be entitled to one vote. Since the Chair and Vice-Chair serve as voting members their vote shall be counted. Agendas are to be sent to all Fire Chiefs whose departments fall under the fire tax districts, Fire Commission members, and each voting member of the committee at least two (2) days prior to a meeting. Final meeting minutes are to be distributed to the same persons listed above

within one (1) week of a committee meeting. A Standing Committee quorum will consist of a simple majority of the members (including the Chairperson).

Interim Fire Services Director Charlie Johnson stated that by and large this is being done by the Committees, but it is important to reiterate to ensure that we are all on the same page when it comes to communication and sharing information to all parties.

Billy Myrick stated that as a citizen he had concerns regarding the expectation that he take minutes, send out emails and collect and distribute meeting materials because on the time commitment involved. He stated that there may be a need to make changes in the Rules of Procedure to state that the Chairs responsibility is to make sure that the minutes are taken and sent out, but someone like himself would not be able to do that. Director Charlie Johnson stated that staff was aware of those types of concerns and that during the budget process the Fire Services Department requested an Administrative Assistant to support the Fire Commission and Fire tax District, but the position was not approved for FY 2016.

FIRE TAX DISTRICT FINANCIAL REPORT

Emergency Services Manager Demetric Potts provided that following Fire Tax Financial Reports to the Fire Commission Members for review/comment:

FY 2015 WAKE COUNTY FIRE TAX DISTRICT SYSTEMWIDE OPERATING FINANCIAL REPORT (As of May 4, 2015)

Appropriation: 5120N25800 Fire Tax District - System
Unit: F250 Fire Tax District System

Revenue Source/ Expenditure Object	Adopted Budget	Amended Budget	PTD Actual	Commitments (excluding pending)	YTD Actual	Total Commitments + YTD	Amended Budget Less YTD Actual	YTD % of Amended Budget
T127 NC DMV Taxes	0	0	1,188,046	0	1,188,046	1,188,046	(1,188,046)	#DIV/0!
T128 Refunds of NC DMV Taxes	0	0	(4,842)	0	(4,842)	(4,842)	4,842	#DIV/0!
T200 Special District Taxes	20,935,000	20,935,000	19,591,111	0	19,591,111	19,591,111	1,343,889	94%
N132 Interest - NCDOT - DMV Taxes	0	0	382	0	382	382	(382)	#DIV/0!
N140 Market vs Cost Investment Difference	0	0	10,812	0	10,812	10,812	(10,812)	#DIV/0!
N150 Interest Income/Pooled Funds	15,000	15,000	18,086	0	18,086	18,086	(3,086)	121%
A370 Appropriated Fund Balance	353,000	387,995	0	0	0	0	387,995	0%
Total Revenues	21,303,000	21,337,995	20,802,495	0	20,802,495	20,802,495	535,500	97%

Revenue Source/ Expenditure Object	Adopted Budget	Amended Budget	PTD Actual	Commitments (excluding pending)	YTD Actual	Total Commitments + YTD	Amended Budget Less YTD Actual	YTD % of Amended Budget
2143 NONCAP EQUIPMENT PURCHASES FOR F/D	0	0	0	3,156	0	3,156	(3,156)	#DIV/0!
2406 CONTRACTED SERVICES	0	34,995	19,824	26,465	19,824	46,289	(11,294)	132%
3104 EQUIPMENT	0	0	3,460	0	3,460	3,460	(3,460)	#DIV/0!
3127 OFFICE SUPPLIES	0	0	228	0	228	228	(228)	#DIV/0!
3134 OTHER SUPPLIES AND MATERIALS	0	0	0	8,239	0	8,239	(8,239)	#DIV/0!
3617 DISPATCH SERVICE	187,857	187,857	187,858	0	187,858	187,858	(1)	100%
3714 MAINTENANCE AND REPAIR OF EQUIPMENT	17,832	17,832	12,407	0	12,407	12,407	5,425	70%
4208 CITY OF RALEIGH HAZMAT PROGRAM	87,595	87,595	87,595	0	87,595	87,595	0	100%
4224 NC DEPT OF NRCD - FORESTRY	80,025	80,025	44,058	35,967	44,058	80,025	0	100%
4409 POSTAGE/CHARGES FROM GS	0	0	92	0	92	92	(92)	#DIV/0!
4428 MISC CHARGES FROM OTHER DEPT/DIV	358,895	358,895	0	0	0	0	358,895	0%
4446 800mhz charges from other dept	129,368	129,368	31,334	0	31,334	31,334	98,032	24%
4447 CAD charges from other dept	9,954	9,954	2,308	0	2,308	2,308	7,646	23%
4460 GSA Utilities - Electric	18,912	18,912	19,508	0	19,508	19,508	(596)	103%
4758 MV Tax Collection Costs	50,000	50,000	29,519	0	29,519	29,519	20,481	59%
8104 CONTINGENCY	16,162	16,162	0	0	0	0	16,162	0%
9103 TRANSFER TO C/P CO CONSTRUCTION FUND	1,284,000	1,284,000	1,284,000	0	1,284,000	1,284,000	0	100%
9109 TRANSFER TO D/S FROM TAX DISTRICT FUND	1,407,000	1,407,000	1,407,000	0	1,407,000	1,407,000	0	100%
Total Expenditures	3,647,398	3,682,393	3,129,191	73,827	3,129,191	3,203,017	479,376	87%

CHAIR REPORT

None

FIRE SERVICES INTERIM DIRECTOR REPORT

None

OTHER BUSINESS

None.

PUBLIC COMMENTS

Hal Atkinson, President of the Bay Leaf Fire Department Board of Directors shared with the Fire Commission that the best resource that they have is compensation and he was speaking to them as a Board of Directors member from a Fire Department. He stated that it doesn't take a rocket scientist to figure this thing out all you have to do is write up on a board \$30,000 starting pay for the county and \$35,000 starting pay for Raleigh. He stated that the first thing that they did when they hired David Price (first full time person at a volunteer fire department) was look at Raleigh to determine the starting scale and they matched Raleigh because if they didn't they were going to train him and he was going to Raleigh. He stated that the firemen in this county put their bunker pants on exactly alike, they all train alike, and they all do a wonderful job. They are equal and he doesn't care where they are they do a good job. He stated that they were handicapped as a Board of Directors, Chief Pope is handicapped, we hire them, train them we send them to school, we pray with them an over them, and they do a good job. They get the experience and they are gone. He stated that when he hired Captain Price he was paid comparable to Raleigh and 20 years later they are bound by the Wake County guidelines and the Wake County guidelines are 15% below. He stated to the Fire Commission that we need your help; we need for you to be an advocate for them and get these things up. He stated that it was real simple because you have all the figures you need. He stated that all they need and nobody wants to say it; is that we need a Fire Tax increase.

ADJOURNMENT

Being no further business, the meeting was adjourned