



**Leading to Meet the Growing Public Safety Needs of our Regional Communities
Leadership - Integrity - Trust - Respect - Excellence**

Board of Commissioners
Work Session Meeting Agenda
March 12, 2024

Attendance

7:00 PM

In person at Headquarters and Zoom Virtual Meeting ID 861 5293 4763

- 1. CALL TO ORDER (7:00 p.m.)**
- 2. PLEDGE OF ALLEGIANCE (7:01 p.m.)**
- 3. APPROVAL OF AGENDA (7:02 p.m.)**
- 4. PUBLIC COMMENT Notice: All public comment and testimony are public records and may be subject to disclosure pursuant to the Public Records Act, RCW Chapter 42.56. (7:04 p.m.)**
- 5. UNION REPORT (7:13 p.m.)**
- 6. UNFINISHED BUSINESS (7:18 p.m.)**
 - a. Fourth Quarter Financial Report - For Discussion - Chief Financial Officer Chris Bothwell
 - b. Benefit Charge Update - For Discussion - Communications Director Leslie Hynes/Assistant Chief Robert Eastman
 - c. Annexation(s) - For Discussion - Commissioner Ed Widdis
- 7. NEW BUSINESS (8:00 p.m.)**
 - a. Commissioners as Volunteer Firefighters - For Discussion - Chair Micah Rowland
 - b. Volunteer Firefighter Trustees - For Discussion - Chair Micah Rowland/Executive Assistant Melissa Blankenship
- 8. COMMISSIONER COMMENTS (8:45 p.m.)**
- 9. EXECUTIVE SESSION (8:50 p.m.)**
 - a. Review the Performance of a Public Employee Pursuant to RCW

42.30.110(1)(g)

b. Collective Bargaining Pursuant to RCW 42.30.140(4)(a)(b)

10. ADJOURNMENT (10:00 p.m.)

11. AGENDA DISCLAIMER - Members of the public are advised that times listed on the agenda are approximate and that items on the agenda may be addressed sooner or later than the time specified.

South County Fire strives to provide accessible opportunities for all members of the public. Please notify the Board Executive Assistant at 425-551-1251 or mblankenship@southsnofire.org at least 48 hours prior to any South County Fire meeting if any accommodations are needed.

Board Meeting Agenda Bill Agenda Item 6.a.

Meeting Date: 3/12/2024

Department: Finance

Subject

Fourth Quarter Financial Report - For Discussion - Chief Financial Officer Chris Bothwell

Prior Board Action: 2023 Budget Adoption
Recommended Action: For Discussion only.
Related Items: Fourth Quarter financial report
Staff Contact: Chief Financial Officer Chris Bothwell
Approval Signature: Fire Chief Thad Hovis
Legal Review: No Legal Review Required

Summary

This item is the presentation of the draft annual financial results at the end of the calendar year.

Discussion

Revenues and expenditures had positive variances compared to the forecast and budget during the year. The draft financial results are overwhelmingly positive. Additional details can be found in the attached Fourth Quarter 2023 Financial Report.

Fiscal Impact

This item is presentation only and does not have a direct fiscal impact.

Recommendation

Staff recommends the Board receive the presentation and ask questions, if appropriate.

ATTACHMENTS:

Description	Type
Fourth Quarter 2024 Financial Report	Backup Material



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Fourth Quarter 2023 Financial Report

March 12, 2024

This report provides an analysis of the draft financial results for the twelve months ended December 31, 2023. This reporting is not the annual financial report; a draft annual report will be published in the spring and the audited report is expected later in the year.

EXECUTIVE SUMMARY

Despite the challenges of implementing a new labor contract during budget development, economic uncertainty, and high inflation the financial results for the year were positive and relatively closely aligned with the budget. The preliminary financial results suggest a modest current year General Fund deficit of approximately \$1.4 million. An eliminating entry that will be made for the consolidation for the financial statements will reduce General Fund expenditures by \$1.5 million. Following the eliminating entry revenues and expenditures will be nearly even and consolidated General Fund cash and investments will not experience an actual drawdown for the period.

Draft 2023 Summary Financial Results (General Fund)

Annual Operating Surplus/Deficit	Draft 2023	Consolidation Adjustment	Adjusted
General Fund Revenue	102,712,372	-	102,712,372
General Fund Expenditure	104,078,659	1,500,000	102,578,659
Surplus/(Deficit)	(1,366,287)		133,713
Budget-to-Actual	Budget	Draft Actual	Variance Percentage
Revenue	100,023,411	102,712,372	2.7%
Expenditures	108,430,719	104,078,659	-4.0%

Note: General Fund transfer to the Emergency Reserve to satisfy fund balance requirement accounted for as expenditure in General Fund, but will be eliminated in consolidation.

HIGHLIGHTS AND CHALLENGES

Revenue Highlights

The majority of the RFA's revenues are stable and predictable, so not surprisingly 2023 revenues performed well compared to the forecast. A few revenue highlights were identified, details are presented in the following bullets.

- ❖ Interest Income. In 2023 the market rewarded short term investment strategies with extraordinary returns. The RFA was able to exploit the opportunity and as a result investment income beat the budget by approximately \$600,000.



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- ❖ **Ambulance/Transport Revenue.** Above forecasted transport collections was a trend identified early in 2023 and continued throughout the year. The trend appears to be the result of a recent staff effort to improve the quality of field reporting. The trend resulted in revenue exceeding the budget by approximately fourteen percent, resulting in more than \$700,000 of additional collections.
- ❖ **Recoup of Retroactive Payments to Labor.** Contracts with cities allow the RFA to bill for a representative share of retroactive payments made to labor with a new labor contract. The RFA recouped approximately \$1 million of the 2023 retroactive payments from contract cities; the recoup was unbudgeted. The attached report shows an additional \$1 million of contract revenue, the additional revenue is attributable to payments received in 2023 for services billed in 2022.

Expenditure Highlights and Challenges

Labor contract implementation, retroactive payments to labor resulting from the new contract, organizational changes, and high inflation added uncertainty to the 2023 expenditure budget. In the end, expenditures were relatively stable and manageable with current resources. The following are a few noteworthy items from 2023 expenditures; the reporting focuses on items with an ongoing financial impact.

- ❖ **Labor costs.** The labor forecast developed during the implementation of the labor contract used conservative assumptions. Actual labor costs, including retroactive payments for past periods, were below forecasted amounts. This outcome was expected and was accounted for in the 2024 budget. The positive variance automatically reverts to the General Fund cash and investments balance.
- ❖ **Operations Overtime.** Station Operations overtime overspent its budget. While the number of hours of overtime was substantially the same as in the prior year, the cost of overtime increased significantly with the new labor contract. The overage was offset by savings elsewhere in the budget. The cost of overtime trend was accounted for in the 2024 budget.
- ❖ **Apparatus Maintenance and Operation.** Apparatus maintenance and operating expenditures were higher than budgeted due primarily to the high cost of fuel in 2023 and recent increases in the cost of parts. The additional spending in this area was offset by savings elsewhere in the budget. Both trends were factored into the 2024 expenditure forecast and budget.



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Draft 2023 Budget-to-Actual Results, Revenue

Description	Budget	Actual	Percent of Budget
Real & Personal Property Taxes	59,410,109	59,131,142	100%
Contract Revenue	16,849,098	18,764,851	111%
GEMT	9,275,425	9,240,628	100%
Benefit Charge	6,664,070	6,603,939	99%
Ambulance Services	5,496,697	6,239,031	114%
Workers Comp Reimbursements	156,177	611,555	392%
State Pool Interest	300,000	464,337	155%
PHD#2 Community Paramedic	351,900	381,738	108%
FEMA PA Covid D20-506	-	273,382	-
County Pool Interest	-	234,982	-
Insurance Pmts Capital Assets	83,948	183,212	218%
Miscellaneous	90,969	157,014	173%
Other County Interest	-	113,030	-
Disability Insurance Reimburse	56,732	60,179	106%
SOW Non-Grant Reimbursements	271,686	53,593	20%
North Sound ACH	500,000	37,916	-
Rents and Leases	20,947	29,160	139%
School Fire Protection Program	25,000	24,651	99%
L & I Grants	-	23,610	-
EMS Grant	-	17,554	-
Sale of Assets	-	17,001	-
Miscellaneous Revenue	201,793	15,915	-
Gift, Pledge, Grant, Bequest P	-	10,998	-
L & I Stay at Work Program	11,653	10,000	86%
Local Share LHT	7,207	9,831	136%
Sale of Scrap	-	3,123	-
Other Local Grants/Cost Share	250,000	-	-
Total	100,023,411	102,712,372	103%

Draft 2023 Budget-to-Actual Results, Expenditures by Division

Division	Budget	Actual	Percent of Budget
Commissioners			
Salaries and Wages	211,188	206,746	
Employee Benefits	36,624	36,447	
Supplies and Services	37,450	26,668	
Division Total	285,262	269,861	95%



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Draft 2023 Budget-to-Actual Results, Expenditures by Division – continued

Division	Budget	Actual	Percent of Budget
Office of the Fire Chief			
Salaries and Wages	1,368,612	1,288,722	
Overtime	2,000	1,171	
Employee Benefits	436,846	395,591	
Supplies and Services	348,000	238,540	
Division Total	2,155,458	1,924,024	89%
Human Resources			
Salaries and Wages	605,055	440,500	
Overtime	35,840	12,983	
Employee Benefits	248,765	191,665	
Supplies and Services	158,400	226,015	
Division Total	1,048,060	871,163	83%
New Hires			
Salaries and Wages	978,662	1,343,118	
Overtime	36,000	210,131	
Employee Benefits	497,860	621,859	
Supplies and Services	721,928	332,751	
Division Total	2,234,449	2,507,860	112%
Public Information and Education			
Salaries and Wages	232,557	173,991	
Overtime	3,000	0	
Employee Benefits	88,316	62,127	
Supplies and Services	225,900	133,329	
Division Total	549,773	369,446	67%
Organizational Expense			
Supplies and Services	14,015,729	14,182,948	
Division Total	14,015,729	14,182,948	101%
Finance			
Salaries and Wages	653,797	617,665	
Overtime	3,000	18,197	
Employee Benefits	230,811	190,887	
Supplies and Services	9,900	31,959	
Division Total	897,508	858,709	96%
GIS and Mapping			
Salaries and Wages	71,166	68,325	
Employee Benefits	18,297	2,339	
Supplies and Services	10,000	0	
Division Total	99,463	70,664	71%



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Draft 2023 Budget-to-Actual Results, Expenditures by Division – continued

Division	Budget	Actual	Percent of Budget
CommTech/IT			
Salaries and Wages	363,745	349,226	
Overtime	3,000	0	
Employee Benefits	128,744	136,028	
Supplies and Services	1,579,550	1,251,321	
Division Total	2,075,039	1,736,574	84%
Station Operations			
Salaries and Wages	48,360,237	44,839,766	
Overtime	4,512,824	6,123,592	
Employee Benefits	16,644,285	14,669,783	
Supplies and Services	308,481	332,212	
Division Total	69,825,827	65,965,353	94%
Wildland			
Wildland Overtime	29,400	83,579	
Supplies and Services	37,700	11,622	
Division Total	67,100	95,201	142%
Volunteers			
Salaries and Wages	59,200	40,800	
Overtime	2,000	0	
Employee Benefits	0	571	
Supplies and Services	38,500	14,272	
Division Total	99,700	55,643	56%
Safety			
Salaries and Wages	200,139	253,917	
Overtime	38,360	45,842	
Employee Benefits	69,422	70,854	
Supplies and Services	688,250	894,207	
Division Total	996,171	1,264,820	127%
Community Risk Reduction			
Salaries and Wages	1,514,261	1,585,124	
Overtime	20,000	64,623	
Employee Benefits	490,723	465,670	
Supplies and Services	113,400	65,127	
Division Total	2,138,384	2,180,543	102%



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Draft 2023 Budget-to-Actual Results, Expenditures by Division – continued

Division	Budget	Actual	Percent of Budget
Community Outreach			
Comm Outreach Salaries & Wages	421,165	358,205	
Community Outreach Overtime	20,000	986	
Community Outreach Empl Ben	145,600	107,808	
Supplies and Services	42,500	50,164	
Division Total	629,265	517,163	82%
ACT			
ACT Salaries and Wages	68,127	65,587	
ACT Overtime	30,000	229	
ACT Employee Benefits	41,896	23,515	
Supplies and Services	6,500	11,295	
Division Total	146,523	100,626	69%
EMS			
Salaries and Wages	975,690	761,328	
Overtime	399,498	315,257	
Employee Benefits	372,338	295,705	
Supplies and Services	1,441,450	1,221,888	85%
Division Total	3,188,976	2,594,178	
Community Resource Paramedic			
CRP Salary and Wages	763,274	785,772	
CRP Overtime	24,000	55,895	
CRP Employee Benefits	265,248	221,945	
Supplies and Services	24,000	19,787	
Division Total	1,076,522	1,083,399	101%
Bike Team			
Bike Team Overtime	12,000	-	
Supplies and Services	7,750	2,001	
Division Total	19,750	2,001	10%
Paramedic School			
PM School Salary and Wages	450,000	322,792	
PM School Overtime	44,376	64,733	
PM School Employee Benefits	130,000	123,139	
Supplies and Services	95,000	43,899	
Division Total	719,376	554,561	77%



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Draft 2023 Budget-to-Actual Results, Expenditures by Division – continued

Division	Budget	Actual	Percent of Budget
Technical Rescue			
Overtime	80,850	72,955	
Supplies and Services	75,289	73,237	
Division Total	156,139	146,192	94%
HazMat			
Overtime	92,138	47,654	
Supplies and Services	43,800	43,475	
Division Total	135,938	91,129	67%
Peer Fitness			
Overtime	5,040	2,431	
Supplies and Services	52,500	53,906	
Division Total	57,540	56,338	98%
Training			
Salaries and Wages	1,055,565	973,268	
Overtime	507,290	380,530	
Employee Benefits	420,745	388,750	
Supplies and Services	392,600	320,679	
Division Total	2,376,200	2,063,227	87%
Peer Support			
Supplies and Services	60,000	51,971	
Division Total	60,000	51,971	87%
Apparatus M&O			
Supplies and Services	1,221,200	2,115,698	
Division Total	1,221,200	2,115,698	173%
Building M&O			
Salaries and Wages	562,075	556,819	
Overtime	3,000	0	
Employee Benefits	237,466	247,962	
Supplies and Services	1,352,826	1,544,586	
Division Total	2,155,367	2,349,367	109%
General Fund Total	108,430,719	104,078,659	96%

Board Meeting Agenda Bill Agenda Item 6.b.

Meeting Date: 3/12/2024

Department: City Clerk

Subject

Benefit Charge Update - For Discussion - Communications Director Leslie Hynes/Assistant Chief Robert Eastman

Prior Board Action:

Recommended Action: For Discussion only

Related Items:

Staff Contact: Communications Director Leslie Hynes, Assistant Chief Robert Eastman

Approval Signature: Fire Chief Thad Hovis

Legal Review: No Legal Review Required

Summary

The South County Fire Board of Commissioners will discuss the renewal of the benefit charge in the August 6 primary election.

Discussion

The benefit charge was approved by South County Fire voters in 2020 to provide a more fair and balanced way to fund crucial emergency services. Unlike levies based on a property's assessed value, the benefit charge is based on a building's size, risks and hazards. Industrial and commercial properties with higher risk pay more than residential properties. That's because it takes fewer firefighters and fire engines to put out a fire in a house than a large commercial structure.

With the benefit charge, the maximum fire levy is reduced. The benefit charge is set each year by the Board of Fire Commissioners. In 2024, the owner of a 2,000-square-foot home paid a fire benefit charge of \$71.64, which amounts to \$1.27 total increase over four years. Seniors, disabled people and low-income households maintain any current exemptions they have through the county. There is also a discount for fire alarms and sprinkler systems. The benefit charge does not apply to the City of Edmonds, which receives emergency services through a contract with South County Fire.

Fiscal Impact

TBD

Recommendation

For Discussion Only

Board Meeting Agenda Bill Agenda Item 7.a.

Meeting Date: 3/12/2024

Department: City Clerk

Subject

Commissioners as Volunteer Firefighters - For Discussion - Chair Micah Rowland

Prior Board Action:	Passed Resolution 08092022-14 Authorizing Commissioners to Serve as Volunteer Firefighters
Recommended Action:	For Discussion Only.
Related Items:	None.
Staff Contact:	Executive Assistant Melissa Blankenship
Approval Signature:	Chair Micah Rowland
Legal Review:	No Legal Review Required

Summary

On March 4, 2024, the Board of Commissioners received a Letter of Disapproval - "Conflict of Interest Concerning Fire Commissioner's Volunteer Position" from South County Union Firefighters Local 1828.

Discussion

RCW 52.14.010(3) grants the Board of Fire Commissioners authority to authorize, by resolution adopted by unanimous vote, its members to serve as volunteer firefighters without compensation.

On August 9, 2022 the Board passed Resolution 08092022-14 authorizing Commissioners to serve as Volunteer Firefighters.

Local 1828 expressed in their letter that they had concerns regarding the conflict of interest arising from the simultaneous role as a Fire Commissioner and a Volunteer within the Fire Authority.

The Board notified Union President Pat Moore during the March 5th Board meeting that they would take up the issue at an upcoming meeting and provide a response to their letter.

Fiscal Impact

N/A

Recommendation

For Discussion Only

Board Meeting Agenda Bill Agenda Item 7.b.

Meeting Date: 3/12/2024

Department: City Clerk

Subject

Volunteer Firefighter Trustees - For Discussion - Chair Micah Rowland/Executive Assistant Melissa Blankenship

Prior Board Action:	None.
Recommended Action:	For Discussion Only
Related Items:	None.
Staff Contact:	Executive Assistant Melissa Blankenship
Approval Signature:	Chair Micah Rowland
Legal Review:	Legal Review Completed

Summary

Per RCW 41.24.060 South County Fire is required to create a Board of Trustees to administer the provisions of RCW 41.24, Volunteer Firefighters and Reserve Officers' Relief and Pensions.

Discussion

RCW 41.24 is self-effectuating when it comes to the local board of trustees meaning there are no formalities (resolutions, motions, etc.) which the SCF Board must take or adopt to establish the board of trustees. Although that is the case, our legal counsel shared that it would be prudent for the board to adopt a resolution recognizing the existence of the board of trustees and the composition of its board. Per RCW 41.24.060. The members are the chair, a member of the board, and the secretary or clerk to the board. For South County Fire, the Executive Assistant to the Governing Board would serve. The Chair of the Governing Board serves as the Chair of the Board of Trustees, and the Secretary to the Governing Board serves as the Secretary/Treasurer on the Board of Trustees per RCW 41.24.070. We would be required to keep a public record of all proceedings and all receipts and disbursements made by the Board of Trustees. None of the board of trustees are entitled to be compensated for their service on the board per RCW 41.24.100. The Board of Trustees could adopt bylaws for the orderly conduct of the meetings in the same manner that the Governing Board does.

Fiscal Impact

None.

Recommendation

For Discussion Only.