WAKE COUNTY FIRE COMMISSION
Thursday, March 22, 2012

Draft Minutes

(Audio Replays of the meeting are available upon request)

A meeting of the Wake County Fire Commission was held on Thursday, March 22, 2012, 7:00 PM, in the Wake County EMS Training Facility, Carya Drive, Raleigh, North Carolina.

CALL MEETING TO ORDER

Commission Chair Lucius Jones called the meeting to order.

The following members were present: Chief Tony Mauldin, Chief A.C. Rich, Chief David Cates, Chief Ed Brinson, Chief Rodney Privette, Mr. Lee Price, Mr. Billy Myrick, Mrs. Barbara Poole, Mr. Robert Stagg, and Mr. Keith Gregory.

The following members were absent: Chief Haraway, Mr. Michael Denning, and Mr. Paul Coble

The following County officials and staff were present: Deputy County Manager Joe Durham, Budget and Policy Analyst Chad Balke, Fire and Emergency Management Director Ray Echevarria, Fire and Emergency Management Coordinator Josh Creighton, and Fire and Emergency Management Business Officer Demetric Potts.

Mr. Billy Myrick gave an invocation.

MINUTES

Upon motion of Mr. Bob Stagg and second by Mr. Lee Price, the Fire Commission unanimously approved minutes of the January 19, 2012, Regular Meeting.

The agenda was approved as submitted.

REGULAR AGENDA

CONSIDER RECOMMENDED FIRE PROTECTION AGREEMENT

Ray Echevarria reported that he had a presentation that would be on the screen and he believed that everyone had a copy in their handouts. Ray stated that he was there tonight to discuss revisions to the Fire Protection Agreement. He wanted to talk about why the agreement was revised, he wanted to summarize the changes the County put into the contract, and he wanted to talk about next steps.

The contract was revised for the following reasons:

- Raise awareness of agreement requirements for fire departments and their Boards of Directors
- Protect taxpayer investment in fire protection
- Enhance financial accountability
- Enhance procedures and increase transparency for Boards of Directors
- Clarify certain sections of the agreement

Summary of the Revisions:

- Revisions to Section 9 – Decision Making Process Open to Public
  - Requires agenda and minutes for open and closed meetings
  - Allows County access to all agendas and minutes
- Revisions to Section 14 – Liquidation or Dissolution
  - Allows for continued use of property and equipment by successor department when ongoing requirement for fire protection
- Revisions to Section 16 – Fire Department's Use of Funds
  - Requires department to notify County of certain personnel changes and changes in use of County funds
  - Requires department to notify County of financial transaction that creates a security interest in favor of a third party
  - Allows County to request documentation related to use of County funds
- Revisions to Section 17 – Fire Department's Budget Preparation
  - Department to disclose any existing debt and any arrangements for repayment
- Section 20 (H) - Fiscal Responsibility
  - Was previously titled Fund Balance
  - Clarifies net asset definition
- Section 20 (Q) - Personnel
  - Requires department to comply with FLSA
- Section 20 (V) – Fire Service Compensation Guidelines
  - Clarifies compliance requirement
- Section 21 – Relationship of Parties
  - Clarifies relationship between County and department
- Section 22 – Term of Agreement
  - Agreements are one year agreements
- Section 24 – Termination
  - Clarifies termination provision

Next Steps:

- Receive feedback from the Fire Commission
- Present to Board of Commissioners in April
- Implement new agreement July 1, 2012

After considerable discussion the Fire Commission agreed to table the discussion / decision regarding to revision of the Fire Protection Agreement to allow the fire departments the opportunity to take the revised agreement back to their respective Board of Directors for review and feedback.

CONSIDER RECOMMENDED FIRE COMMISSION RULES OF PROCEDURE

Mr. Myrick reported that there was a committee set up to review the existing Fire Commission Rules of Procedures (FCROP), and to offer feedback on recommended revisions. Mr. Myrick stated that the Committee began the process by reviewing the 2008 FCROP. Mr. Myrick shared that staff had started a draft revision to the FCROP in 2010, but the draft revision was never brought to the Fire Commission for approval. It was stated that the Committee reviewed the 2010 draft and decided to use that document as the base document for the revised and recommended Fire Commission Rules of Procedure that is being submitted to the Fire Commission for approval tonight.

Chief Brinson made a motion to approve the recommended Fire Commission Rules of Procedure with the reinstatement of the lines struck in Section B. Fire Service Positions (4). The motion was seconded by Chief Cates. The Fire Commission unanimously approved the recommended Fire Commission Rules of Procedure.

CONSIDER RECOMMENDED AMENDMENT TO FIRE COMPENSATION ADMINISTRATIVE GUIDELINES

Demetric Potts reported that he was there tonight to discuss revisions to the Fire Compensation Administrative Guidelines. He wanted to talk about why the guidelines were revised, he wanted to summarize the changes put into the guidelines, and he wanted to talk about next steps.

The Fire Compensation Administrative Guidelines was revised for the following reasons:

- Add sections to the guidelines previously omitted
- Provide written clarification on retirement funding, leave accrual, compensation upon termination, and employment agreements

Summary of the Revisions:

- Amendment Section 8 – Standardized Retirement Funding
  - Requires retirement plan contributions to a US Internal Revenue Service (IRS) Retirement Plan
  - Department's Plan Administrator must submit a letter of certification that the department utilizes an IRS qualified plan
  - Retirement plan funding and monies spent must be included in Department's annual audit
- Amendment Section 9 – Leave Guidelines
  - Provides standard for leave accrual consistent with Wake County policy
  - Compensation Committee recommended leave accrual rates different from county staff recommendation
- Amendment Section 10 – Compensation due upon Termination of Employment
  - Provides standard for compensation due at termination of employment consistent with Wake County policy
- Amendment Section 11 – Employment Agreements
  - Provides clarification and requirements for existing an new employment agreements

Next Steps:

- Receive feedback from the Fire Commission
- Adoption by Fire Commission
- Implementation becomes effective immediately
- Fire Department Board of Directors Execute Amended Guidelines

Upon motion of Mr. Billy Myrick and second by Chief Privette, the Fire Commission unanimously agreed to table the decision on the amendment to the Fire Compensation Administrative Guidelines until the next meeting.

SUPPORT MODIFICATION OF WAKE FOREST AND FALLS FIRE INSURANCE DISTRICT BOUNDARIES

Ray Echevarria stated that one of the goals of the Board of Commissioners is to see mergers and consolidations of fire departments to promote efficient and effective fire protection services. Ray stated that we have just that going on with the merger of the Wake Forest and Falls Fire Departments. Wake Forest Fire Department is also scheduled for an ISO inspection which is when the Office of the State Fire Marshal (OSFM) comes to do grade and assign them a public protection classification. It was reported that Wake Forest and Falls Fire Department were told by OSFM that it would be in their best interest to merge prior the inspection. Ray reported that all fire insurance district boundaries have to be approved by the Board of Commissioners and we were taking that to the Board and tonight we are looking for the Fire Commission's support.

Upon motion of Chief Cates and second by Lee Price, the Fire Commission unanimously approved support for the Modification of the Wake Forest and Falls Fire Insurance District Boundaries.

APPARATUS COMMITTEE REPORT

Chief Frank Woods provided the following for Fire Commission consideration and approval;

TOPIC #1

The apparatus committee has received a written letter of confirmation from the Garner Fire Department and the Bay Leaf Fire Department in reference to their next 2 Pumper replacements for 2013/2014; the Garner Fire Department is wishing to push their replacement Pumper/Tankers out by a year to 2014/2015 respectfully.

The Bay Leaf Fire Department has made the decision to replace their Pumper with a straight Tanker instead; this is a savings of $72,000.00.

The Bay Leaf Fire Department has also made the decision to not replace the Brush Truck originally scheduled for FY 12 for a savings of $96,506.00 in the FY 12 Budget.

An increase to FY 2014 Budget is estimated to be approximately $7,216.00 plus option increases which have been consistent at 3% and $13,027 for FY 2015, for the Garner Pumpers.

TOPIC #2

1. **As noted from the last Fire Commission meeting approval of the Falls Wake Forest merger for vehicles. We the committee would like to make the following recommendation to the Fire Commission.**

2. **The apparatus committee is recommending that the 2009 Pumper/Tanker be transferred to the Zebulon Fire Department in lieu of them purchasing a new one. The savings to the County Budget would be approximately $186,393.00.**

3. **The Zebulon Fire Department has agreed to give the County the monies from the sale of their old Apparatus minus administrative costs for Registration, Re-Paint as needed, lettering, striping, and Radio re-programming.**

4. **We will work with County Staff to insure we have a binding contract between the County, Wake Forest Fire Department and the Zebulon Fire Department before the transfer of the vehicle.**

FY 2012 SAVINGS OF $96,506.00
FY 2013 ESTIMATED SAVINGS OF $422,458.00

IF BOTH PLANS ARE APPROVED

Upon motion of Chief Brinson and second by Lee Price, the Fire Commission unanimously approved the Apparatus Committee Recommendation.

INFORMATION AGENDA

FIRE TAX DISTRICT MERGERS AND CONSOLIDATIONS

County Manager David Cooke stated that there are two goals that the Board of Commissioners has, one is to look at consolidations and mergers not only in the Fire Service but also in EMS and there have been a number of those already done. Another goal is to not raise the property tax rate due to the climate of the economy. Mr. Cooke stated that he thinks those two things are related, and he stated that this is from the Manager's Office perspective so he is going to own this, and it is a document that he shared in October with the Durham Highway Board. Mr. Cooke stated that what he wanted to establish as part of that context was that if you look at just a ten year perspective, and how service area has declined, how population has grown about 9%, and the budget has grown about 170%, so that is not sustainable as we go forward to other points. Mr. Cooke's Handout to the Fire Commission members is attached below.

The Future of Fire Service in the Fire Tax District

October 2011

Current Context

Wake County's Fire Tax District provides funding for fire protection in the unincorporated areas of Wake County and in the Town of Wendell through 14 contracts with not-for-profit corporations and 6 contracts with municipal fire departments.

The total Fiscal Year 2012 Budget for the Fire Tax District is $20,253,000.

While municipal boundaries have expanded, the service area for the Fire Tax District has declined. In the year 2000, there were 615 square miles in the unincorporated areas; in 2010, there were 558 square miles. Several not-for-profit fire department insurance districts have been steadily declining in size over the years.

Over the same time period, the population of Wake County increased by 43.5%; although the population increase in the unincorporated area was only 9.5% (in the Town of Wendell population increased 37.%.)

The cost of fire protection, for a number of reasons, is outpacing population growth and does not reflect a decline in service area. In fiscal year 2000, the Fire Tax District budget was $7,485,421. The cost of fire protection has increased 170% since 2000.

During the same time period, municipal fire departments have constructed new stations in Wake County as they have expanded municipal boundaries and the municipal fire departments are often the first responding stations to many of the areas served by not-for-profit fire departments.

Recent and Forthcoming Changes

- The County expects that Falls and Wake Forest will merge and the district will be divided between Bayleaf, Stony Hill and Wake Forest.
- Bayleaf Station #3 will be owned by the County for an EMS Station; Wake County will lease to Bayfleaf--for a yet-to-be-determined period of time--space for volunteers to assemble and to house some apparatus.
- Members of The Eastern Wake Fire Board will be appointed by the Board of Commissioners.

Expectations and Assumptions

1. The assessed value growth in the Fire Tax district is expected to be flat to very little growth over the next several years.
2. Staffing costs for firefighters will continue to put upward pressure on the fire department budgets.
3. The County believes that savings will be achieved through the consolidation of not-for-profit fire departments.
4. The County believes that financial accountability will be enhanced through the consolidation of not-for-profit fire departments.
5. There are areas of the County that are never intended to be included in municipal boundaries (Falls Lake watershed, Swift Creek watershed, Little River watershed, Jordan Lake watershed, Research Triangle Park). These areas will be served by not-for-profit fire departments or municipal fire departments.

Conclusions and Next Steps

1. The County Manager will not recommend an increase in the Fire Tax District tax rate until the consolidation of fire departments occurs.
2. Identify the areas of the County for consolidations (Falls Lake, Swift Creek, Little River/Eastern Wake County)
3. Northern Area: Generally the land west of Falls of Neuse Road, north of 540, and east of Wake/Durham county line comprises the Wake County portion of the Falls Lake watershed. In time, this area should be served by one fire department.
4. Swift Creek Area:
5. Little River Area/Eastern Wake County:

FIRE TAX FINANCIAL REPORT

Mr. Chad Balke reported that included in the packet on the last five pages was the Financial Report. Chad stated that page one was the revenue summary and right now through mid-March we have collected about 97.2% of the budget revenues. Page two and three lists the amount paid to and committed to departments as well as the System Wide expenses. The remaining transfers that need to be done are miscellaneous charges for the Fire Services Training Center as well as a transfer to the Debt Service Fund. Page four and five are the Capital reports which have been updated recently with the transfers for the Special District fund.

SINGLE FIRE TAX DISTRICT BUDGET UPDATE

Mr. Myrick reported that the Committee is continuing to meet to determine what needs to be done to address the needs of the departments and the Fire Tax District with declining revenues. Mr. Myrick reported that they have to provide a recommendation that shows a five year sustainable budget and currently we are looking at three and a half years of sustainability. He stated that we will need to make some changes and they may come back with some recommendations that aren't really popular.

Chad Balke reported that the percent change in Fire Tax revenue versus the percent change in department appropriations is a bit skewed. He stated that the percent change in tax revenue over the past four years had measured around .5 to .1 percent increase whereas the department appropriations have been increasing about 2 to 3 percent each year for the past four years. Chad reported that right now because we don't have sufficient revenues to fund our existing operating cost we are looking at a deficit of about $300,000 to $400,000.

CHAIR REPORT

Chair Jones recognized Chief Sidney Perry for his honor of being selected by the North Carolina Association of Fire Chiefs as the North Carolina Fire Chief of the Year. Chief Perry thanked everyone for the their support, he said that he has been in the fire service for over 45 years in the County all that time, and we have all been a big part of his success because of all the fine folks that he has had the opportunity to work with, and he thanks everyone for all your support.

FIRE AND EMERGENCY MANAGEMENT DIRECTOR REPORT

Wake Forest Fire Department / Falls Fire Department Merger

Ray Echevarria stated that he wanted to mention again that the Wake Forest and Falls Fire Department merger is a good thing and he also wanted to say that the Long Range Business Plan update is still out there and we are still working on it and now that we have a Chair of the Facilities Committee (Chief Tom Vaughan) we can continue to move forward with getting the plan completed.

OTHER BUSINESS

No other business.

PUBLIC COMMENTS

Chief Poole reported that he comes before the Fire Commission tonight as President of the Wake County Association of Fire Chiefs and as they are progressing as an association, they have people from all around, they have firefighters, citizens, and we all have the common objective of protecting the citizens of Wake County, we may approach it with different opinions, but ultimately we want to protect the citizens, and he sometimes think we can forget our second priority of protecting the firefighters and making sure they are safe too. So he wanted to come here tonight because of the contract and things there is a need for transparency so in the fire service they want to provide transparency too. So next on their agenda they were going to hold a line of duty deaths seminar from the Salisbury fire department sometime in the near future. Chief Poole stated that he wanted to offer an invitation to all to come out and participate when they scheduled the date for the seminar.

ADJOURNMENT

Being no further business, the meeting was adjourned