

**Whatcom County Fire District #21
Whatcom County Fire District #4
Station 61 – Blaine
9408 Odell Street, Blaine, WA 98230
Special Board of Fire Commissioners Meeting
8:00 a.m.
November 22, 2024
Joint 2025 Budget Work Session**

CALL TO ORDER

Chair Ansell and Chair Cooley called the joint Whatcom County Fire District 21 and 4 Board of Fire Commissioners 2025 budget work session for November 22, 2024, to order at 9:18 a.m. at Station 61 – 9408 Odell Street, Blaine, WA 98230.

ROLL CALL

District #21: Chair Bruce Ansell; Vice-Chair Kimberly McMurray; Commissioners John Crawford and Matthew Rigberg; Fire Chief Jason Van der Veen; Finance Specialist Jessica Koehler; HR Kelly Freeman; Battalion Chief Jon Ahrenholz, Labor Representative Chris Hollander and Cody Bowen (10:00 a.m.)

District #4: Chair Steve Cooley (9:40 a.m.); Vice-Chair Tim Johnson; Commissioner Mark Lann.

2025 BUDGET WORK SESSION

Chair Ansell welcomed all participants to the 2025 budget work session.

DISTRICT 21/DISTRICT 4 INTERLOCAL AGREEMENT FOR FIRE AND EMERGENCY MEDICAL SERVICES

Both Boards are satisfied with the current agreement; no changes were requested. This agreement automatically renews unless either of the Boards requests changes.

Chief Van der Veen noted that since the District 4 levy was passed, he is committed to ensuring that Britton Loop Station 12 never falls below three-person staffing, as was promised to the taxpayers in that area.

D21 Chair Ansell noted that he hopes the increased District 4 revenue will allow the D4 Board to upgrade its station and equipment. An engine and possibly a tender are expected to be replaced. Both may help improve the insurance rating in their response area.

2024 BUDGET REVIEW

Chief Van der Veen reviewed the 2024 budget and explained how the districts' experience in 2024 will shape 2025. Finance Specialist Jessica Koehler has brought new insights into the department, which will only benefit the district.

Although projected, it is unknown whether the district will need to transfer any reserve funds to balance the 2024 budget.

The biggest expenses for 2024 included:

- Personnel
- Overtime
- Addition of Battalion Chiefs (huge benefit to operations)

D21 Budget vs. Actual Expenditures

Chief Van der Veen reviewed the 2024 budgeted expenses vs. actual as of October 31, 2024.

Admin/Legislative

- Contracts and Agreements – Continue to review and refine in 2025.
- 2024 Election costs – \$48,000 (D21 only)

Operations

- Overtime – Over budget

Chief Van der Veen noted that overtime will be broken into specific categories to determine better how it is utilized.

- L&I costs – Over budget

Chief Van der Veen provided information regarding a new 2025 grant program offering a ten percent rebate (\$50,000) on L&I costs.

- Uniforms – Over budget due to updating all class A uniforms (will be completed yearly but to a lesser degree).
- Equipment – Windows 11 update resulting in MDC upgrades (unanticipated expenditure).
- Third Party Billing Services – Medical Ground Ambulance Data Collection System (MGADC) transport revenue audit.

Prevention

- Overtime for Deputy Fire Marshal (per contract eligible for shift officer overtime)

Chief Van der Veen noted that any overtime to assist the Whatcom County Fire Marshal's Office will be reimbursed to the district. (regular and overtime).

Training

- North Bend Training Academy – Over budget due to higher rates (two classes anticipated in 2025).

Facilities

- Building Maintenance – Under budget due to the supervisor being out on sick leave and the districts' frugality.
- Internet/fax/cable – Over budget due to PogoZone agreement (contract to be reviewed in 2025).

Chief Van der Veen switched the primary internet to Comcast at each station for better internet reliability and will utilize PogoZone as the backup.

Vehicle Maintenance

- Tires – Over budget due to tire safety issues (replaced older tires, added studs on aid cars).
- Repairs – Under budget due to the reduction of outsourcing repairs.

BREAK

10:16 a.m. – 10:26 a.m.

District 4 Commissioner Johnson requested a copy of the budget vs. actual expenditures specific to District 4.

2025 DRAFT WORKING BUDGET OVERVIEW AND HIGHLIGHTS

Chief Van der Veen noted that the document primarily shows the District 21 budget, although the 25% attributed costs to District 4 are visible, and pointed out which line items do not apply to them. The final 2025 budgets will be distributed during the December meetings.

Chief Van der Veen stated that critical sections that exceeded the budget in 2024 are being better defined to clarify costs in 2025. In addition, the hope is to better utilize the current accounting software for budgeting purposes.

Chief Van Der reviewed the 2025 draft working budget and invited each commissioner and union representative to schedule a meeting with him to review the document.

Commissioner Rigberg requested the total proposed 2025 budgeted amount.

Admin/Legislative Division

- Need to add assistant chief wage and benefits
- Benefits
 - Health insurance (medical) – 4% increase
 - No information on life insurance and AD&D rates
 - Medical physicals – 3% increase
 - L&I – self-funded, dependent on claims
 - Added mental health benefit
- Computer software - \$1,500 security upgrade
- Computer equipment - \$25,000 to move the server to Cloud
- Professional services decreased – no levy lid lift assistance
- Update staff pictures annually
- Community mailer and video
- Law tax consultant for assistance with 1094/1095c - \$4,000
- General liability – 15% increase
- Cyber insurance is no longer included under general liability
- Election costs – One commissioner from each district will run in 2025.

Operations Division

- Add Assistant Chief
- Salaries - \$800,000 increase
 - Contractual wage increases (5%)
 - Filling of four officer vacancies (Feb/Mar)
 - Hiring four firefighters (Jan)
 - Hiring 2nd set of four firefighters (Aug/Sep)
- Medical/Physicals
- L&I increase

- Overtime budget reduction
- Third Party Billing decrease – MGADC audit complete
- BLS Cost Recovery – Investigation in process. More information is expected during the December meeting.

Prevention Division

- Travel/meals/certifications for succession planning
- Added uniform cleaning (Cintas)
- Overall increase of \$15,000

Training Division

- Add Training Captain’s salary (Mar/Apr)
- Increase in books and publications
- Increase in instructors
- Increase in online training
- Added in-house training advertising to entice outside participants
- Training dues for outside organizations
- North Bend Academy increase (\$10,100 per recruit)
 - Potential for a Whatcom County Joint Academy in the future for efficiency and to reduce costs.

Facilities/Support Division

- Moved the Facilities Support Chief to the administration division
 - Vacation payout in Jan.
- Split out internet services from phones/fax/cable
- Facility garbage service increase

Vehicle Maintenance Division

- Addition of a new mechanic’s salary (\$40 per hour)
- Increase in vehicle insurance (out to bid in 2025)

Chief Van der Veen has yet to go through each line item with mechanic Ryan Mack to determine his needs in the future.

Employee Compensation

Chief Van der Veen reviewed the projected total compensation cost for all employees (including anticipated new hires but not assistant chief) - approximately \$11,239,000. This includes wages, benefits, L&I rates, educational incentives, and uniforms.

REVENUES

Chief Van der Veen reported that the county had not released final revenue numbers; however, including the D4 payment, he anticipates the district may be \$1.75M short. Other revenue sources, including transport revenue, GEMT, and contract payments, have yet to be factored in. The district is also investigating other potential revenue sources, including the Port of Bellingham (Blaine Marina), the Nooksack Casino, and potential ways to increase the transport revenue.

CAPITAL

- District 4 plans to purchase an engine and possibly a tender.
- District 4 plans to make improvements to Britton Loop Station 12
- District 21 capital projects were not included in this presentation.

DISTRICT 4 COSTS

Chief Van der Veen reviewed how the District 4 costs are broken out of the overall budget. Anticipated BLS transport fees are also deducted.

Chief Van der Veen noted that District 4's 2025 costs are anticipated to be just over \$3M. Per their contract, District 4 receives a reduction for BLS transport revenue collected in their response area. District 4's projected income in 2025 is \$3.9M. At this time, District 4 has approximately \$450,000 in reserves.

CONCERNS AND DISCUSSION

- It is anticipated that the total expenditures vs. revenue collected in 2025 will likely result in a shortfall (*\$800,000 to \$1M transfer may need to be transferred to operations from the reserve fund*).
- Need to finance apparatus and ensure that loan payments can be made over the next ten years.
- Taxpayers will most likely not approve any bond requests.
- Potential levy lid lift request to make loan payments (\$.05).
- Overtime costs may be under-budgeted.
- Reducing services puts the district below industry standards (*safety issue*).
- Continued unfunded mandates.
- Increase in AV trend slowing.
- Need to investigate alternative streams of revenue
- 2025 contract negotiations with labor.

CONCLUSION

Chief Van der Veen reiterated his offer to review the draft budget with each commissioner individually. Finance Specialist Jessica Koehler concurred.

Chief Van der Veen agreed to send the projected revenue to both Boards before the December meeting.

Both Boards will receive a completed 2025 budget for approval during their December meetings.

Chair Ansell thanked the staff for their hard work and the District 4 Board for their participation.

ADJOURNMENT

The meeting was adjourned at 12:27 p.m.

Respectfully Submitted by:

Jennie Sand, Board Secretary

ATTEST:

Bruce Ansell, Chairman

Kimberly McMurray, Vice-Chairman

John Crawford

Matthew Rigberg, Commissioner

Steve Cooley, Chairman

Tim Johnson, Vice-Chairman

Mark Lann, Commissioner

Jason Van der Veen, Fire Chief