

### ***An open letter to the Citizens served by Lacey Fire District #3:***

The citizens of Lacey Fire District and the City of Lacey have both benefited from a long-standing interagency service agreement through which the Fire District extends its response area and services across the City. This agreement has typically taken the form of six-year contracts; the most recent of which extends from 2006 through 2011.

When the current agreement was negotiated in 2005, there was agreement by both parties except for the matter of how much emergency response staffing is needed to deliver services, especially in the context of an unknown growth factor for the City. To move forward, this agreement contains an “opener” for further discussions on the staffing issue during 2008.

As part of our regular monthly meetings with a subcommittee of the City Council, the District brought forth a proposed adjustment to the current agreement to deal with this staffing issue. The City reacted strongly in opposition to this proposal in a manner that included sharp criticism of the District, which was uncharacteristic of any previous discussions. This reaction included a multi-page letter from the Mayor to the District.

When *The Olympian* published this letter from Mayor Graeme Sackrison in conjunction with the June 1, 2008 editorial regarding this issue, the public received a one-sided, City perspective on this issue without the benefit of a District perspective.

The City and the District have a significant history of collaborative interaction and problem-solving. Over the course of four years of regular meetings, the City had ample opportunity to present any of the questions and criticisms, which surfaced in this letter.

None of our previous interjurisdictional correspondence was forwarded to the media. The Board of Fire Commissioners was troubled by this turn of events and the City's actions. We questioned the motivation for this letter and more importantly the timing; specifically, just prior to a public vote on our levy lid lift proposition. Without question, the publication of this letter had a significant impact on our citizens. Beyond the timing issue, the letter contains a number of erroneous assertions that further aim to erode citizen confidence and stir unnecessary controversy.

We have regularly engaged in City Council / Fire Commission Committee meetings since February of 2004. We remain committed to further meetings to definitively resolve the issues. We believe this is essential to continue providing quality life, health and safety, and property protection services for the citizens of our greater community. With this background in mind, the Board of Fire Commissioners wants to present the District's perspectives on the contentions offered in the Mayor's letter.

## Our Commitment to Meet

On March 20, 2008 at a regular monthly meeting of the City / District Planning Committee, the District presented a proposal for the City to consider matching a District levy rate of \$1.25 per \$1,000 of assessed value beginning in 2009. This proposal was presented a full four months prior to the stipulated contract opener date of “no later than August 1, 2008.” We saw this as natural progression from our three plus years of discussions and review of the District’s funding challenges.

The City responded with a request for additional data to substantiate the request. While this data request followed several years of jointly looking at District services, funding, and response times, we acknowledged the request and pledged to respond. We asked the City to follow up this generic request with the specific data needed so that we might appropriately respond to your questions. The City forwarded a seven page spread sheet requesting District data in a variety of fields, which covered a time period from 2000 to 2008. The District filled in all available data and submitted this information on Monday, May 5, 2008.

## Surprises

The City continued to express “surprise” with our proposal for increased compensation and offered no recall of previous discussion of issues driving our request. This is in the context of regular discussions with City Council members about funding for fire and emergency services from the beginning of our interjurisdictional meetings in February of 2004.

These initial meetings led to a public involvement process in November 2005, where we presented an agreed problem statement to a group of community leaders. That problem statement read:

*The Fire Commissioners for Lacey Fire District 3 and the Lacey City Council have determined the District will not be able to maintain current levels of emergency services in the future as a result of ongoing revenue limitations and a rapid increase in demand for services.*

In June 2006, we jointly constructed three revenue/expense projection scenarios; one characterized as “pessimistic,” one as “optimistic,” and one as “realistic.” After review, we concurred that the “realistic” scenario was appropriate for our consideration. Each of those scenarios projected revenue shortfalls within one to three years. We offer this history to explain our frustration with the City’s expressed surprise at our current situation.

After exploring several options, we concluded we needed to resolve the problem through the use of a levy lid lift. Yet since that time, the City has regularly resisted District initiatives by lid lift with commentary that a favorable public vote would shift the balance of funding to the District and pressure the City

into matching the funding. While the City has identified the levy lid lift as the appropriate means to address funding needs, the City never endorsed the District's levy lid lift.

Facing an expected \$1 million budget shortfall in 2008, the Board opted to use reserve funds realized by selling the former headquarters fire station to keep services intact for an additional year. The Board clearly communicated both our need and our intention to place this issue before the voters in the form of a lid lift measure in 2008.

The City again expressed concern that a lid lift for the District would force additional funding from the City. The City asked if they would be required to pay a special adjustment if the lid lift is approved. The answer is clear; the agreement in place does not contain that requirement. The Agreement does include an "opener" to negotiate an adjustment to compensation solely regarding potential staffing needs. The District seeks to address our funding needs through that mechanism.

## **Our Data**

While the numerical data offered in the Mayor's letter may be accurate, we believe it is presented without the benefit of context, which is essential for ease of understanding by a third party reader. Also, in several places, the City has co-mingled data pertaining to our contract with Thurston County Medic One, which tends to obscure the focus point of our discussion. Our focus should pertain to revenue received by the District either from District taxpayers or the City contract. Including this Medic One information is misleading for the public.

The City contends that District revenues have increased by 56%. It appears this is referring to total revenue, which includes Medic One funding, grant funds, disaster response reimbursements (e.g., wildland fires, Hurricane Katrina, etc.) and other miscellaneous revenue. This also appears to include revenue from the sale of our former headquarters complex, which the District has invested to forestall service reductions in 2008. Please note:

- In 2004, the citizens of the District approved a levy lid lift, which brought our 2005 District levy to \$3,801,079. Since then, our total District tax revenue (levy) has increased by 4.5% in 2006, 2.2% in 2007, and now 5.9% in 2008; for an average annual increase of 4.4%. This context portrays a significantly different picture than the 56% increase suggested by the City.
- The City notes that their contract payments over the past four years have increased by 48% or \$1.2 million and take credit for funding six new full time firefighter positions. In reality, the City has not funded all of that increase or personnel cost as a portion of that revenue comes from a 2006 federal SAFER grant (Staffing for Adequate Fire and Emergency Response) totaling over \$748,000 during that time frame.

The City's share of these additional personnel increases every year and appears as "new money" from the City to the District each year. In fact, it simply replaces the decreasing grant revenue and allows us to maintain the firefighters hired in 2006. Further, this grant funding does not appear in each year's contract base and therefore is not incrementally adjusted by the Implicit Price Deflator (IPD) as the rest of our City revenue is adjusted.

I also want to note that this grant was initiated by the District on behalf of the City to allow the City to assimilate this increased cost over a six year time frame. The City's actual contract revenue increase without the SAFER grant revenue is 33% or an average of 11% annually.

## **Medic One**

Specifically in regard to our contract with Thurston County Medic One, the implementation of the medic unit for the northeast and east portions of our service area generated a revenue increase of approximately \$500,000 annually from Medic One. This revenue is specifically tied to the operation of that new unit, which does not provide relief for either initial fire or EMS responses. The City notes that paramedic staffing has increased by 110% since 2001. While this may be an interesting piece of data, it is really not relevant to our discussions because this staffing does not factor into our primary fire and basic life support responsibilities. Also, these services are not part of our contract with the City of Lacey.

As noted, our contract with Medic One calls for the District to operate two fulltime medic units (Lacey core area and Yelm core area) and one halftime medic unit (north and east areas). While these paramedics are employed by Lacey Fire District, they are funded by and operate according to Medic One protocols; and respond throughout the County. The units based in our service area are able to respond on structure fire responses – if available – and may provide varying degrees of fire suppression support. Because of the uncertainty of their availability, they are not included in our basic structural responses. Neither the associated funding nor the personnel from this contract should be considered in this data review.

## **Our Labor Agreement**

The Board has now approved a negotiated Labor Agreement between the District and IAFF Local # 2903, which was negotiated in accordance with Chapter 41.56 RCW. Under the provisions of this statute, the District – as a public employer – is required to engage in collective bargaining according to the rules established by the Public Employment Relations Commission (PERC). In the absence of agreement, the matter is subject to the arbitration procedures established by PERC.

This Agreement, which provides for a 3.5% COLA in 2008, brings compensation for District uniformed employees to the median of our nine “comparables.” The typical compensation increase for a top-step firefighter is about 17% over 2007. These comparables include the following fire jurisdictions:

- Lakewood
- East Pierce
- Auburn (*Valley Fire*)
- South Kitsap
- Central Kitsap
- Renton
- Shoreline
- Woodinville
- Sno 12 (*Marysville*)

Due to the growth in population and significant growth in assessed value, in 2008 Lacey Fire District moved into a different set of comparables, which is an important factor in the outcome of the negotiations. And as we reviewed each of these new comparable jurisdictions, we also discovered the following facts:

- LFD firefighters serve the second largest population base of any of our comparables;
- LFD is tied for the fewest number of firefighters per 1,000 population among our comparables; we would need to hire an additional 24 personnel to reach the average;
- LFD firefighters respond to the most incidents per firefighter of our comparables;
- LFD employs the lowest number of firefighters per incident.

Prior to this Agreement, Lacey firefighters worked the greater number of hours per week of all comparables. In response to that fact and in conjunction with the total cost of compensation approach, we did agree to reduce annual work hours by 96 hours from 2,632 to 2,536; a standard, non fire service employee work week is 2,080 hours. We will phase this reduction in over the 3-year contract life.

We make no apology for this Agreement. There were concessions from both Labor and Management throughout the process. We believe it appropriately reflects the value and quality work of our uniformed personnel. The result is a reasonable agreement stemming from a fair process.

## **Our Staffing and Response**

Since the early 1990’s, the staffing objectives of the District have been to have sufficient staffing appropriately deployed so that we can simultaneously respond to:

- One single family residential structure fire (13 personnel minimum); and
- One Basic Life Support (BLS) EMS incident (2 personnel minimum)

For a number of years, we accomplished this by using a combination of career staff, volunteer staff, and an on-duty contingent of “trainee firefighters.” Up until 1996, we provided 24-hour staffing in two stations with the balance of the response provided by volunteers. Following significant development and population growth in the south Lacey area in the mid-1990’s, we opened a third station in that area with career / trainee staffing.

Over the course of time and like most fire departments in our nation, our ability to recruit and retain qualified volunteer personnel has diminished. At one time, we typically maintained a volunteer responder roster of 50 – 60 personnel. We now have about a dozen volunteer personnel and our typical retention is about 3 – 4 years. As these resources decrease, we have added career staff and some additional trainee firefighters, not as new resources but as replacements for a decreasing number of volunteers.

In 1999, we were confronted with new safety regulations, which were needed and an important step of progress for responder safety. In addition to regular incident personnel assignments, we must now rapidly deploy a Rapid Intervention Team (RIT)<sup>1</sup> of at least two firefighters who are assigned for firefighter rescue should an interior crew need rescue. A requirement to have a dedicated incident scene Safety Officer was also added. This increased our essential staffing to 16 personnel<sup>2</sup> for a residential structure fire plus two personnel for an EMS call. These developments led us to our minimum daily shift strength of 18 personnel.

As recently as 2003, we employed 32 career staff and 9 trainee firefighters enabling us to deploy three 3-person engine companies, one 2-person aid unit, and a single shift captain. If we committed all on-duty resources to a structure fire with no volunteer response, we were still three responders short of our response objective unless we had a volunteer response. We also experienced a steady increase in EMS responses that drew on this same resource pool for those incidents.

At the same time, our assessment of community growth, especially in the Meridian Campus area, signaled the need to plan for a 24-hour duty station to serve both the City and District residents and businesses in this growing community. We joined with the City in a collaborative capital project plan to relocate stations and provide needed fire apparatus for our operations. The apparatus included two fire pumpers and one ladder truck.

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<sup>1</sup> WAC 296-305-05001 (10a) Except as provided in (11), fire fighters must not engage in interior structural fire fighting in the absence of at least two standby fire fighters.

<sup>2</sup> “If about sixteen trained firefighters are not operating at the scene of a working fire within the critical time period, the dollar loss and injuries are significantly increased as is fire spread.” Quote from Managing Fire Services 2<sup>nd</sup> Edition, International City Management Association.

The acquisition of the ladder truck was not a means to increase staffing but rather to provide essential and effective fire suppression and rescue resources, which we could deploy working within our necessary on-duty staffing roster. The activities and tasks performed by the personnel assigned to the ladder truck must be performed whether that apparatus is there or not. Having this apparatus and equipment strengthens the ability of our responders to perform these critical functions in a safer and more effective manner.

While there are multiple options for deploying the on-duty personnel, we continue to believe that the most effective use of the necessary 18 on-duty personnel is to deploy them using:

- Four 3-person engines,
- One 3-person ladder company,
- One 2-person aid unit, and
- One shift officer
- TOTAL = 18 on-duty personnel daily

While most accepted national standards recommend 4-person or 5-person companies<sup>3</sup>, we have continued to successfully use 3-person companies by hiring and maintaining talented and well-trained personnel.

Today, we do not have sufficient career staff or volunteer resources in place to maintain 18 on-duty personnel and also provide accrued time off for annual leave, sick leave, and training opportunities. We have tried to grow into this staffing plan using incremental increases from growth, City contract adjustments, and the use of the levy lid lift but we continue to fall short.

As our costs increased, our ability to continue that effort eroded and we were compelled to reduce our minimum on-duty staffing last year from 18 to 16 personnel to operate within our budget. These same issues confront us today, which we laid out to the City during negotiations in late 2005 and early 2006. Because the City did not concur with our perspective on staffing needs, we agreed to include a contract opener to revisit this issue in 2008, which is where we are today.

In the City's letter, the Mayor contrasts population and incident annual growth rates with an aggregate growth in personnel. This appears somewhat disingenuous in that it places a small number side by side with a large number when they are not in the same context. Please consider the following explanation.

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<sup>3</sup> Evaluating firefighting tactics and tasks, 5 person companies = 100% effectiveness, 4-person companies = 65% effectiveness, and 3-person companies = 38% effectiveness. Managing Fire Services 2<sup>nd</sup> Edition, International City Management Association.

Specifically, the Mayor points out that since 2001, while population has annually increased by an average of 2.25% and incident volume has increased by an annual average of 3.7%, our staffing has increased by 42.5%. We have increased from 32 firefighters in 2001 to 49 firefighters in 2008, which is actually a 53% increase or an annual average of 7.6%. That 7.6% annual increase is greater than either population or incident growth but it is not totally a product of those two growth factors. You must understand that a significant portion of it involves replacing volunteer resources that have diminished.

We were also challenged with the issue of replacing our nine trainee firefighters in 2007 – 2008 following a state administrative ruling that precluded their continued use. While we had 49 firefighters plus 9 trainees for a total of 58 personnel, we now have 57 firefighters and no more trainees. There was a cost impact for that change, which the City shared with the District. While that increased cost appears as new revenue from the City and in total budgeted personnel expense, the increase does not translate into additional firefighters.

The City of Lacey has experienced significant growth over the past decade and by all projections is expected to continue to grow. Our citizens deserve and expect timely and effective care, whether at a fire incident, a rescue scene, or in a medical emergency. The City is heavily invested in our business community and we all share a significant responsibility to keep business “in business.” Lacey Fire District is a key component in that responsibility.

The District remains committed to providing high quality in effective service. We acknowledge that public safety services by their very nature are not always the most efficient. We have, however, built exemplary efficiencies into our system and continue to structure our staffing using a similar approach (i.e., staffed for one structure fire and one EMS incident simultaneously) that proved very effective for our community for over 20 years.

While the City appears to dismiss comparisons as having little value, careful and thorough comparisons will leave you impressed with your EMS and fire services. We invite you to review independent studies of fire and EMS systems such as conducted by the City of Sammamish in 2004, which included City of Lacey participation.

Our program costs more today because we were compelled to replace most of our volunteer resources with career staff; we had to phase out our trainee program; we needed to modestly increase our daily overall fire response group from 13 to 16 personnel; and then our business costs for labor, supplies, services, and capital equipment have increased.

Today we more extensively use mutual and automatic assistance on a daily basis from our neighbors, which is a vital resource and safety net for our community. In the face of significant growth and increased risk, we have

maintained and improved the City insurance rating, which produces a direct financial benefit to many businesses and homeowners.

The City appears to commend our fire loss record, which averages just over \$1 million annually. These fire loss statistics are based upon a loss estimate created by the command officer for the incident and typically are well below the actual losses. Federal and state fire loss experts state that, after comparing estimated losses to actual losses, the actual losses are typically eight to ten times greater than the initial estimates.

In our current experience, loss of life and property from fire in our service area is not an everyday occurrence. We credit a combination of good fire codes, a modest public education effort, and our effective, skilled suppression response force. Previously, the District advocated for the City to incorporate residential fire sprinkler protection into the fire code. The City chose not to pursue that approach.

In the absence of built-in protection, a greater burden falls on the suppression response force. As funding has eroded, the District was forced to eliminate much of our fire prevention program staff and shift a portion of that workload to the response staff. Once again, a greater burden is placed on the suppression response force. We are now faced with reducing the suppression response force. The results of these further reductions most certainly will be greater losses from fire and increased safety risks for our responders.

## **Suggested Cost Savings Measures**

At the conclusion of the Mayor's letter, he offers five suggestions for cost savings. Here is the District's perspective on each of these suggestions.

### ***Redeployment of Aid Unit***

As explained in previous communications, District operational plans have both the Aid Unit and the ladder truck in service, which happens with 18 personnel on duty. With limited funding and a reduction in available daily staffing to 16 personnel, we had to choose how to best use the remaining staff. By closing the Aid Unit (equipped for EMS only) and keeping the ladder truck (equipped for both fire and EMS) in service, we are able to provide immediate response to fire, motor vehicle incidents, and EMS incidents. By closing the ladder truck operation and keeping the Aid Unit in service, we can only effectively respond to EMS incidents.

The City suggests that it is perfectly acceptable to select the second option and, *"If there are any structure fires or rescue calls that require the ladder truck, the Aid Unit staff, along with a shift captain, training officer, long shift firefighter, or volunteer can respond with the ladder truck."* On the surface that appears to make sense. Operationally it does not work out in that way.

As we presented to the Council members during our Committee's meeting on February 29, 2008, the critical functions of a ladder truck company are needed in the early stages of the incident. Choosing to exclude this resource during initial fireground operations and then searching for an available person to bring the apparatus to the scene is not at all functional, prudent, or safe.

The structure fire response on Friday, June 6, 2008 (5305 22<sup>nd</sup> Avenue SE) was a good example because limited staffing precluded staffing the ladder truck that day. While the initial response crews made a quick entry and ultimately located and removed the fire victim, they were hampered by high heat and heavy smoke conditions on the interior. The ladder truck company is trained, equipped and ready to deal with those conditions. The ladder truck was brought to the scene later by an available firefighter but arrived well after the critical need.

In order to demonstrate a willingness to listen to the City's suggestions and promote dialogue, the District has restructured daily staffing – for an interim period of time – to ensure staffing of the Aid Unit before staffing of the ladder truck. From our perspective, the resulting services to the public are diminished. You stated regarding your proposed staffing, *“And, if deployed when needed as suggested above, there can still be a very positive response to structure fire calls.”* We strongly disagree.

### ***Reconfigure Station 35 Service Boundary***

The City proposes to redraw the service boundary for Fire Station 35 (Meridian Campus / Willamette Drive) to “balance the overall workload.” We can change the boundaries but we are not convinced that it would necessarily address concerns about workload distribution. The incident totals per station area do not necessarily reflect fire company activity; they only tabulate the number of incidents that occurred in that geographic area. The station area boundaries are established to promote the best response times from each station when the crew is in quarters.

We might expand a boundary and thereby create a longer response time because an adjoining station typically has a shorter response time to that area. We can expand a boundary into undeveloped territory and have no impact because few if any incidents occur there.

Even within the Station 35 area there are incidents to which Engine 35 did not respond because they were already responding to another incident. Also, in addition to incidents within its own station area, our fire companies respond to cover responses in other station areas when that company is committed and they also respond as part of multi-company responses for structure fires or complex incidents of varying types.

### ***Station 35; 2-person Company***

The Board has listened to the City's concerns about potentially closing a fire station; specifically Fire Station 35 (Meridian Campus / Willamette Drive). In a split-decision, the Board of Fire Commissioners directed the Fire Chief to reduce the minimum daily staffing but keep all stations open.

The City proposed to reduce the personnel assignment at Fire Station 35 (Meridian Campus / Willamette Drive) to a 2-person company. With the current reduction in daily minimum staffing and the expectation that all stations remain open, there are now days when that does occur. In those situations, the crew puts an Aid Unit into service and responds in that role.

The City has taken this further and suggested that this 2-person crew would also respond in a fire engine to fire incidents. Given the safety regulations and the provisions of recognized safety standards, this suggestion is contrary to prudent safety practices. Arriving at a fire incident – be it a structure fire, vehicle fire, or brush fire – with a crew of two firefighters places an inappropriate and unsafe expectation for a single firefighter to begin fire suppression operations. While there may be a few incidents where the risk is minimal, the overall risk is unacceptable and we are concerned about your willingness to place our firefighters in that risk.

To be clear, currently there are days where Fire Station 35 has a 2-person crew assigned there. That crew will respond as dispatched with an Aid Unit and operate as such whatever the incident type.

### ***Modified Organizational Structure***

The City asked if the District has explored other organizational structures, with further comment that our supervisor to employee ratio is 1:2. If you consider the total workforce, we have 18 shift lieutenants supervising 54 firefighters, which is a 1:3 ratio.

The District is open to other structures as long as they are effective. Our current practice places an officer/lieutenant/supervisor with each fire company on each shift, with the possible exception of an Aid Unit. This structure gives us trained leadership and supervision for both the single company responses and also provides a core group of officers for multi-company complex incidents.

### ***Labor Agreement***

The City asked about:

- Phasing labor agreement increases; and
- Evaluating this agreement with our comparables.

The District did propose phase-ins for elements of this Agreement and we did agree to do so with work hour reductions. They will be phased-in over the 3-year term of the Agreement.

The results of this Agreement place our employees squarely at the median point among our comparables. We believe our process and our Agreement are fair to both our employees and our public.

## Conclusion

Again, we refer to our jointly drafted “problem statement” from 2005:

*The Fire Commissioners for Lacey Fire District 3 and the Lacey City Council have determined the District will not be able to maintain current levels of emergency services in the future as a result of ongoing revenue limitations and a rapid increase in demand for services.*

Four principle factors influence our service in a manner that results in the problem stated above.

1. We serve in a community that continues to grow in population, and in business and human activity.
2. Service requests continue to increase at a rate greater than basic population growth.
3. Our service is among the most regulated of public sector functions; including the horizontal and vertical standards of WISHA (Washington Industrial Safety and Health Act), the consensus standards of NFPA (National Fire Protection Association), and the DOH (Washington Department of Health) standards for Emergency Medical Services.
4. Our cost of serving the greater community tomorrow will increase at a rate greater than either Washington statute or our Service Agreement with the City of Lacey provides for.

We individually and collectively have invested considerable time and effort in examining services, response times, revenue projections, and options. With an open mind for on-going discussion and negotiations, the District presented the City with a balanced initial proposal to address funding for fire and emergency services.

While our funding proposal to the City was indexed at a “levy rate” that is well below most if not all comparable jurisdictions, the City reacted with surprise and then characterized it as a “take-it-or-leave-it” proposal. The District has not used this approach in prior negotiations; we never intended it here and never stated such.

In the ensuing time period, the City appears to hold fast to the opinion that our operation is inefficient and any significant increase in funding constitutes a poor investment of City funds. While we have been asking for the City’s questions for many months, these questions – many in the form of criticism – have only recently surfaced. The City has challenged our expertise, integrity,

and decision-making. Yet, our Board, Staff and personnel diligently strive to effectively serve our public with integrity and fiscal responsibility.

The City's decision to forward the Mayor's letter to the media presented the citizens of both jurisdictions with only the City's perspectives on the issues before us. That outcome has troubled all of us at Lacey Fire District and it increases the complexity of our challenge.

We do believe that the citizens of the City of Lacey and of Fire District # 3 are best served through a consolidated service delivery system with a proven high level of citizen and user satisfaction. We agree that it will require more money to continue effective public safety services and that it can be done for a reasonable cost. So let us turn our attention to resolving that issue.

We continue to look forward to productive discussions with the City of Lacey and the involvement of our citizens as we face this challenge together.

***The Board of Fire Commissioners***