

RECORD OF PROCEEDINGS

Minutes of

Meeting

GOVERNMENT FORMS & SUPPLIES 844-224-3338 FORM NO. 10148

Held \_\_\_\_\_ 20 \_\_\_\_\_

CITY OF MILFORD SPECIAL COUNCIL MEETING  
WORKSESSION  
COUNCIL CHAMBERS  
745 CENTER STREET, ROOM 134B  
TUESDAY - MARCH 5, 2019 AT 6:00 PM

AGENDA

- Call to Order
- Pledge of Allegiance
- Moment of Silence
- Roll Call
- A Work Session to discuss Fire/EMS Levy for Milford Community Fire Department

Council Budget Presentation  
March 5, 2019  
Fire Chief Mark Baird

Thank you for the opportunity to present information about MCFD. I want to start by making a few introductions. First the dedicated fire board members who are the officers of the corporation who volunteer their time to oversee MCFD and be directly responsible for delivering fire and EMS protection of the city. Accompanying me tonight are:

- Vice-President Mimi Toomey
- Secretary Stephanie Haight
- Treasurer Bob Kistro
- Member Joe White
- Member Laura Whalen
- Member and City Manager Michael Doss


President Jennifer Hemminger is on vacation and unable to be here, tonight.

I would also like to introduce my senior staff: Captains Nick Thiele, Jason Jewett, Miles Miller, and Jim Nickell

Over the next little bit, I want to give you basic information about the mechanics of how we provide fire and EMS protection to the city, followed by a review of the 2019 budget adopted by the fire board, and finally take a look at the department's ten-year budget and capital expense forecasts including the reasons the fire board has asked for consideration of a tax increase.

Basic Information

Workforce

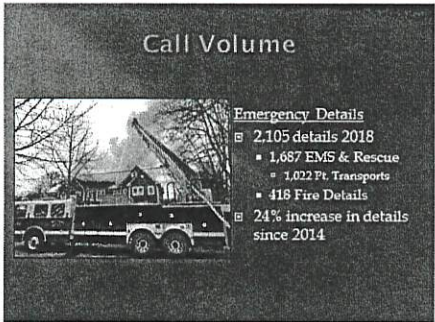


- 47 members currently
  - 14 Career
  - 24 Part-Time
  - 4 Volunteer
  - 5 Cadet (14-18 year-olds)
- By Certification
  - 35 Firefighter
  - 16 Paramedic
  - 17 EMT
  - 27 Multi-Certification

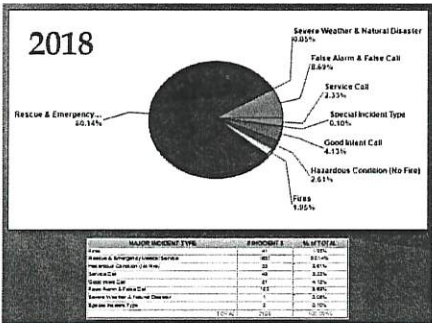
We currently have 47 members, a number that fluctuates year-to-year. 14 are career members...13 in operations plus our wonderful administrative assistant Janis Smith. We normally have 20-25 part-time members on the roster, many of which who are full-time employees of other fire departments. We are fortunate to still have 4 volunteer members that make runs with us and up to ten volunteer cadets at any given time who are exploring fire and EMS as a career.

You can see the basic professional certifications held by our staff. This list does not take into account the 18 people who are also state-certified fire safety inspectors, 6 who are fire or EMS instructor, and several others who are continuing education instructors and assistant fire instructors.

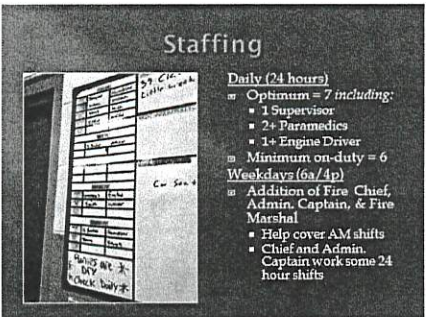
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MCFD had 2,105 details in 2018 which for the first time in a while was a similar number to the previous year. However, over the five years since 2014 we have experienced about a 24% increase in calls for service.



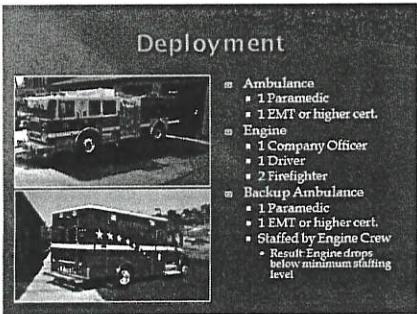
Around 80% of our call volume each years is EMS-related details. You can see how 2018 broke down but all-in-all, it was a typical year for MCFD.



Basic, daily staffing includes 7 people on-duty at the fire station but we will operate at a minimum level of 6. For financial reasons the 7<sup>th</sup> position is not filled using OT unless we are short a paramedic, driver, company officer, or have some circumstance that necessitates it.

A typical shift will have a supervisor, at least two paramedics, at least one engine driver, and 2-3 other members with varying degrees of certifications and endorsements on-duty.

Administrative Captain Thiele, Fire Marshal Nause, and I normally work weekdays. Phillip and Nick each cover at least 1 daily shift each week and all three of us fill daytime openings while co-workers attend trainings, meetings, MMART, and so forth. Captain Thiele and I also work 2 or 3, 24 hour shifts monthly to fill openings, especially when the captains are off. This helps save money.



The on-duty staff covers two ambulances and the engine. The primary ambulance has an assigned crew of two people and the engine four. When there is a second ambulance detail, two from the engine crew



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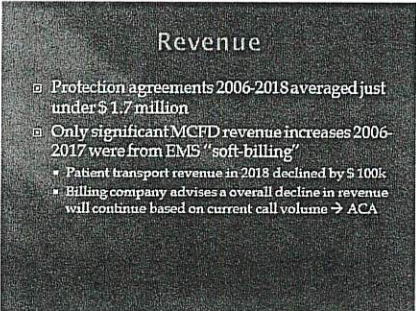
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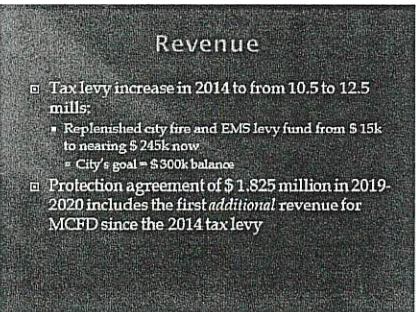
staff the backup ambulance and the engine has to operate below minimum staffing. When available the 7<sup>th</sup> person on-duty...often the supervisor...backfills any openings they can.

Switching to the business side of things...

Revenue



The fire department’s largest revenue source is the protection agreement. From 2006 thru 2018 the agreement provided the fire department an average of \$ 1.7 million annually. The only other significant source of revenue it has is “soft-billing” for ambulance transports of just over \$ 400k at its highest in 2017. In 2018 EMS transport revenue dropped sharply by almost \$ 100k despite little change in the number of transports. Our billing company, widely-known and trusted and in the ambulance billing industry, tells us this drop is the result of federal law adopted several years back and unfortunately, further aggravates the overall revenue situation.



In 2010 voters approved a 10.5 replacement fire and EMS levy which I am told eliminated several, separate tax levies and actually lowered the cost to taxpayers but also decreased the revenue generated by about \$ 100k annually.

In 2014 voters approved a 2-mill increase to 12.5 mills by a nearly 3-1 margin. The additional revenue allowed the city to meet current obligations of the fire and EMS levy fund plus build some reserve. The city had previously advanced the fire and EMS levy fund \$ 110,000 from the general fund which was paid back to the general fund after the levy approval. The city set \$ 300k as the desired balance in the fire and EMS levy fund as a goal...and it’s currently about \$ 245k. The protection contract remained at \$ 1.7 million annually.

In 2016 the fire board recommended a 2.5 mill increase be placed on the ballot at the next time of levy renewal. It had forecast that by the early 2020’s the fire department’s operating expenses were going to significantly exceed revenue. Additionally, a fire truck, one or both ambulances, and several pricey pieces of equipment would need to be replaced to the tune of over \$ 1 million by the mid-2020’s. The fire board had purposely accumulated roughly \$ 1.26 million in reserve by 2017 to both have cash on hand for business continuity AND address future capital purchase needs without incurring significant amounts of debt. The tax increase proposed would have addressed the fire department’s looming budget shortfall and allow the reserve to drop at a controlled rate, with an eye toward those future capital needs. City council elected to ask voters to simply renew the existing tax levy and directed the fire department to maintain current operations using more of its reserves. At a May 2017 special election 92% of city voters approved renewing the existing, 12.5 mill tax levy.

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Expenses

- 2019 MCFD budget and forecasts assume annual increases of:
  - 2% salaries & benefits
  - 3% operating expenses
- Significant effort made by Fire Board since mid-2017 to address employee recruitment and retention to:
  - Have reasonable competitiveness attracting new
  - Retain "core-group" of experienced members
  - Chief Reach Goal of < 10% annual turnover
  - Action accelerated the spend-down of MCFD reserves

I have previously shared with the safety committee the fire department’s 10-year budget and capital improvement forecasts and have provided all of you with those this evening. The one significant change in spending practices since 2016 has been to address significant employee recruitment and retention issues that plagued us. The fire service is currently experiencing the same issues associated with low unemployment and a decreasing talent pool as many other industries and we were losing talented people. Starting in mid-2017, and I’ll add at Michael’s (Doss) urging, the fire board significantly improved pay and benefits for employees which increased operating expenses to some extent. But it was a necessary move.

Debt

- MCFD currently has no debt. Final payment on 2012 fire engine made in 2018
- City makes final payment on 20-year bond for 1998 fire station addition in 2019



As far as debt the fire department corporation is completely debt-free and the city will make its final bond payment on the 1998 fire station addition when the EMS was brought under the same roof as fire protection.


2019 MCFD Budget

Revenue

- 83% City Agreement
- 15% EMS Billing
- 2% Other

Expenses


- 81% Personnel
- 15% Operating
- 4% Capital Expenses
- 0% Debt Service



Breakdown of fire department revenue and expenses in 2019 looks like this. These are reasonably consistent numbers year-to-year. Our expenses look like this:

Personnel

Wages	\$ 1,588,719.76
Benefits	\$ 473,882.64
Total	\$ 2,062,602.40





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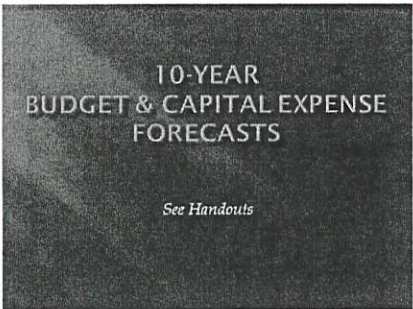
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Training	
Target Solutions (online learning)	\$5,100.00
ISFD Training Tower	\$3,000.00
FDIC Registration	\$500.00
CPR Instructor Renewal	\$250.00
Advanced EMT Class (1)	\$1,500.00
Paramedic Class (4)	40,000.00
Blue Card Command (5)	\$3,425.00
Fire Officer I & II (4)	\$2,500.00
Fire Officer IV (3)	\$1,200.00
Unencumbered/Contingency	\$7,525.00
Total Training	\$65,000.00

Our training budget is normally around \$ 25k each year but the \$ 40k additional in 2019 is for four employees to attend paramedic school under the FEMA AFG awarded to MCFD. \$ 38,000 of it will be repaid from the grant.

Capital	
Scheduled Replacement of PC/Laptop	\$2,000.00
Scheduled PPE Replacement	\$15,000.00
EMS Equipment (ODPS EMS Grant)	\$2,500.00
Intercom Boxes	\$1,000.00
Apron Blacktop Repair and Sealing	\$35,000.00 ←
EMS Compartment-Engine 71	\$3,000.00
Restroom Refreshing	\$15,000.00 ←
Fire Hose	\$5,700.00
Nozzles and Mounts	\$2,000.00
Rescue Manikin	\$1,500.00
Assorted Small Equipment	\$3,000.00
Station Alerting Improvements	\$1,000.00
Dehumidifier	\$1,300.00
Heart Monitor Mounts	\$1,500.00
Unencumbered/Contingency	\$9,600.00
Total Capital Improvements	\$100,000.00

Our capital improvement budget is normally around \$ 50,000 each year except when staff vehicles have to be replaced or, as is the case this year, the fire station apron needs asphalt repairs and we want to tackle updating the existing restrooms to replace fixtures, address HVAC and lighting issues, and generally spruce them-up. The fire department is contractually-obligated to pay for maintenance and improvements to the fire station. For example, the fire department replaced the roof at the end of 2017 to the tune of around \$ 60k.



I want to direct you to the handouts I provided. The first is the spreadsheet 1-Year Budget Forecast Tax Renewal ONLY.

MCFD 10 Year Budget Forecast (Current Staffing Projections)						
	2017	2018	2019	2020	2021	2022
Operating Expenses	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Capital Expenses	50,000	50,000	50,000	50,000	50,000	50,000
Total Expenses	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000	1,250,000
Revenue	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Difference	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)

2020 will likely be the final year the department can operate at its current level on current funding. Of course we would have the opportunity before that to cut costs but this would surely be at the expense of staffing which I hope to avoid. You can see by looking at the line “difference” on this spreadsheet we are significantly dipping into our reserves as reflected by the negative numbers.



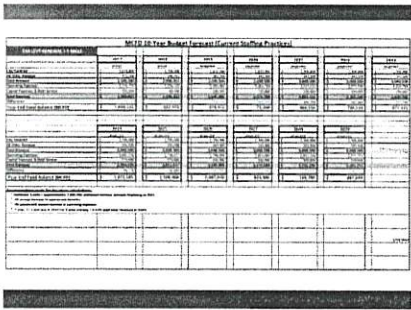
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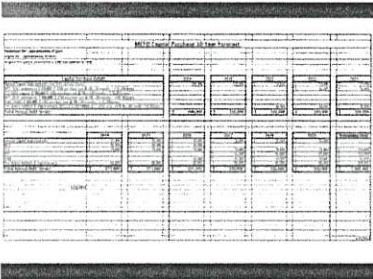
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A screenshot of a complex spreadsheet titled "10 Year Budget Forecast (Current to 2029)". The spreadsheet has multiple columns representing years from 2019 to 2029. It contains various financial data points, including revenue, expenses, and net income, organized into several sections. The data is presented in a tabular format with rows and columns of numbers and text.

If you turn to the spreadsheet Tax Levy Renewal + 5 mills you are looking at the document I referenced during last month’s safety committee meeting. This is a budget forecast and 10-year financial plan intended to sustain fire department operations at current levels, as well as making anticipated capital improvements, throughout most of the 2020’s. The goal of the fire board would be ask voters to approve the 12.5 mill renewal plus an additional 5 mills for a total of 17.5 mills for a five-year period in 2019, then renew it for an additional five-years in 2024 at no, anticipated additional cost to taxpayers. Essentially, under this 10-year plan the fire department would end 2029 with about the same amount in its checking account as it began with at the end of 2019.

A screenshot of a spreadsheet titled "10 Year Capital Purchase Forecast". The spreadsheet shows a timeline from 2019 to 2029, detailing capital purchases and their associated costs. It includes columns for year, item description, and cost. The data is organized into a structured table format.

The third spreadsheet is the fire department’s Capital Purchase 10-Year Forecast which outlines the larger-ticket items which will need to be purchased throughout the 2020’s.

I would like to close my presentation by saying the board members and I work diligently to provide top-notch fire and EMS protection to the city as economically as possible. For years city council has entrusted the fire board and fire chiefs to make good financial decisions that were in the best interest of the city and to our collective knowledge we still hold this standing. The decision to ask city council to consider a significant tax increase was not taken lightly nor without debate as the fire board members are taxpayers in the city, too. But in the end you, the city council, determines the standard of fire and EMS protection for the city and that is where we are today...the board and me trying to facilitate your decision-making by providing good counsel.

Mr. Albrecht thanked Chief Baird and the board.

Ms. Brewer thanked the Chief and the board.

Question:  
Since you had met with everyone, what did you take away from those meetings? Was there a communality that you heard? Anything compelling? I did not hear within your presentation any changes or tweaks from the presentation that you gave the committee. Were you able to go back to your board members and relay the information you received?

Chief Baird said that the common denominator was a spirit of support for the department and that the information we provided was credible, believable and accurate. What was not taken away from the meetings was any type of commitment. During the original presentation at the Safety Services Committee meeting, during the original presentation, I am relaying that the board and I believe that this is the best plan going forward. What is expected? Tell the board, tell me. For example: One resolve finds a different funding source for the addition to the fire station. Wants and needs are understood. Personnel are needs. equipment and apparatus are needs. Fire station we would like to have and what we get are two different things. Resources are not abundant. We have some significant issues at the station. Overwhelming support for the department. Everyone wants to be a part of the solution. The board will need your input to help this plan. Ms. Brewer mentioned that she clearly did not understand that the building was the Fire Departments contractual obligation. If we own the building, then why are we not taking responsibility with the upgrades that you need? For example, the pavement that is in need of repair, we do paving projects all the time, why not add that as part of the city project and save money and get it done? When we talk about Capital Improvements there were not specifics as to estimates but I interpreted it to be general amounts and that was a struggle for me as Chair of Public Services. If you are going to come to me with for



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example wanting a new bulldozer or something that is going to wash cars for us, you better give me three bids. I need to make sure we have done our due diligence and have shopped around. It appeared to me to be a generalization to what it might cost and therefore I was reluctant to throw that into the levy. And again, not understanding that you were responsible, I would have liked to have said, let's work together on these capital improvements and not throw them into the levy and to try to save the taxpayers some money. We cannot do this because of the contractual obligations or maybe we can if everyone agrees that this is what we want to do. This may be one of the avenues which you can accomplish what you want to accomplish and we can try to help without rolling that into the levy. I may have an opinion on how you buy trucks but I am not a professional and would not question you on that.

Mr. Albrecht reiterated we question all expenses. My concern is similar in that we would have loved to see a sheet like this without the building.

Chief Baird said it only lowers it by 1 1/2 Mil.  
Estimate based on best information 1.2 million dollars plus the Financing cost total 1.7 million dollars at 4% bond over 20 years. That is an \$88,000 a year bond payment. It is roughly 1 1/2 of a mil to cover the project.

Ms. Brewer asked, 1.7 million in renovations? And you are not building a new firehouse?  
Chief Baird answered 1.2 plus the financing costs. Not building a new firehouse.  
Mr. Albrecht asked what would 1.2 million dollars in renovations look like?  
Chief Baird said that it is not just renovations. It also includes an addition.  
Mr. Albrecht mentioned that if the architects could come to council with a concept and showing how much space to be added and we would talk to three different contractors and to illustrate to us what is going to happen with the money. It is easier for us to judge something when we have a clear concept. It took 14 years to get the building down on Garfield.

Chief Baird stated that when he is looking at the department's debt, he has a great deal of difficulty spending \$5,000 on even an architect or engineer to come in and tell them this is what it would cost, when we may never build it.

Mr. Albrecht explained that we get that and he would not want him to do this either but maybe come up with a plan and to come to council showing us a concept for 1.2 million dollars. We want you to have the best place, people and if I were to question anything, it would be the staffing level over the next 10 years. If you are increasing runs at 24%, is this going to work over the next 10 years? If we are to get this money, I would like to make sure we use this for salaries and people and training rather than a building any day.

Mr. Brady asked about the levy itself. What is the financial impact on the households/citizens going from 12.5 to 17.5 on an annual basis?

Chief Baird said that from the County Auditor it would be based on a home at market value at 100,000 to 250,000 and other options as well as other tax levy information 14, 15 1/2 % mils. And referencing the spreadsheet passed out to council members.

Ms. Evans asked if we have had an increase in 2014 but taxpayer costs went down?

2010 was believed to have been when they ran a super levy. There was a Fire levy and an EMS levy. They were on different renewal cycles. Council and Chief Cooper at the time felt that they wanted to get this under one big levy to be renewed in either three or five years. They chose a three year. It was coming out of the economic downturn. That levy generated about 100,000 dollars less revenue than what the previous levies had. The taxpayers received a decrease in their tax bill. In 2014 there was a 2-mil increase.

Mr. Brady found information that showed that a \$100,000 market home would pay about \$14.50 more per month and a \$200,000 market value home would pay about \$30.00 per month. Do you feel comfortable that the public will be accepting to that?

We look upon the tax levy renewal time as an opportunity to have our performance judged as a fire and ems provider. In 2014 it was 73, 74% yes votes to pay more taxes for fire/ems protection. In 2016,17 when that was renewed, it was over 90% yes votes to renew it. If this is not something the tax payers want to foot the bill for, and they ultimately decide the level of protection that they are willing to pay for, we will respect that. I think we will get a fair shake.

Ms. Brewer brought up that the school is running a levy at the same time. Could this potentially have some impact?

Mr. Albrecht said that he did not believe that they would not be running at the same time. May and November. Unless it doesn't pass.

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Chief Baird agreed that it is a large increase. In the past the community has shown its trust to the department. They have voiced this clearly at the ballot box.

Mr. Albrecht and council members thanked Chief Baird for the information.

Adjourn: 6:55 p.m.

  
\_\_\_\_\_  
Jackie Bain, C.P.T.

  
\_\_\_\_\_  
Fred Albrecht, Mayor