

Clackamas Fire District #1



REGULAR BOARD OF DIRECTORS' MEETING MINUTES February 28, 2022

ATTENDANCE

Board of Directors: Jay Cross, Chris Hawes, Thomas Joseph, Jim Syring, and Marilyn Wall

Others present: Clackamas Fire: Nick Browne, Steve Deters, Jason Ellison, Heather Goodrich, Tracey Grisham, Izak Hamilton, Oscar Hicks, Melanie Kinne, Dan Mulick, Trish Noble, Brent Olson, Shawn Olson, David Palmer, Brandon Paxton, Ariel Roberts, Josh Santos, Jonathan Scheirman, Brian Stewart, Scott Vallance, Doug Whiteley, Michael Wong, and Stations 3, 4, 5, 7, 8, 11, 15, 16, 17, 19; Volunteer Association: Jerry Kearney; Civil Service Commissioner Jeff Davies; Sandy Fire: Chief Phil Schneider; Local 1159: Mark Corless, Andrew Gordian, Nate Hon, Jordan Dukart, Brant Lapp;

Other community members and citizens were in attendance. The full video conferencing attendance can be provided upon request.

I. CALL TO ORDER PER ORS 192.610 TO 192.690 ORS 192.650 – The meeting is being recorded.

Director Wall called the meeting to order at 5:05 pm. President Joseph was having technical issues.

II. CHANGES TO THE AGENDA

No changes.

III. APPROVAL OF MINUTES OF THE JOINT WORK SESSION AND TOWN HALL ON JANUARY 4, 2022, WORK SESSION ON JANUARY 20, 2022, AND THE REGULAR BOARD MEETING MINUTES ON JANUARY 24, 2022.

All minutes were approved as written. Director Wall abstained from the Joint Work Session as she was not in attendance.

IV. PUBLIC COMMENT

Scott Bethke resides in Oregon City. He is a 25-year fire fighter who works for a nearby agency. He was concerned about CFD down staffing stations.

Alan Ferschweiler is a resident of CFD and the OSFFC Legislative Director. He spoke against the decreased staffing. He is a firefighter for the state of Oregon and he is proud to be paying

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taxes towards Clackamas Fire. He wanted the Board to seek out all other alternatives and suggested a SAFER Grant.

Charles Gallia requested that the Budget Committee be included in some of these decisions. He knew of other possibilities besides grants that could be of help.

Karl Koenig spoke as a resident of CFD. He was concerned about the reduced staffing. He gave a brief history of his knowledge of the situation. He was very worried that there was only one solution brought to the table and requested they seek out every possible solution.

Chris Fig expressed his concerns over decreased staffing. He wanted them to check out other solutions.

V. CIVIL SERVICE COMMISSIONER INTERVIEWS

President Joseph joined the Zoom meeting.

The Board interviewed Michael Morrow.

The Board interviewed Bob Johnson later in the meeting as he encountered technical issues.

VI. BUSINESS – Action required

B-1 Request Board Approval of One Commissioner to Serve a Four-Year Term on the Civil Service Commission – Assistant Chief Steve Deters

The Board discussed the candidates and thanked them for their interest.

Director Hawes made a motion and Director Syring seconded for the Board to approve Michael Morrow as a commissioner to serve a four-year term on the Civil Service Commission for Clackamas Fire District #1. The motion passed unanimously.

PRESENTATION – ANNUAL AUDIT – Jarrard, Seibert, Pollard & Co. CPA Russell Ries
Chief Browne explained that CFO Whitaker had a family emergency and could not attend this meeting. He introduced Russell Ries to present the audit. The audit report is located in the Board packet.

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Russell reported that the CFD was issued a clean opinion. They are not issuing any internal control memorandums. He then went over the Statement of Net Position, Statement of Activities, the Balance Sheet, and the Reconciliation of the Balance Sheet to the Statement of Net Position. He then presented on the notes to the audit which included Note D regarding the Oregon Public Employees Retirement System (PERS).

The only issue they found was that Emergency Services expenditures exceeded appropriations. A letter will be sent to the State as is required.

Director Syring asked Russell if he was aware that CFD had to pass a deficit budget for the first-time last year. The current administration found an error, there is now a substantially larger deficit. What will happen during the audit next year when there is this large of a deficit?

Russell explained that they can present a budget where the expenditure levels are more than the revenue levels as long as the appropriations are set up correctly. However, they would be eating away at their beginning fund balance. He asked where the errors were from last year and requested that someone send that documentation to him.

Director Wall asked how there could be no issues with internal controls when there is such overspending occurring.

Russell explained that they look at the magnitude and the frequency of the problem. The overall total expenditures were still within the supplemental budget appropriation; it was an administrative error with the department codes not aggregating correctly. The total general fund was not expended.

Director Wall asked what will happen with the State when they send a letter.

Russell said in the past the State will send a letter asking how and why this error happened. They'll also want to know what the District is doing so this doesn't happen in the future.

Director Cross voiced his concerns over transparency and it looking like money is getting moved around.

Russell said that they have been auditing the District for several years and they have never run across this error before; it's not a systematic issue. The last two years were atypical fiscal years. It was the perfect storm with the change in the appropriation line items, the Covid-19 pandemic,

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the wildfires, and the supplemental budgets for these events. He knows that CFO Whitaker is focused on making sure that error won't happen again.

B-2 Request Board Acceptance of the Fiscal Year 2021-2022 Annual Audit – Fire Chief Nick Browne

Director Cross made a motion and Director Syring seconded for the Board to accept the fiscal year 2021-2022 annual audit. The motion passed unanimously.

Later in the meeting Chief Browne brought up that the Board approved the 2021-2022 audit but it needed to be the 2020-2021 audit. He asked for the motion.

Director Cross amended the motion and Director Syring seconded for the Board to accept the fiscal year 2020-2021 annual audit. The motion passed unanimously.

B-3 Request Board Approval of Dissolution of the Highland Butte Radio Tower – Facilities Services Manager Scott Vallance

Facilities Manager Vallance shared that he had an update from his original report. The assessed value is now \$54,000 and market value is now \$90,000.

He requested that the Board approve the dissolution of the current Highland Butte Radio Tower. This tower is being replaced by the new C800 tower which is in a better location and is taller. He gave a brief history on the property and showed an aerial photo. The building on the property is in disrepair and the tower is old with outdated repeaters. Two of the bordering property owners are interested in purchasing it.

Director Wall asked if it was a legal lot. Facilities Manager Vallance confirmed.

Director Wall asked if it had any utilities. Facilities Manager Vallance said the property has electricity, no water, and no sewer. He thinks it's unlikely that it is big enough to support a septic system. It also has a propane generator and diesel furnace.

Director Hawes made a motion and Director Cross seconded for the Board to approve the dissolution of the Highland Butte Radio Tower.

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Director Wall questioned the wording. Are they requesting authorization for the Fire Chief to surplus the property? Facilities Manager confirmed. Director Wall requested that the motion be amended to this wording.

Director Hawes agreed and amended the motion for the Board to approve the Fire Chief to dispose of the Highland Butte Tower property. Director Cross seconded. The motion passed unanimously.

VII. OTHER BUSINESS – No action required

OB-1 Legislative Update – Lobbyist Genoa Ingram

No update.

OB-2 Board Committee/Liaison Reports

Executive Committee – President Joseph/Director Wall

Director Wall reported that the committee met on February 8, 2022, at the request of the Fire Chief. They had general discussions regarding the battalion chief contract negotiations, the financial updates, an update on Gladstone, and other efforts to bring the budget into alignment.

Civil Service Liaison – Director Hawes/Commissioner Jeff Davis

Civil Service Commissioner Jeff Davis reported that there hasn't been any other meetings since the last Board meeting. They meet every three months. President Joseph thanked him for attending.

OB-3 Board Informational Updates/Comments

Financial Update – Fire Chief Nick Browne

Chief Browne gave a brief background overview of the current financial situation. In April, they identified a \$1.8 million budget shortfall. In May, they passed a budget with a \$1.4 million budget shortfall after making some cuts. CFO Whitaker identified an error in the revenue forecast in December. They presented this to the Board in a Work Session with the Local 1159. He then presented a slide which showed the estimated general budget deficits if no actions were taken. All years showed a large budget deficit.

Since the original forecast and since the Work Session, Command and General Staff identified \$1.3 million in ongoing administrative reductions in force, attrition, and materials & services expenditures. This is about a 14% administrative reduction since May.

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In February, Chief Browne told DC Mulick he needed approximately \$2.9 million in ongoing operations reductions. The current plan to achieve this includes reducing five engine companies to three-person staffing. Chief Browne then presented a slide that showed the estimated general fund budget surplus/deficits in the coming years after the reductions. 2021-2022 still showed a budget deficit, but the future years showed surplus where there were previously deficits.

Chief Browne said the situation has been extremely difficult, but he is hopeful that these hard decisions will bring lasting financial security to the District. He is well-aware of the many benefits and efficiencies of four-person staffing. It's still his goal to have four-person staffing at CFD. Right now, the District needs to go backwards before it can go forwards so it can achieve financial solvency. None of these decisions are easy. He is not going to terminate any more people. He is not going to shut down any fire stations. Three-person crews are still able to respond to calls.

Director Cross stated that he agrees that CFD needs to stop deficit spending, or the money will run out. He asked if there was an opportunity to include the Budget Committee and the Local 1159 in the discussions. Are there other opportunities like SAFER grants? What is the build-back plan? People are concerned that this is a permanent solution.

Chief Browne said he plans on having a Work Session with the Board and the Local 1159 in the coming months. He has been having discussions with Local 1159 President Corless and there is room for collaboration.

President Joseph brought up that the Local 1159 is now included in the Board meetings and he agreed that it's important to have them in discussions.

Chief Browne said that the Local 1159 did bring a SAFER grant forward as an option. He analyzed it and does not want to be in this same situation three years from now when the grant runs out. He wants to fix the issues now. There are multiple avenues and funding sources available. As far as the build-back plan, it really depends on the direction they go. He requested that the Board be patient and he will bring a plan forward to them.

Director Syring understood that CFD is in a difficult situation. There have been poor decisions made by previous administrations and a lot of revenue was lost from the failed Estacada merger where CFD still kept those employees. Then there was the million-dollar mistake. The Board agreed to a union contract that includes D shift which has its own expenses and wage increases. These decisions were based on incorrect numbers. Eighty percent of the budget is personnel. He is not happy with going down to three-person companies. However, closing stations and laying

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off more personnel is not an option for him. He gave a brief history of different stations going back and forth between three-person and four-person staffing. When the District is able, it has always been a priority to increase stations to four-person staffing. A levy could be on the table in the future. He feels making these changes now and creating financial solvency puts the District in a better position to go to the public so they can go back to four-person staffing via a levy.

Director Hawes wanted the public to know that three-person staffing is not substandard. He has experienced this personally and shared when a three-person crews helped him. He said three years ago, he attended the CFD Board meeting and pointed out that revenues were going up 11% but labor costs went up 14% and that wasn't going to last forever. No changes were made and now they are in their current situation. With the budget being 75% labor, there are a limited number of options to balance the budget. He was impressed with the Chief and staff's plan. There is no clean way to do this. There was a way to avoid it, but it would have had to be done years ago. His priorities continue to be the community and this organization. He understands that there is no build-back plan yet as they are still trying to "put out the fire"; they can't rebuild the house while it's still on fire. He reminded the group that those estimates in the graphs were mid-range and that there were estimates that were worse than that. He felt the changes proposed were short-term painful but long-term healthy and he thanked the Chief and staff for all their work.

Director Wall agreed that they need to have some short-term pain for long-term gain. She thought they all had the same goals but different paths of how to get there. The most valuable resource CFD has is the workforce. Chief Browne is trying to preserve as many people as he can. If CFD needs to go from four-person to three-person to achieve financial responsibility, then that's what they need to do. They need to continue to perform the mission with fiscal responsibility. This is a long time coming. Multiple people contributed to the problem including the Board (excluding Director Hawes). The Board did not insist on solutions when they started to see the red ink in the forecasts. It's now fallen on Chief Browne. Everyone needs to give his plan a chance to work. She remains skeptical of CFD's PERS costs. She agreed that the budget committee and other parties should be included in the discussions.

President Joseph agrees with the comments of his fellow Board members. He believed it was important not to point fingers. Chief Browne and his staff have come forward with the problem and possible solutions. He felt that three-person staffing was better than closing a station. He posed the question; can you hold your breath for seven minutes? Because that is how much longer an engine could take to get to you in an emergency if a station was closed. He and the Board are supportive of this approach and know this is short term.

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Director Cross said that as a Board, they cannot bankrupt the District. They can't keep continuing to do what they are doing or in three years, that's what will happen. To solve this problem, they can go with Chief Browne's plan, or they can close a station and lay off 12 people. In the past when he was on the board with Boring Fire District, they had a choice to either lay off everyone and go to a completely volunteer staff or they could legally integrate with CFD. This came about because they did not get in front of their financial issues. If CFD gets ahead of these issues, they can avoid drastic measures. He felt that the Budget Committee and the Local 1159 would be beneficial to this conversation now, as well as in the build-back plan discussions.

Director Syring agreed with Director Cross. He asked if the trucks and heavy rescue are staying at four-person staffing. Chief Browne confirmed. Squad 319, Stations 1, 3, 10, 14 are going to a three-person station. Station 3 is keeping the medic.

Director Syring felt the build-back plan is important when the timing is appropriate. What stations would go back to four-person first? He felt there could be support for a potential levy.

President Joseph reiterated that they will continue to be collaborative with the Budget Committee and the Local 1159.

VIII. INFORMATIONAL ONLY

A. Division/Department Reports

R-1a Office of the Fire Chief – Fire Chief Nick Browne

R-1a.1 Governmental Affairs – Battalion Chief Brandon Paxton

R-1b Office of Strategic Services – Assistant Chief Brian Stewart

AC Stewart shared that they had had the kickoff mediation session with the battalion chief group. There was good conversation and discussion. There is a second session scheduled, but the conversations are going well.

He shared that Gladstone held a special meeting on February 22nd, and it was an opportunity for their fire chief and city administrator to share with the city council more about the demands for emergency services in their community. Public testimony was also received. The conversation will continue at their regular meeting on March 8th. We are providing them with some follow-up information that they have requested.

AC Stewart also shared a Facilities update regarding Urban Renewal dollars. At Station 1, there is a house next door that the District purchased a few years ago. It is being remodeled using

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Urban Renewal funds, and it will be used for additional office space when it is completed in about a month and a half. The 130th campus also has Urban Renewal funds allocated to it, and they are looking at how they can modify and secure the property to centralize internal services for the crews.

R-1b.1 Technology Division – Chief Technology Officer Oscar Hicks

CTO Hicks shared that Technology Services is staying in line with the District and providing financial stability. They're conducting an application audit to address issues of compliance, licensing, overlap of usage, and support and maintenance. They're looking for areas where consolidation is possible.

He said that they are also working with neighboring agencies and having conversations about what applications and processes they're using/following and seeking possible opportunities for collaboration.

CTO Hicks also shared a cybersecurity update. He is staying up to date with cybersecurity issues/news in order to ensure that the District is well-prepared. He would not recommend moving to Windows 11 yet.

R-1c Office of Business Services – Assistant Chief Steve Deters

R-1c.1 Human Capital Division – Assistant Chief Steve Deters

AC Deters shared that Human Capital completed the lateral entry firefighter process, the onboarding of the two new Finance employees, and the interviews for the Sandy and Clackamas feasibility study. The feasibility study is still in process awaiting the technical review.

In the last Civil Service meeting he was appointed to the Chief Examiner position.

R-1d Office of Financial Services – Fire Chief Nick Browne

Finances have already been discussed at length during the meeting, so Fire Chief Browne shared that there wasn't more to share unless the Board had any questions.

R-1e Office of Emergency Services – Division Chiefs Josh Santos and Dan Mulick

R-1e.1 Medical Services – Division Chief Josh Santos

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DC Santos shared the Clackamas Fire Community Medicine program was awarded the Clackamas County Blueprint Grant of \$75,000. This money will go towards a portion of the community paramedic employee cost. It will help continue efforts in Project Hope, which is the opioid harm reduction program, and will also assist in mental health crisis and overall addressing of low acuity and non-emergent calls in the 911 system. The goal is to keep heavy assets off those calls. There are also several other grants that are in the balance that they should hear back from in the coming months.

R-1e.2 Operations – Division Chief Dan Mulick

DC Mulick shared that Operations is still focusing on communications and strategy and tactics. They went from an analog to a digital system, and this has brought along some challenges with the radio communications which they are continuing to work through.

He gave kudos to BC Willard and BC Ellison. They've finished up their two-week session on strategy and tactics training with the line. It was fantastic training and very well-received by the line.

The District is currently in recruitment right now for Crew 30. Once the crew is established, BC B. Olson will present a detailed report to the Board to share what that program will be doing this year.

On February 17th, the volunteer academy graduated, and it was a well-attended event.

There was a line of duty death of a firefighter in St. Paul, Oregon, and the District did the best they could to support their members and family. He gave a huge thanks to the volunteers who participated in the funeral procession. CFD provided coverage for Aurora Fire during the funeral.

DC Mulick shared some significant events that have happened over the last month. BC Cordie had a fire in Station 4's planning zone. It was a well-involved fire that the crews quickly extinguished. BC Willard had a fire off Oatfield Road in Station 3's planning zone. Once again, it was quickly extinguished. It was exceptional in the amount of time that it took them to get the fire under control and do the primary search. BC Scheirman had a commercial fire off Molalla Avenue (pictured in the board packet).

Director Hawes shared that he drove past a fatal motorcycle accident on Eagle Creek Road and Highway 211. He was impressed by the crew that was on scene. They did their best to block the victim from the view of those driving by and were very professional while interacting with the

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people on scene. He was humbled and honored to be a part of an organization that has people like that. They were professional, compassionate, and impressive. DC Mulick thanked him for sharing and agreed with his sentiments.

R-1f Professional Firefighters of Clackamas County Local 1159 – Shop Steward Andrew Gordian

Shop Steward Gordian shared that HB 4113 passed, which added bladder and female reproductive cancers to the other twelve presumptive cancers covered under workers' compensation. It is a huge deal, and he was thankful to Firefighter Jill Fullerton for sharing her testimony.

Shop Steward Gordian then shared a statement from Local 1159 regarding the staffing reduction.

Union President Mark Corless then spoke. He reiterated that the statement shared by Shop Steward Gordian was an important reflection of where the Local stands. He shared that the Local is going to continue conversations with the District.

R-1g Volunteer Association Report – Interim President Jerry Kearney

Interim President Kearney shared station coverage for January. He shared that ten volunteers attended the funeral for Austin Smith, the St. Paul firefighter who died in the line of duty. In addition to attending the funeral, the Volunteer Association donated \$1000 to his widow.

He shared that the new recruits had graduated and assigned to their stations and in-house trainers.

IX. ADDITIONAL PUBLIC COMMENT

Christina Stephenson, a civil rights and employment attorney, shared her concerns regarding the staffing changes. She wants the District to continue looking for solutions.

Chris Fig shared his appreciation for the Fire District and the Board. He asked about whether a proposal could be put together that would break down the cost for each individual homeowner to make up the budget deficit. He suggested a SAFER grant followed up by a levy in order to resolve budget issues. He shared concerns about moving from four-person staffing to three-person staffing.

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Director Cross clarified that he did not believe anybody was saying that three-person staffing was the same as four-person staffing, but that it is a better option than having nobody responding.

Karl Koenig shared that he hoped CFD doesn't repeat history and set the District back. The District needs to re-evaluate expectations and ask management/leadership to find solutions. He expressed that the stations moving from four-person to three-person staffing need to be trained. He felt that transparency was key moving forward and wants SAFER grants to be considered.

President Joseph shared that collaboration is the goal.

X. CONTINUANCE OF INFORMATIONAL ONLY

A. Correspondence

Noted.

B. Informational Items

Noted.

C. Next Meeting

The next Board of Directors' meeting will be on Monday, March 21, 2022, at 5:00 pm by remote video conferencing.

XI. ADJOURNMENT

The regular Board of Directors' meeting adjourned at 7:59 pm.

Minutes recorded by Executive Assistant Ariel Roberts and prepared by Administrative Technician Jessamyn Ode.

thomasjoseph

thomasjoseph (Mar 24, 2022 14:23 PDT)

President Thomas Joseph

James E Syring

James E Syring (Mar 24, 2022 16:00 PDT)

Secretary James Syring









2-28-2022 Regular Board Meeting Minutes FINAL

Final Audit Report

2022-03-24

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