

To: ACFR FEMS Board

From: DC Tom LaBelle

Date: June 28 2017

RE: Proposed budget policy changes

At the May 27 Work Session staff were directed to organize the discussion of the meeting into a memo for the FEMS Board. This is that document and will also be utilized to inform the County Board of Supervisors.

At the Work Session, FEMS discussed that the current process for providing funds to the volunteer fire and rescue stations. This process focuses on determining an appropriately sized donation from the County to your individual agencies. The County bases their donation on the scope of an agency's operating expenses as defined in the volunteer funding policy. This funding process is intentionally different from budgeting and inherently less precise. Maintaining a separation between the not-for-profit volunteer organizations and the County is, and likely remains, desirable for all parties. Direct budgeting on the part of the County would increase the administrative workload for both the County and the volunteer stations. Additionally the financial priorities of stations vary over time; therefore, the donation process allows greater flexibility to address these priorities.

Items covered in the Work Session discussion addressed one of two values to volunteer stations - financial savings or time savings. The discussion emphasized that providing time savings to volunteers is often as valuable as the financial support provided by the County. Over the last several years, the County and volunteer agencies have successfully implemented projects, such as a turn-out gear system and consolidated fuel purchasing, that save the County and, just as importantly, stations money and volunteers' time. There is greater desire amongst the volunteers to address other supply issues; however, the human and physical resources required for this will need to be considered in future resource-planning requests.

A number of recommendations to improve the funding policy came from the Work Session. All of these are to be included in the Executive Summary to be provided to the Board of Supervisors. The intention is that the Board of Supervisors will be able to make any necessary changes in time for the FY 19 budget process.

First, a clarification on uniform funding policy is needed. According to current policy, the County provides for two duty uniforms and two Class A uniforms per station annually. However, that has not been practiced under the funding policy and is not believed to be the intention of the policy. In practice, the County provides for duty uniforms for all members and two Class A uniforms annually. Funding for uniforms will be based on a formula that takes into account the price of uniforms, the current cost of uniforms, and the number of shifts required by members. This change will have no impact on the budget, since it is simply a clarification of current practice.

It is also recommended that the Board of Supervisors provide funding for janitorial services and grounds maintenance – which is not included under current policy. OMB and ACFR staff will base funding for these categories on current budgeting from Facilities and Environmental Services (FES). The current

rates for janitorial services are based on square footage but does not include square footage for bays, and fundraising/rental space. Current FES contracts do not provide for expansion, so ACFR either needs a new contract for volunteer stations or to simply provide stations the funding for their own contract based on current rates. Based on current rates, we estimate that this will add a combined \$134,330 to the budget for volunteer stations.

Currently, the County provides meals to volunteer stations based on a formula determined by OMB. This formula takes into account the number of volunteers on shift and a rate per meal determined by OMB and ACFR. We recommend that in addition to this formula, ACFR and OMB provide a flat \$500 increase to each station for provide a bonus meal to volunteers who cover shifts during major holidays. The budget impact of providing this for all 10 stations will be \$5,000 annually. Additionally, ACFR recognizes that the meal formula does not account for increased staffing during disasters and large-scale weather events. ACFR would like to provide a contingency for volunteer stations to access should their spending on meals exceed their budget in such instances.

FEMS discussed the Board of Supervisors obvious desire to support volunteer agencies in their efforts to recruit new members. To accomplish this, it is suggested that the Board include a new line in the funding policy specifically dedicated to these recruitment efforts. Currently some stations come directly to ACFR seeking these funds, as they don't budget for these efforts. While ACFR will continue to support volunteer stations in their recruitment efforts, we also believe that providing funding will allow stations to support recruitment outside of the Countywide efforts. We suggest a \$500 flat increase for recruitment for all volunteer agencies, with a total budget impact of \$5,000 annually. This \$500 will be an across-the-board increase for all agencies, and will not replace any existing donations volunteer agencies currently allocate to recruitment.

Staff also suggests a mid-year "pick-up" review process that provides some funding to volunteer agencies who experience an influx of new members. Since a significant portion of donations, including but not limited to funding for training, uniforms, and meals, is based on membership size, an increase in membership can have a dramatic and unnecessarily negative financial impact for agencies. It is suggested that existing County Fund Balance be used in conjunction with a new process so volunteer stations can request a mid-year review of their membership rolls. If there has been a 10% or greater net increase in membership, a mid-year adjustment of donations can occur at the direction of the Board of Supervisors. The funds required for this contingency are expected to be minimal.

The FEMS board also considered funding for Capital Improvement projects for buildings owned by volunteer agencies. The current policy is that participation in the construction or major improvement of volunteer stations will be considered on a case-by-case basis. During this discussion, the FEMS board made the following motion: *The idea of the County participating in funding major building renovation and/or building replacement is a complex issue that needs more research and discussion. Therefore, the FEMS Board prefers to take the next 10-12 months and further weigh the pros and cons to better prepare a recommendation.* In order to support the maintenance of buildings owned by volunteer organizations, the County currently provides funds to support operational maintenance for minor and preventative items. However, this allotment is often underfunded. ACFR will work with OMB and FES, and volunteer partners to clarify what operational maintenance expenses could be covered under this

policy, and will develop a systemic approach to provide adequate funding to support volunteers as they maintain their buildings.

In addition to the above policy changes, ACFR staff and FEMS discussed a number of process changes to the volunteer funding process that do not require a policy change, but does relieve administrative burden on volunteers, provide possible cost savings to all partners, and enhances system relationships. Current policy allows volunteers to join onto County contracts. The following contracts will be shared with leadership at all stations: water/sewer; gas/heating oil; Cable/Internet/Telephone; trash pickup; electricity. For all of these categories, volunteer stations will be given the option to ride on County contracts, but it will not be required.

Finally, ACFR staff recognizes that the funding policy has not been reviewed and updated for seven years, and that this is a long time to go without evaluating whether the current policy meets the needs of volunteer agencies. Moving forward, the volunteer funding policy will be reviewed every three years, and the results of that review will be reported to the Board of Supervisors.