

Date: August 15, 2016
To: Members of the NMCFPT Executive Committee
CC: Members of the Bloomington Township Board
From: Lillian Henegar, Bloomington Township Trustee
Re: 2017 NMCFPT Budget Considerations

We have prepared a number of documents for your review regarding the 2017 Budget for the Northern Monroe County Fire Protection Territory.

As you know, the Territory is administered by a "provider unit," Bloomington Township, with oversight from this body, the Executive Committee comprised of representatives from the "participating units." As the provider unit, Bloomington Township Board is responsible for the formal adoption of the Territory's Budget.

In the interest of better communication and the adoption of a budget that is satisfactory for all parties, the discussion and decision making process is as follows. Today's meeting, August 15 is in preparation for presenting a budget for review at the August 18 Bloomington Township Budget Workshop. The NMCFPT will meet on Tuesday August 30 to review feedback from the August 18 workshop and to recommend changes to the Territory budget so that it is ready for the Bloomington Township Board's 2017 Budget Public Hearing on September 8. The Executive Committee has scheduled a meeting on September 26 in anticipation of the Washington Township and Bloomington Township Boards Adoption Hearings.

Current Information Regarding Revenue and Assessed Valuation

The State Budget Agency has calculated the Assessed Valued Growth Quotient for Budget Year 2017 at 3.8%. In addition, the Budget Agency calculated the County Non Farm Personal Income Growth Quotient, 2008 to 2014, at 2.2%.

The Indiana Department of Local Government Finance calculated the Estimated Maximum Levy for Budget Year 2017 as \$3,213,221 (NMCFPT), which equals the Territory operating maximum levy they approved in their June 17th Final Determination Letter.

We are still waiting to hear if the Territory's Equipment Replacement Fund's tax rate has been set at .0333. We are including the .0333 or \$141,535 in the estimated numbers and the Budget Form 4-B calculations to help build the fund and its operating balance (or cash reserves) in the first year.

Bloomington Township has submitted a letter of intention to provide fire and emergency services to the citizens of Benton Township in the amount of \$130,000. This is an increase of 45.8% over the 2016 contract amount of \$89,117. To calculate the 2017 FY service contract amount we begin with the Township's 2016 Fire & EMS Funds Budget and the 2015 total runs to Benton Township: \$1,523,761 X 18% or \$274,276. We arrived at \$130,000, which is \$144,276 less than the actual cost of providing service. Considering the fixed costs over which Benton Township trustee and board have no say and their limited tax base, this seemed the best compromise for 2017.

The Monroe County Income Tax Council adopted a Public Safety LOIT to fully fund the County's Central Dispatch Center. The anticipated revenue will allow the Council to meet other public safety needs in the County including distributing funds to fire departments serving the unincorporated areas. Bloomington Township submitted a request to the Council for its fire prevention program in the amount of \$121,500. Washington Township submitted a request for \$50,000 toward acquisition of a site for a fire station. The PS LOIT Committee will recommend to the Council approval of an allocation of \$25,000 toward the fire prevention program and \$50,000 toward the acquisition of a station in Washington Township.

Overview of Proposed 2017 Budget

We have developed a first year budget of \$2,776,422.00. This budget provides for the operation of the Territory in 2017 based on our plans to increase staffing at Bloomington Township Station from 3 firefighters, in addition to administrative staff, to 4 per shift until a temporary or permanent station in Washington Station can be identified and occupied. At that time, we will post 3 at Bloomington Township Station and 2 at Washington Station with one shift commander for both stations per shift. Of course, our intention is to have a station in Washington Township in 2017, whether a temporary or a permanent location.

Per the request of the Bloomington Township Board, we have provided the attached Fire Department Salary Calculation 26 Pay Periods showing salary increases over current 2016 salaries of 2%, 2.5%, and 3%. In preparing the overall budget and the "Budget Form 4B spreadsheet" for the workshop, we began by calculating an operating budget with the 3 percent increase, \$2,776,422, with \$2,471,684 to be raised from property tax. Since that calculation put us under the \$3,213,221 maximum levy by \$741,537, and the estimated tax rate at .6843 for the Territory General Fund (operating). Added to the .0333 tax rate for the Equipment Replacement Fund (cumulative), the estimated tax rate would be 0.7176. (The estimated maximum tax levy discussed at the public hearings was 0.8247 in the first year.)

New Territory Offers Opportunity to Improve

July 1, 2016 is the official start date for the Northern Monroe County Fire Protection Territory (Territory). The formation of the Territory is an opportunity to re-do policies, procedures and structures to improve the fire department and its service to the community.

For example, as January 1, 2017, the Bloomington Township Station will become a tobacco-free zone for all paid and volunteer fire personnel. We are working with staff in preparing them for that day. Another example is a new policy being instituted where every firefighter, volunteer, career, or part-time, must pass a physical fitness test annually. Previously, this had only been a requirement for volunteers.

We re-examined the pay scale for firefighters and the salary differentials between ranks. With the 2016 Budget, we had begun a process of creating a differential between shift commanders and the other firefighters. With the Territory, we have an opportunity to structure differentials between each rank, provide consistency and predictability, and incentivize additional training and skills as well as rewarding additional responsibility. Administrative staff also felt that this would be an opportunity to give the shift commanders added duties and responsibilities that would facilitate the department's efficiency.

We have attached the proposed scale with how it would look for 2017 if it were instituted. We have also included a proposed longevity bonus which would max at \$2,000 per person. We have also attached the

salary calculation for 2017 with 2, 2.5, and 3 percent increases. We calculate if we instituted the new pay scale in 2017, its impact on the total cost for personal services would be equivalent to the 3% increase.

Salary Comparisons

In considering the pay rates, we collect information from other fire departments around the state as well as from the US Bureau of Labor Statistics (<http://www.bls.gov/bls/blswage.htm>). According to the Bureau as of May 2015, the annual mean wage of all Protective Service Occupations in the greater Bloomington metropolitan area is \$35,160, and for firefighters it is \$39,890. For "First-Line Supervisors of Firefighting Workers," it is \$64,850; the category is not defined. For the state of Indiana, the annual mean wage of all Protective Service Occupations is \$37,480, for "First-Line Supervisors" \$59,200, for firefighters \$45,510, and fire inspectors and investigators, \$50,100. (The last category is not included in the Bloomington Metro data, but NMCFT administrative staff serve as fire investigators.)

We are providing a spreadsheet prepared by the White River Fire Department of area salaries and benefits 27 Central Indiana fire departments and a summary of base salaries among 113 regional fire departments. (Note: City of Bloomington was included but not Bloomington Township.) While the mean annual wages are higher than collected in the Bureau of Labor Statistics survey, the range is pronounced. The 2016 mean annual wage for fire chief is \$83,473, deputy chief is \$76,724, captain is \$63,925, and 1st year firefighter is \$43,722. The summary of base salaries showed that the department's starting salary is strong.

For further context, the Massachusetts Institute of Technology (MIT) Living Wage Calculator (<http://livingwage.mit.edu/>) provides local and state data and calculations for what the hourly rate a household must earn to cover basic living needs. For Monroe County, they calculate that typical annual gross income to support a household of one adult and two children at \$53,203. For a household with two adults, they calculate \$35,700. The Living Wage Calculator covers basic expenses for households living in rental housing.

Restructuring Administrative Staffing

We took this opportunity to restructure the administrative staffing for the organization to better align it with best practices and to correct inefficiencies in workload. Our goal is to improve the operation of the organization over the long haul. Instead of one deputy chief, we have created two deputy chief positions to fit better with the needs of the Territory's particular circumstances in a modern era.

In the past, the department has relied entirely upon a single assistant chief to manage the ever growing responsibilities placed on it by the federal, state, and local government. The list of responsibilities falling under the sole deputy chief kept growing: data reporting, meeting governmental requirements, training, personnel management, information technology maintenance, website design and upkeep, building and grounds maintenance. The deputy chief worked closely with the Township office manager on budgetary matters and the hiring process.

With the 25.5% increase in run volume over the past decade, the demands on all aspects of emergency incidence response go up. Apparatus, equipment, and training are affected, everything from planning

for help from other departments to working with Central Dispatch to planning how we are dispatched to the 14 different zones within our service area. Further, with the completion of the I-69 corridor, we anticipate an increase in run volume and greater demand upon the Department's hazardous materials capabilities.

As we prepared for the Territory, it became increasingly clear that a division of the responsibilities would be wiser in the long run. We created the Deputy Chief of Administration and the Deputy Chief of Operations. The Deputy Chief of Operations is responsible for operations including fire, emergency medical services, and the hazardous materials response. When a station is opened in Washington Township, the Deputy Chief will oversee the day to day operations of two stations with one captain per shift (or shift commander) covering both stations and 4 paid firefighters. The shift captain would be allowed the flexibility of moving between fire houses and emergency incidences. (Note: There are three shifts of personnel who rotate – 24 hours on and 48 hours off.)

The Deputy Chief of Administration is responsible for department training, volunteer liaison duties, and administrative issues such as information technology, purchasing, and grant writing. Also, the fire prevention division, which covers public education, inspection, investigation, and plan review, falls under the purview of this deputy chief. Both Deputy Chiefs respond to emergency incidents when needed.

Because the transition to the Territory requires substantial preparation and work even before the official start date of July 1, the immediate implementation of the Territory's command structure was of paramount importance. While this structure change places a higher demand on the Territory's current budget, we have worked out how we can accomplish these changes within the present budget through the end of 2016.

Some of the transition changes could not have been done if we had not put these planned administrative changes into place. For example, we have to ensure that our staffing levels of fulltime paid firefighters were maintained through the end of the year. In addition, we need to be prepared to integrate additional firefighters without jeopardizing service. With a roster of 10 to 12 individuals, we could be prepared for multiple phases of hiring over the next 2 years. To do this, the Territory's administrative staff formed a "hiring committee"; this committee implemented the Department's hiring processes, which includes resume and credential review, group and individual interviews, background and reference checks, and agility testing. The leadership of this leadership team produced a prioritized hiring list of 12 qualified individuals.

The Credentials of the Current Administration

It has become apparent to the current Trustee over the past few years that the Bloomington Township Fire Department had within its ranks the kind of talent, experience, skill, and aptitude needed to lead this department as a fire territory.

Fire Chief Joel Bomgardner has 36 years of management in both the private and public sectors, including 17 years with Bloomington Township Fire Department as Assistant Chief and then Deputy Chief. Bomgardner has been responsible for personnel management, data collection and reporting, budget preparation, and fiscal management. He has been the department's grant writer and IT manager.

Bomgardner has been the liaison with Central Dispatch Center and has served on the Monroe County Local Emergency Planning Council since 2002. The Monroe County Commissioners appointed him to the Perry Clear Creek Fire Protection District Board in 2014.

Deputy Chief Matt Bright is the Deputy Chief of Operations joined the Bloomington Township Fire Department as paid fulltime firefighter/EMT in 1997. He had joined as a volunteer in 1992. He holds a master's in Public Administration from American Public University and a bachelor's in Fire and Safety Engineering and Technology for the University of Cincinnati. He is also a graduate of the Executive Fire Office Program of the National Fire Academy. Prior to his promotion to Deputy Chief of Operations, he was shift commander, also serving as the Department's medical officer and its head fire investigator.

Deputy Chief Dave Calvin is the deputy chief of Administration. Currently, he doubles as a shift commander. Deputy Chief Calvin joined the Bloomington Township Fire Department as a full time paid firefighter in 2007, having served as a volunteer since 1998. He has been the Training Officer, and heads the Department's Training Committee, since 2009. He serves on the Indiana Fire Training District 8 Council as well as serving on various state committees tasked with Indiana Department of Homeland Security course revisions. Calvin holds a master's in Resource Management and Outdoor Leadership from Indiana University and has been an adjunct faculty member of the IU School of Public Health for more than 10 years.

Conclusion

This memo has attempted to address the budget proposal and salary and organizational issues impacting the budget. Please contact me if you have questions or wish additional information.