



Eugene-Springfield Fire Governance Review Panel

MEETING 6 SUMMARY

MEETING DETAILS

Date: Monday, September 19, 2022
Time: 2:30-4:30pm
Location: Zoom Webinar & In-Person (Lane Council of Governments, Buford Room)

MEETING ATTENDANCE

Governance Review Panel Attendees:

Kori Rodley, *Springfield City Councilor*
Steve Moe, *Springfield City Councilor*
Randy Groves, *Eugene City Councilor*

Niel Laudati, *Springfield Assistant City Manager (in for City Manager Nancy Newton)*

Kristie Hammitt, *Eugene Assistant City Manager (in for City Manager Sarah Medary)*

Staff Attendees:

Mike Caven, *ESF Fire Chief*
Kelsey Hunter, *ESF Executive Assistant*

Brenda Wilson, *LCOG Executive Director*
Rachel Dorfman, *LCOG Assistant Planner*

In-Person Attendees:

John Follett, *ESF Administrative Services Manager*
Merrill Harrison, *Assistant Fire Marshal*

JoAnna Kampi, *ESF EMS Chief*
Chris Heppel, *ESF Deputy Fire Chief*



MEETING SUMMARY

1. Welcome & Introductions

Brenda Wilson, LCOG Executive Director, provided welcoming remarks and took attendance.

2. Eugene-Springfield Governance Review Panel Recap of Meetings 1-5

Presenter: Brenda Wilson

Ms. Wilson presented a high-level summary of the first five Governance Review Panel meetings, including topics covered at each meeting, then introduced presenters from Moss Adams, the accounting firm contracted to provide financial analysis on the identified governance options.

3. Discussion of Current Functional Consolidation and Next Steps

Presenters: Maria Stroth, Brenda Wilson, Mike Caven, Kris Siewert

Maria Stroth, Lead Analyst at Moss Adams, presented a series of slides introducing Moss Adams' scope of work and detailing the results from the financial analysis of the current functional consolidation for Fiscal Year 21 as well as a 10-year forecast for revenue and expense growth by Fiscal Year 31. Ms. Stroth explained that work is underway on financial analysis for the next four options: fully contracting for services, Intergovernmental Entity (IGE), special district, and termination of the current Functional Consolidation agreement.

Ms. Wilson asked if they had any questions or concerns about the financial analysis of the current Functional Consolidation as presented. Discussion included:

- *These charts show costs going up. Tax revenue is also going up with increased valuation. It would be interesting to see a percentage of how that works (for assessed value). How was tax revenue, based on increased assessed value, included in the modeling?*
 - *Response from Moss Adams: We have revenue forecasted to increase based on population as a proxy for other ways of modeling the increase in revenue.*
 - *Clarification from Ms. Wilson: What you're asking for is a chart that shows how revenue increases based on assessed value rather than population which is what these charts are based on.*
- *Looking at some of the big buildings constructed recently in City of Eugene (may also be of interest in Springfield) – most on MUPTs right now. When those come off the MUPTs what does that do to our revenue increase?*
 - *City of Eugene Finance team has looked at this over last couple of years. Can bring some information back to this group. Last two questions thinking along the*



same lines – how do we make sure revenue estimates we're using are most in alignment with the way we do forecasting now?

- *Also important for fire to do analysis of compact growth – how will that drive staffing and equipment needs? Look at both to have a realistic projection. Olympia, WA looking at a five-way merger. They have constraints with property tax growth at 1%. Other organizations out there looking at the same things. Might be interested to see the modeling they're using. The projection piece is going to be critically important.*
- *Fire levy expires in three years. What happens?*
 - *Clarification from Ms. Wilson: What impact does the sunset of the fire levy have on that blue area in the charts? That's what the question is.*
 - *Response from Moss Adams: It does make sense. Our analysis doesn't currently have that breakdown included in it. We can provide it.*
- *Another point is getting realistic estimates for O&M, supply and equipment costs – maybe looking back ten years at inflationary rate on those. By the time I retired, some of the apparatus increases in costs through NFPA requirements was closer to 10% inflationary level. We at least need to have an idea of what that's going to look like too.*
 - *Chief Caven: There was some of that – Moss Adams can speak to inflationary factor built into M&S cost side of analysis.*
 - *Response from Moss Adams: We included the M&S inflation rate Eugene used for their financial planning purposes as well as general inflation – it averaged at about 2.1% per fiscal year.*
 - *The City of Eugene also provided them with the equipment replacement list and unfunded needs list.*
- *Chief Caven: One thing to keep in mind is that the basis of where we are and then the assumed growth as it applies to each of those models, those drivers might go up and down based on things out of our control, but as long as the forecasting is based on this set of information we can assume the decision made outside of those influences should give us a good picture.*

Following discussion of the financial analysis, Ms. Wilson provided a recap of Strengths, Opportunities, Weaknesses, and Threats (SWOT) identified by Governance Review Panel members in the initial discussion of the Functional Consolidation and stated that future discussion will focus on the financial information for each of the remaining options. In response to a question about why Regional Fire Authority (RFA) would not be included in Moss Adams' analysis, Ms. Wilson clarified that because RFA does not exist yet in the state of Oregon, the finances would depend on the provisions in future state law. A summary overview will be provided for what it might look like. Chief Caven further clarified that the IGE option would look similar to how RFAs are ultimately established.



Ms. Wilson turned the floor over to Chief Caven for comments. Chief Caven expressed excitement at having everyone back in the room and reiterated how important it is to him and the staff who work for ESF. Chief Caven stated that this process is an opportunity to plan for ESF, the communities, and the region to provide the best service in a changing environment and noted that ESF has grown into everything that doesn't require a police officer – when you call 911, you get the Fire Department. Chief Caven also noted that the cities are growing in complexity, and that both communities are planning to grow up, which is more complex to plan for and respond to. At present, ESF lacks the ability to plan for the future (or even today). The financial analysis for the base case model (Functional Consolidation) has taken five months to get where we are today. This highlights the challenge of the environment ESF is operating in, and the work and finances that go into planning and reconciling the budgets, completing basic tasks in the Fire Department – time that could be spent planning for the future. Chief Caven emphasized the need to engage in who ESF is based on the new governance model so they can effectively engage with the communities to ensure they're meeting expectations, provide the highest level of service.

Ms. Wilson turned the floor over to Kris Siewert, Union President IAFF 851, for comments. Captain Siewert stated that he appreciated re-engaging in this conversation about ESF's future, and that what they're looking for as a union, as co-cities, is a direction/future. They are tired of losing employees to other departments who have provided that vision. Captain Siewert expressed excitement for what the future holds, and reiterated that they are looking for a direction, an identity as a single entity moving forward.

4. Roundtable Discussion

Ms. Wilson opened the floor for comments, questions, and requests from the Panelists:

- *Chief is spot on about being able to plan for the future. As our cities go up having a seamless system that flows back and forth more important than ever. It takes a lot of resources to go up. There are fewer opportunities for egress – different ballgame than low rise structures. Eugene looking at a biannual budgeting system – good idea, but one more thing that will add complexity to how we budget. How we bring this shared entity into common operating platform/system is more vital than ever. Can't imagine trying to plan multiple years out and align two budgeting systems. Need to come up with a system that neutralizes the effects of decisions like that.*
 - *Chief Caven: Adds an additional layer of complexity around aligning purchases and planning efforts, making sure we're meeting goals in a timely fashion. For example, a few years ago we were attempting to get cardiac monitors replaced – capital replacement cycles were different. Took until the bitter end with batteries before both cities were able to act together. What I look at is staff time it takes to support this operation.*
- *Grateful to team at Moss Adams, cities, everyone sticking with it. Appreciate tenacity to keep things moving forward. Confidence that we will get there.*
- *Building more densely and building higher buildings Is going to be mandated from the state level. Eugene and Springfield will have to do it. This will be the future – need to plan for it. Question: Chief talked about retaining Fire Department staff. Is that just here or universal? I know Police Departments are going through that.*



- *Chief Caven: With the vertical response – goes to statements I made about freeing up our ability to plan for that future. All of our buildings look similar – fire stations oriented accordingly. If we go up, time to get there is different. New stations need to be closer. If it takes more time to get up, then time’s up for big 6 emergencies we respond to. To statement Brenda & Captain Siewert made around retention. Something you see is that for what you lack in workload or pay can be made up in culture, environment, expectations. Who are we, what are we doing, how are we doing it and how is it different. What makes us. So buried in surviving where we are today that building the who of who we are then planning for training for it and seeing it through has been problematic. We see people leave because don’t see ability to plan – when will we be able to grow resources to meet workload? Resources to meet growing demand, training to new department, marketing and recruiting. Takes planning and financial investment to do it right. Not only challenge with recruitment, but also with retention. For example, we had people leave for Vancouver. They’re marketing on the fact that they’re adding fire stations, ladder truck – things to meet changing environment. Drew people away. Identifying how we will be governed and simultaneously developing long range plan for addressing workload will tell people “we know who we are and we have a plan to address your workload and make sure you’re prepared to meet the community’s expectations.”*
- *At EMS graduation on Friday, people at beginning of careers with ESF. People want to know they’re joining a solid organization planning for the future. Asking folks to put their lives on the line to contribute to growth. People want to know if they invest themselves in a career that they’re joining something that will invest in them. People see there’s a place for them and if they give their best we’re going to take care of them.*
 - *Chief Caven: There was a packed house at graduation – new employees, families, crews on and off duty. Work you’re doing is a piece of that. Breath of life in our organization. Air of optimism. Working towards it. High level of expectation in work you all are doing and how we can execute the plan into the future. Making a difference already.*
- *Need numbers for options.*
 - *Response from Brenda: Moss Adams is working on those.*

5. Wrap-Up and Next Steps

Upcoming Meetings:

To be determined