

Wasatch County Fire Board of Directors Meeting

Tuesday, November 12, 2024

Meeting held at the Wasatch County Administration Building located at 25 N Main, Heber City

Those in Attendance:

Mark Nelson

Erik Rowland

Steve Farrell

Spencer Park - not present

Kendall Crittenden

Luke Searle

Karl McMillan

Chief Eric Hales

Battalion Chief/Fire Warden Troy Morgan

Assistant Chief/Fire Marshall Clint Neerings

Kierstan Smith, CPA - joined via Zoom

Assistant Chief Clair Provost

County Manager Dustin Grabau

Councilman Nelson called the Wasatch County Fire Protection Service District board meeting to order on Tuesday, November 12, 2024.

APPROVAL OF MEETING MINUTES

A motion was made by Councilman Nelson to approve minutes from the 9/10/24 fireboard meeting. It was seconded by Councilman Rowland, and it passed. Minutes from the 10/08/2024 fireboard meeting were missing from the packet. Councilman Searle made a motion to continue

the approval of the minutes until December. It was seconded by Councilman Rowland and it passed.

APPROVAL OF WARRANTS

Chief Hales opened the discussion with a breakdown of the warrants totaling \$1,847,535.07. \$1.25M is for the new Heber station.

Councilman Nelson asked if there had been draws on the CIB money and Chief Hales confirmed that it is working as planned and the district is following through with its obligations for that. Interest is being collected and transfers are being made between the two accounts.

Councilman McMillan made a motion to approve the warrants as presented. It was seconded by Councilman Rowland and passed.

YELLOW LAKE FIRE INCIDENT UPDATE

Chief Hales asked the board to reference their packets and note the significant amount of calls that came in during October. He then turned the time over to Battalion Chief Troy Morgan to update the council on the Yellow Lake Fire.

BC Morgan spoke about how prior to September 28th, it had been a great fire season with less than 10 acres burned. However, with the Yellow Lake Fire, the district is now at over 33,045 acres burned with a cost of \$33M, most of which the federal government will cover. The fire was located in the Soapstone area, which had needed to burn for a long time due to beetle kill. Even though the forest service had been doing great work managing the area with logging, the fire actually started in one of those logging areas. However, the cause of the fire is still undetermined.

BC Morgan then highlighted the district's response to the fire, which included dispatching crews during the initial response and throughout the month of October. There was an ambulance staffed on the fire everyday, as well as a brush truck running night operations to help with suppression efforts.

Councilman Nelson made a point that there was very little structure damage from the fire and BC Morgan confirmed. No structures were lost, other than a few log decks and a superintendent's truck was destroyed. In addition, there were only minor injuries considering the significant size of the fire and time frame. Councilman Nelson asked for an outline of the fire team hierarchy and how Fire Team One, Two and Three were involved. BC Morgan explained that at the beginning, a Forest Service Incident Commander handled the initial attack

before the Northern Utah Type 3 team came in and took over the fire. BC Morgan is part of that team and spoke about how their biggest challenge was lack of resources due to it being late in the year. A Type 3 fire is mid-range sized and the team was able to keep it at that level for 12-13 days before the Critical Incident Management Team (CIMT) from California arrived.

Councilman Farrell asked if bringing in the California team was based on the size of the fire and BC Morgan agreed, along with other things being threatened once the fire jumped SR-35 towards Hannah. The California team was on their way to another fire in Wyoming, but the complexity of the Yellow Lake fire made it a higher priority, so they were diverted to Utah.

Councilman Rowland pointed out the change in weather seemed to put the fire out immediately and BC Morgan confirmed that it did stop the growth of the fire, however, there was still a lot of heat even after the first snow storm.

Councilman Farrell asked if a Type 1 team was brought in and BC Morgan explained that they no longer do Type 1 or Type 2 teams anymore, it's just the CIMT. The biggest challenges they faced had to do with the extreme weather in October. There were multiple red flag warning days, 50 mph winds, 80 degree temps and a critical fuel advisory, which meant the fuels were at a low moisture level and could cause significant burn.

Councilman Farrell pointed out the positive feedback he had received from the District Forest Ranger about Troy and the whole fire district in response to assisting with the Yellow Lake Fire. BC Morgan expressed his gratitude for having a proactive District Ranger to partner with.

Councilman Crittenden asked what the mitigation plans were for potential erosion in the spring and BC Morgan explained there will be a Bear Team that evaluates the watershed, the damage and all the impacts of the fire and then creates a plan for re-seeding and suppression repairs. Once the snow melts, they will be able to go back up there and do the repair work. Water drainage into the Central Utah Project is their biggest concern and their top priority.

CHIEF'S REPORT

2024 YEAR TO DATE - OCTOBER

Chief Hales brought in Fire Marshall Clint Neerings to give a brief synopsis of the fatal structure fire that occurred on October 19th and the collaboration between the district and the State Fire Marshall on the investigation. Fire Marshall Neerings reported that at approximately 2:06 pm on October 19th, he was paged to a structure fire. Upon arrival of the first unit, Battalion Chief Fitzgerald witnessed flames coming out of the front side of the building. He performed what is

known as a “360”, which is a walk around the building to assess the situation. Bystanders and neighbors informed him that there was probably a victim inside that was unaccounted for. BC Fitzgerald found a heavy amount of smoke coming through the bedroom window, where the homeowner usually took a nap. He then made his way around the back side of the home to open the rear door. He was unable to gain access and continued his 360 to the other side of the house. The front and back of the house had heavy flames and black smoke coming out.

When the engine arrived, BC Fitzgerald designated the captain to pull an attack line to the window where the bedroom was located. This was to cool the environment in case there was still a viable victim inside. As they progressed through the scene, the fire continued to spread throughout the entire home, collapsing the front south side. When they could not make entrance through the back door, BC Fitzgerald ordered that no one was to enter the home, as the fire had spread from the living space into the attic, which was difficult to access and extinguish.

Once the fire had been extinguished, BC Fitzgerald contacted Chief Neerings with a potential victim and he sent a notification to the State Fire Marshal to mobilize them to come and assist. The investigation of one deceased male, found in the bedroom area, was done in conjunction with the State Fire Marshal, the Sheriff's Office, the medical examiner and a detective on site.

Chief Neerings explained this was the first fire fatality in a structure that has occurred during his tenure with the fire district. Due to the amount of smoke and fire coming out of the structure, it was a defensive operation from the beginning. There was also a significant amount of debris on the floor, which is particularly dangerous for firefighters because it increases the risk of injury. The investigation with the State Fire Marshal uncovered the room of origin and a couch buried under debris. They located a possible ignition source and the state medical examiner performed an autopsy. However, nothing has been determined yet and the incident is still under investigation.

Councilman Nelson asked where the home was located and Chief Neerings described the location as 1160 South Stringtown Rd, just near the Cascades subdivision. The victim lived alone and his nearest relatives lived out of state, but he was a well-known member of the community for the last 30 years.

Councilman Farrell expressed gratitude to the fire district for handling the incident professionally.

Councilman Searle shared remorse and his own personal connection to the victim.

STATION 51 UPDATE

Chief Hales asked the board members to reference the slides for an update on the new Heber station. Board members viewed several images of the apparatus bay, the museum area, exterior images of the glass windows of the community room and interior slides of the dorm rooms, bay area, administrative offices and the meeting space.

Councilman Nelson asked if the community room would be available for the public to reserve and the Chief confirmed. He also offered the opportunity for the individual board members to tour the facility.

Councilman Farrell asked if the generator had an automatic shut off and start. The Chief then explained how if the power shuts off it will trip the generator to turn on and it is large enough to power the entire facility. Chief also confirmed that the station is coming along well and is on time for an April opening.

Councilman Farrell asked the Chief if he had worked anything out with Heber City for street access and if there would be a flashing light because of heavy traffic during peak times of the day. Chief Hales said they are still finalizing that plan and will be having a meeting with the city manager on Thursday, November 14th to discuss the light, as well as other topics. Chief Hales said they would potentially mark off the street with paint and lit signage that says “do not block this section”.

CHANGE TO CAPITALIZATION THRESHOLD

Chief Hales introduced Resolution 24-03 which increases the capitalization threshold from \$10,000 to \$15,000. After consulting with our CPA Kierstan Smith, the increase is needed to keep up with price increases and inflation. Updating the threshold will allow the fire district to change our policy.

Councilman Rowland made a motion to approve Resolution 24-03. It was seconded by Councilman McMillan and it passed.

PROPOSED 2025 BUDGET & AMENDED 2024 BUDGET

Chief Hales asked the board members to reference the 2025 budget and proceeded to go through each line item starting with property taxes. He explained there was no plan to adjust or change the mill levy. It will stay consistent and any change in that line item will be due to increases in growth.

In 2025, there will be a full year of sales tax receipts, expected to come in around \$6M. Compared to 2024, which will come in at about \$3.5M. There will also be a drop in interest revenue by about 33% or \$100K due to rates decreasing.

There will be an expected revenue decrease due to our ambulance contract ending with South Summit on January 1st. The fire district will be reabsorbing those staff members back into the line up. Chief Hales expressed gratitude for their service in Summit County.

Councilman Crittenden asked how many people were assigned to Summit County and the Chief confirmed it was six team members.

Overall the change from what was amended proposed in 2024 to 2025 is about \$1.5M.

Chief Hales also explained there were some legislative changes that expanded the scope of what the tax revenue could be used for and the fire district chose to put it towards EMS, which will be a huge benefit for Eastern Summit County.

Chief Hales then highlighted budget increases, specifically in salaries and wages which would include 12 FT firefighters to open the new station, one FT inspector to help Chief Neerings with fire prevention and also launch a seasonal program to help Chief Morgan with fuel reduction.

The plan for the seasonal program is to hire summer employees to help with fuel mitigation, such as chipping within HOA's to help with their Wildland Urban Interface plan. Those positions would be filled by recruits from colleges in the area. This will be the first time the fire district is going out and physically assisting HOA's with the physical removal and reduction of fuels.

Councilman Crittenden asked if the fuel mitigation plan is more intense than what is currently in place and Councilman Farrell asked if there were any funds from the state to help support the program. County Manager Dustin Grabau explained that the county defers the cost and Chief Hales added that grants were available for large capital purchases, like a chipper. But for now they are choosing to work within the budget and rent a chipper as needed. In the future, the fire district may want to purchase one if the program is successful.

Chief Hales also mentioned the salary and wage increase would include a 3% COLA and cover training and certification for the added personnel. In addition, there will be some professional development and leadership training with an outside speaker. The increase would also cover tuition reimbursement for some employees, as well as sending two additional people to paramedic school.

The budget includes an increase for Rocky Mountain Power for utilities. The new station is going to make an impact on our bill because it's much larger than the existing station. The Professional Services line item will also increase in 2025, due to our contract with Wasatch County IT. The fire district is also working on a program with UDOT for light pre-emption so we can control intersection lights. We will be installing equipment in our trucks and our fire apparatus and ambulances to turn lights green in our favor and turn the rest of them red.

Councilman Crittenden asked how far ahead will it turn the lights green so trucks won't have to slow down. And Chief Hales said it is GPS based so it will depend on the route. The device is not currently in traffic signals, so UDOT will add those for a service fee and the fire district will add to our trucks and ambulances. UDOT can also add the device to snow plows and use a priority system. If there is an emergency, the fire district, (or law enforcement) has priority and can override the lights. If there is no emergency, snow plows have priority.

Councilman Rowland made a comment asking if multiple entities would be able to use the device and Chief Hales confirmed, mentioning the Sheriff's Office, the police department, the fire district, snow plows and transit.

Chief Hales gave an example of how Summit County put in a similar system for transit to maintain their bus routes without having to stop at every light. Transit would have a lower priority and control, but as Heber City grows transit, it could be very beneficial.

The next significant line item on the budget is clothing uniforms due to bringing on 12 new firefighter/EMT's. The cost is roughly \$8,500-\$9,000/per person to get them outfitted in uniforms and turnouts. In addition, for current staff, their turnouts need to be replaced every 10 years.

The largest item on the 2025 budget is capital outlay. There will only be about 3 to 4 months of construction costs for the new Heber station, but we are also anticipating beginning Station 56 in Hideout once Heber has been completed. This money is already in capital and ready to go. There is also capital allocated to an ambulance and a few other vehicles.

Councilman Crittenden asked if there was already an ambulance on order and the Chief confirmed it was approved a few months back but will show up in the 2025 budget.

Councilman Farrell brought up a concern regarding the county property tax rate not decreasing with the sales tax rate increasing, as this was a selling point to getting the sales tax rate to pass.

Chief Hales agreed that the property tax should be adjusted, but without ever touching the mill levy because it will continue to go down as growth occurs.

County Manager Dustin Grabau added that the year the sales tax was adopted, they used the money that was originally allocated for the Fire District for Parks & Rec instead. It was approximately \$300k that was deferred. Mr. Grabau also suggested the county could look at lowering the property tax rate without requiring a Truth & Taxation hearing. The fire board would just need to adopt the new rate, bearing in mind that sales tax revenue is somewhat volatile so there will need to be some level of balance. Another thing to consider, the fire district will only be collecting about 25% sales tax in the MIDA area. Much of the growth in that area will not show up as new growth, at least for the next hundred years.

Chief Hales asked the fire board members to keep in mind the district is playing catch up on some of these facilities. There is benefit to collecting \$7M/year in property tax and dispersing it over more. It will actually decrease the amount taxpayers will have to pay in property tax if the district is able to self-fund and not bond for the additional stations that need to be built. Over the next 10 years, four stations need to be built, including Hideout, the station on SR-32, Lake Creek and Fitzgerald. The plan is to use cash for all those build outs.

Councilman Farrell reminded the board that none of those stations were planned when the sales tax increase was passed. It was strictly sold as a way to increase revenue to the fire district at a reduced tax rate to the citizens of Wasatch County.

The Chief expressed the intention to provide a higher level of service and help those areas and communities that are starting to lose their fire insurance without having to increase their property tax. Instead, having the visitors and guests in our community offset costs by charging a higher sales tax.

Councilman Searle asked if the district is putting away enough money to fulfill those plans. Chief Hales referred to the proposed budget, where they will be contributing \$500k to the fund balance and about \$1.7M into the Capital fund even with all the proposed stations.

Chief Hales asked the board if they thought it was too ambitious to build all these stations during this growth phase without increasing property tax rates and just using the sales tax for funding. Councilman Farrell responded by suggesting they let the property tax seek its own level because it will naturally decrease with all the growth. So the objective should remain to not raise the property tax and allow it to fall to the level it should be at.

Chief Hales expressed how great it is for the fire district to add 12-13 additional staff members and seasonal workers and still be able to put away almost \$2.3M in reserve is impressive.

Councilman Searle asked for clarification on the COLA increase and Chief Hales confirmed it would be a 3% increase.

Councilman Crittenden made a motion to adopt the preliminary 2025 budget and set the budget hearing for December 10th at 6pm. It was seconded by Councilman McMillan and it passed.

WCF - COMBINED FINANCIAL STATEMENTS

Kierstan Smith joined by video call to review the 2024 financials starting with revenues and expenses from property taxes. The district is sitting at \$5.48M, with the majority of that revenue coming in December 2024 and also January and February of 2025. Because it is considered 2024 revenue, the projection for sales tax income will be about \$1M short of what was budgeted.

For sales tax, the district will be about \$1M short of projections as a result of April and May, which were the first two months sales tax was collected. Instead of getting approximately \$500k/month, the first month we received \$1.60 and the second month it was \$40k. As a result, in the proposed 2024 amended budget, sales tax revenue has been decreased to \$3.5M.

For charges for services, even though calls are up for the year, ambulance revenue is down. Kierstan said that when Chief Hales looked into this decrease, he found that Medicare B has had a delay in payment by about \$500k. That revenue should be received before the end of the year, but just to be on the conservative side, they dropped the revenue for 2024.

For other revenues, the district just received another EMT grant, which puts us over the projected budget for grant proceeds. To recognize this increase, that will be amended in the proposed budget. Another proposed amendment is for additional interest income that was not expected.

On the expense side, salaries have come in about \$500k over-budget due to a significant amount of overtime pay. The resulting benefits of that are payroll taxes.

For operating expenses, if capital outlay is excluded, we're actually projected to come in about \$22k under the original budget. For capital outlay, we are expecting to come in around \$900k below budget due to construction delays at Station 51. So we're just moving those expenses into 2025. With all of these changes, our operating transfer will go from \$3.6M down to \$2.6M into the capital fund at the end of the year.

For capital projects and revenue expenses, interest income for the capital fund has been significant due to the receipt of \$15M from CIB and also not spending that or impact fees as quickly as anticipated. Because interest rates have been around 5.4%, the district has really benefited.

Kierstan expressed that overall, there aren't too many changes to the 2024 budget other than the decrease in ambulance revenue and a few other amendments such as salary expenses.

Councilman Crittenden made a motion to approve the financial report as presented. It was seconded by Councilman McMillan and it passed.

Chief Hales then gave further background info of why Medicare B revenue was delayed. Earlier this year, there was fraudulent activity with our bank account and we had to open a new account. At a federal level, changing the account Medicare B is deposited into took a long time and we are still working with Medicare to answer any questions they have. Over the last few weeks, more fraudulent activity has occurred with the new account. This time through ACH transfers instead of with checks.

Councilman Rowland expressed concern that it could not be a coincidence the fire district is experiencing this and two months ago the Heber Valley Economic Tourism Board also had fraudulent bank activity. Their account is at Zions Bank and he suggested that maybe the county was being targeted by a group.

Chief Hales confirmed that we were able to get all the money back that was identified as fraudulent activity.

Councilman Rowland suggested that they might want to consider notifying all of our agencies and departments who have bank accounts to take a really close look over the last couple months.

Councilman Nelson added that how the fraud was caught at Heber Valley Economic Tourism Board was the vendor reached out to Heber Valley to find out where payment was and this is how they discovered the check had been stolen and cashed by someone other than the intended vendor.

Chief Hales expressed the need to move our account away from Grand Valley and look for a whole new bank with better safeguards. An update will be presented in the next board meeting.

A motion to move to a closed session to discuss personnel and acquisition of property was made by Councilman McMillan. It was seconded by Councilman Rowland and it passed.

After moving back to open session, a motion was made by Councilman Crittenden to increase Chief Hales' pay grade. It was seconded by Councilman Rowland and it passed.

A motion to adjourn was made by Councilman Searle. It was seconded by Councilman Rowland and it passed.