

**Administrative Operations Committee
Minutes**

February 11, 2016

The February meeting of the Administrative Operations Committee was held on Thursday February 11, 2016 with Company 9 hosting. Chairman Quin presided and called the meeting to order at 1937 hours. The following were in attendance:

Co. 1	Absent
Co. 2	Brad Quin
Co. 4	John Moring
Co. 5	John Malone
Co. 6	Jimmy Olevson/Don Graham
Co. 7	Excused
Co. 8	Eric Shank
Co. 9	Jay J Brown
Co. 10	Bob Akers
Co. 11	Andy Gode
Co. 12	Ryan Spencer
Co. 13	Jim Cromer
Co. 14	Aaron Kahn
Co. 15	Jen Ferguson
Co. 17	Absent
LCFR:	AC Matt Tobia, Christine Langley-Obaugh
Guests:	Gary Myers (Chaplain Committee Chairman) Brian Beebe (DIT)

Minutes

Motion: **Motion made to approve the January 21, 2016 minutes with amendments by Aaron Kahn and seconded by Jimmy Olevson, Company 6.**

Vote: **Approved with a vote of 12-0-0-3.**

Special Presentation on Cyber Security by Brian Bebee

Chair Quin asserted that systems may be vulnerable to issues associated with inappropriate access. The connection with the County System may also breed similar challenges. Don stated that it was his IT team, who are senior people in the industry that advised of liabilities and responsibilities regarding the records kept at the Company level. Thus, Brian Beebe, DIT Security Manager in Loudoun County, was brought in to present on Cyber Security.

Brian Beebe focused on three components as the goal is to provide quality and timely delivery of IT services in a secure manner:

- (1) Cybersecurity in general
- (2) Cybersecurity in the context of F&R Station IT practices

(3) Cybersecurity in the context of the impending F&R Volunteer program (i.e. secure access to email, Orion, Summit7, and Alpine)

Should you have additional questions or need to reach Brian, his email address is Brian.Beebe@loudoun.gov and his work phone is (703) 771-5476.

Please note the cyber security presentation has been forwarded to all AOC members. Should anyone desire a copy of the presentation, please contact Christine at Christine.I.obaugh@loudoun.gov.

Chaplain By-Laws, Procedural Manual and SWP:

Chair Quin stated that the Chaplain's Committee planned to go to the EC this month provided each of the sub-committees approve the by-laws, procedural manual and SWP.

Gary Myers submitted that the EMSOC unanimously approved the documents with one change in the Chaplain's procedural manual on page 10 under transporting others. Gary mentioned that "sponsoring agency leadership" would take the place of "Chief". Gary also emphasized that Law Enforcement was consulted with regard to the procedural manual. Discussion ensued reference page 5: Demonstrate maturity and judgement... in that, how would one rate these types of standards. Gary Myers stated that through their assessments as well as feedback sought and received and on-going monitoring, they will determine if standards are met. Aaron Kahn stated regarding general qualifications (page 5), the wording reads: must be ordained, licensed as clergy or lay person acceptable to their Church. Aaron asserted that Loudoun County is diverse and was concerned that membership may just be limited to Christians. Gary Myers answered that as long as one is in good standing and of moral character and has a letter from their organization, then they can be granted into the Chaplain's Program. The wording: "You must demonstrate you are in good standing with your religious organization or must be licensed as a religious leader in your denomination or a lay person who can provide a letter of good standing from their denomination leader" would be acceptable according to the AOC. Jen Ferguson asserted a recommended change to read: "must be ordained, licensed as clergy or religious leader in your denomination, or a layperson acceptable to their religious organization to work as a Chaplain in the community". Jay J. Brown made a motion that the policy be endorsed with the recommended change from EMSOC as well as what was added by the AOC. Aaron Kahn seconded the motion. Motion passed with no one opposed.

Update of Key Issues:

Executive Committee Update:

Chief Tobia relayed that regarding the EMS Cost Recovery Financial Hardship Waiver SWP, Danielle was asked to come forward with examples of alternate hardship policies as some EC members had some concerns.

Chief Tobia stated that the Station Security and Equipment SWP passed unanimously. In addition, the EC has formed an ad-hoc committee to address one of the strategic goals in the current strategic plan on heavy rescue service delivery. Lastly, Chief Tobia stated that a Dispatch

Algorithm Committee has been established. Several system members had been discussing for some time a desire to see some revisions to the dispatch algorithm. (Chief Tobia announced that new CAD will go live on or about May 24th).

Katie Clarke is a temporary employee who has been hired by the County to fill Elizabeth's position doing HR centric issues for volunteers. The position will be reclassified, advertised and filled. Lauren Hartman continues to do a tremendous job full time on volunteer recruitment and retention.

Subcommittee Reports:

Background Process Subcommittee Survey Monkey:

Jamil Scott was not present thus no report was provided.

LOSAP/Benefits:

John Moring advised that there is no update as a meeting has not been held.

Discussion Topics

Fundraising Letter Boundary Language:

Chair Quin reminded the AOC that a question was initially raised by Ed Carmichael concerning second dues and whether or not the language in the letters was proper. Aaron Kahn stated that the language in the letter is fine and that he would recommend no changes. Aaron reiterated that an issue can occur when two companies cover the same area, however, it is covered in sub 5 of the FRG, specifically that one's fundraising material must clearly identify the companies, the primary response company for fire service or EMS. The additional concern raised concerned companies going into an area that is covered by a career owned and operated station. That issue is also covered by sub 5: "If an area is served by a station that is both County Owned and staffed exclusively with career personnel the solicitation will indicate that the area is served by County resources and that the funds raised would be used by the next due company to support volunteer operations".

Aaron Kahn mentioned that as there are no changes, a vote was not required.

Update 3.6.1 Hearing Policy:

The updated document with corrections and language changes was distributed among the AOC members for review. An issue arose regarding what the SCS can actually hear (as it is stated in the ordinance) if a company appeals to the SCS about one's possible membership. Aaron relayed that his hope is that no one will ask the SCS this question as no one sees a reason why a company would come to the SCS and ask whether they are allowed to accept a member. Aaron mentioned that 1a was simplified and reduced from a paragraph to a sentence.

A question arose regarding the change from "serious misconduct" to "misconduct". Chief Tobia explained that if a member does something defined under misconduct, then the expectation is that it is a system wide notification, meaning the EC and the System Chief.

One change on page 3, "If a member is reinstated system wide, he/she member..." should be changed to "the member". Someone also inquired about whether a change was needed for "a member may be reinstated by other volunteer companies". Chief Tobia stated that phrase should not change because if a member of Sterling Fire is suspended, but he is also a member at Sterling Rescue, it would not be encouraged to bind the hands of Sterling Rescue and automatically reinstate that member without having the benefit of first being notified and second agreeing to it. Aaron stated once they lift the system wide suspension, it will then fall under the Companies disciplinary policies.

Aaron moved that SWP 3.6.1 is approved, as amended. The motion was seconded and the motion carried. It should be noted that no one opposed.

Summary of Plan Provisions:

John Moring reminded the AOC that a survey was conducted on the LOSAP program and there were a number of outcomes. One specific outcome was that there was not a great deal of information available to the volunteers regarding the LOSAP program. Additionally, only three sentences appear about the program on the *Answer the Call* website. Thus, a recommendation was that a one or two page document be developed for the volunteers. Penflex representatives attended the last meeting and as they administer the LOSAP program, they volunteered to prepare the document. An integral part of the program description was about how to become vested as well as beneficiary information. John recommended that the document attached be disseminated for comments. Jay J. Brown stated he believed the document went before the R&R committee last night.

Chair Quin advised the AOC if anyone has comments or suggestions to please provide them to John and he can take them to the LOSAP Committee. At this time, John will advise Karen that the watermark can be removed so the document can be disseminated.

For additional information, one can call 1-800-742-1409 or www.penflexinc.com

Chaplain By-Laws, Procedural Manual and SWP:

See above.

Action Item/New Business:

Request by Aaron Kahn

Aaron stated the he will be making a motion dealing with the budget, which will be to institute a \$250,000 floor that will apply to those companies that still operate on a volunteer basis at least seven days a week for twelve hours a day. The reason is because of his company's own experience through the algorithm. Aaron asserted that the solution does not just assist his company, it assists other smaller companies with low levels of expenses, particularly company 17, and company 12 which squeaked by with \$3,000 more than the \$250,000 minimum.

Aaron mentioned that there is an understanding that if a company's costs are lower, then the company will get less money than companies who have higher costs. According to Aaron, the problem was that they reported \$337,000 in costs and received \$150,000 this year. Aaron

advised that when the rest of the budget items are added in, that brings the entire annual budget down to \$225,000 which is unsustainable. Aaron stated that they cannot run a twenty four a day seven day a week operation on \$225,000. Aaron emphasized that is over \$100,000 less than what they spent last year. Aaron relayed that because the budget has been cut, they are actually putting off maintenance and cutting other items. Aaron reported they are looking at pulling a huge amount out of their reserves. Aaron submitted that if they continued receiving \$150,000 in the future, then, they would be filing for bankruptcy in approximately three years. Aaron emphasized that their reserves are not that big to take that much of a hit on a multi-year basis. Since the budget has been cut, Aaron stated that they are spending less, which means they will show more savings going into the next budget cycle. Aaron's point of view is that this formula (everyone entered into this in good faith and his company voted for it as well) rewards spending and harms those who save. Aaron reiterated that expenses were cut by approximately 25% by putting everything through a bid process. Aaron emphasized that the \$337,000 they reported is not an anomaly. Aaron advised that the number will not be larger unless they purchase a new ambulance or a new chase. In Aaron's opinion, a 3-5 year average would only help in the short term because in the long term their numbers will still be exceedingly low compared to many other companies.

Aaron stated that a floor is not unlike what is used in the ATL funding algorithm. It ensures that if you save money or have low expenses, you won't be cut below a level which is sustainable to keep your company operating. Aaron asserted that to institute this floor does not harm any company. Aaron surmised that if the floor was instituted last year, then it would have cost \$110,000. Aaron submitted that Middleburg, a company that doesn't even exist, is receiving \$170,000 this year. Aaron stated that one could look at the money it would take to institute this floor as the money from Middleburg. Aaron stated that we would not be taking money from anyone else to create this floor.

Aaron stated he agreed that this may not be the perfect result. This would, however, give Aaron's Company the certainty it needs that they are not going to be harmed again. Aaron suggested that if the budget sub-committee comes up with something better that makes more sense, then the AOC should vote on that. This proposal, according to Aaron, allows 12, 14, and 17 to go back to their Boards and Officers and say that they are at least going to have a minimum level of funding necessary to sustain operations.

MOTION: Aaron Kahn moved that the AOC institute a floor on the County funding Algorithm of \$250,000. Said floor will only apply to those Companies still operational on a seven day a week twelve hour a day basis or more and it will not apply to any Company whose expenses fall below \$250,000. The motion was seconded.

Discussion ensued. The request for the Budget Sub-Committee to run two proposals surfaced.

President Quin asked the AOC to recall that there are approximately twenty categories of expense and approximately fourteen categories of income and not all of them are part of the algorithm. Certain categories were selected by the budget sub-committee because they were thought to be and what was theoretically perceived as the drivers for your expenses. It so happened, according to Chair Quin, that when the balls fell into those slots, their numbers were significantly lower than other people in those same slots so when the algorithm handle got

turned, those were the results. Chairman Quin reminded the AOC that the algorithm's purpose is to calculate the respective costs of operation of each company with data supplied by each to determine each company's percentage of the total cost of all volunteer operations. That percentage is then applied to the county contribution at the same percentage. Since the county contribution is less than the total cost of company operations a 'funding gap' exists overall **and** for each company. That gap will continue unless operating expenses drop and company income increases, or if the County increases its contribution to cover all operating costs.

Chairman Quin stated that he has no issue with the Budget Sub-Committee reviewing this particular proposal or any subsequent response that the budget sub-committee thinks that is appropriate that accommodates the concern that Aaron has. Chair Quin would prefer, and he has spoken with Dave Short (Chair of the Budget Sub-Committee) to advise him that this issue may come before the AOC for consideration of a vote, that the budget sub-committee have an opportunity to examine probable solutions. It should be noted Dave Short concurs per Chairman Quin. Chair Quin advised that the plan for the Budget Sub-committee was to engage this month and next month and return to the AOC with a recommendation in March or April as to if any changes would occur. Data will begin to be collected from the companies in May, so in early June everyone has awareness regarding what the numbers will look like. A final cut with the final data comes before the AOC in August. According to Chairman Quin, those numbers were approved by the AOC and the EC with no objection from Company 14 in June or later in August or at any time. In two of the previous three years adjustments were made, some dramatic, to the outcomes initially produced by the algorithm and before final adoption to address similar issues raised by individual companies. Chairman Quin would implore the members of the AOC to consider having the Budget Sub-Committee review this material and propose recommendations before mandating an arbitrary floor be established of \$250,000.

Aaron Kahn stated that Company 14 did not protest last year because they did not think anyone would be interested in revisiting the issue at the same time a vote was being called and companies were anticipating payments. Aaron stated, thus the reason for bringing it up this fiscal year. In addition, Aaron Kahn relayed that the issue was also brought forward in November. Aaron emphasized that this is not the first time the issue has been brought to the attention of the AOC, with the exception of those that are new to the committee. Aaron stated he did make attempts to reach out to people to advise of the situation.

Aaron stated that he believed that there was enough information to institute the minimum while the Budget-Sub-Committee does their work. Aaron relayed that his Company recorded \$337,000 in expenses. Aaron emphasized that \$250,000, if it were come to pass, still would not make his company whole. Aaron's opinion is that the algorithm makes no one company whole. Aaron reiterated that \$250,000 leaves his company with approximately \$87,000 with town contribution which is \$45,000 a year and fundraising. Aaron stated grants are an insignificant for their company's income, only amounting to approximately \$10,000 or less. Chairman Quin reminded the group that the intent of the distribution was not and cannot be to make companies whole with respect to their operating expenses over income if overall expenses exceed that which the County makes available in funding (see above).

Aaron's relayed that only certain forms of income are acceptable into the algorithm. He further stated that they accept everything except for capital expenditures as expenses. Further, Aaron

stated that an examination is not done to reveal whether expenses were necessary or prudently incurred.

President Quin stated that Aaron was technically correct, however, he asked the AOC members to recall that everyone was asked to supply the information publically when the process was established. Further, the spreadsheet is shared amongst all Companies. Chair Quin stated the reasoning behind that was to ensure transparency as well as to be able to examine any differences or anomalies that would indicate a problem with the process. Further, Chairman Quin noted that adding back excluded income categories would have the effect of reducing even more the allocation for each company.

Discussion arose regarding how the \$250,000 floor was determined. Aaron answered by stating that the \$250,000 is two thirds of their company's expenses. Chair Quin reminded the AOC that previously there was a floor in the old algorithm and unfortunately, the floor did not work.

President Quin asked that the AOC conclude the matter and asked for Aaron to repeat the motion.

Aaron so moved to institute into the County Funding Algorithm a \$250,000 floor which is applicable only to those companies operating volunteer on at least a seven day a week twelve hour a day basis and who's expenses exceed \$250,000.

The question was posed: All expenses across the board? Aaron stated except for capital expenses that don't count now. Aaron further stated either way, those would just add to it, so we can go with that as well.

Vote:

- 1: Absent
- 2: Nay
- 4: Yea
- 5: Nay
- 6: Nay
- 7: Absent
- 8: Nay
- 9: Nay
- 10: Absent
- 11: Yea
- 12: Yea
- 13: Yea
- 14: Yea
- 15: Yea

Chairman Quin announced with 6 "Yea's", the motion passes.

Recruitment and Retention Committee- None

DFREM- Chief Tobia stated he came from Finance Government Services and Economic Development meeting where a conversation with Mr. Hemstreet occurred. Chief Tobia stated that Mr. Hemstreet has included in his proposed budget for the upcoming year at the base with no change in the tax rate and no change in the County's contribution to county funding for volunteer companies. Chief Tobia explained that this means that even if the BOS voted no tax increase whatsoever, the number we are working with currently is the number we will be working with in the coming fiscal year. As budget deliberations, recognize that no increase in the County tax rate will not adversely affect any of the programs that are currently in place including the three million dollar CIP funding for apparatus program as well as the annual County algorithm.

Chief Tobia stated that Middleburg will not be eligible for County algorithm in the coming fiscal year. Regarding Middleburg, Chief Tobia stated that there will continue to be expenses associated with the operation of that station that were not budgeted, so the costs associated with that will continue to be drawn from their current fiscal year funding allotment. That money will remain in escrow until such time that the Company concludes its dissolution and/or turns the building over to the County in which case they end up with no expenses whatsoever. At that time, the escrowed amount of money will come back into the algorithm and be made available as a one-time redistribution in whatever fiscal year it then appears.

Everyone is aware that there is a lawsuit pending against the Company and the County. There was a plea on that subject in January and a jury trial will occur in June.

Announcements-

Chair Quin announced that Chief Tobia will meet with the next five companies involved in the audit process after tonight's meeting which will include 10, 11, 12, 14 and 17.

Adjournment

There being no further business to discuss, the meeting was adjourned at 2216 hours.

The next Administrative Operations Committee meeting will be held on Thursday, March 10, 2016 at 1930 hours at 611, Sterling Volunteer Fire.

Respectfully submitted:

Christine Langley-Obaugh, M.Ed., CVA
Executive Liaison