

**SENATE INTERIM COMMITTEE ON CITY, COUNTY, & LOCAL AFFAIRS  
HOUSE INTERIM COMMITTEE ON CITY, COUNTY, & LOCAL AFFAIRS**

**MEETING JOINTLY**

**SEPTEMBER 26, 2014  
MINUTES**

Senate and House Interim Committees on City, County, and Local Affairs met Friday, September 26, 2014 at 10:00 a.m. at the Austin Hotel Ballroom in Hot Springs, Arkansas.

Committee members present were Representatives David Fielding, House Chair, Bruce Cozart, Kim Hammer, Monte Hodges, Mike Holcomb, Mark McElroy, George McGill, Douglas House, and Senator Stephanie Flowers.

Other legislators attending were Senators Linda Chesterfield, Joyce Elliott, and Representatives Denny Altes, Charles Armstrong, Mary "Prissy" Hickerson, and Frederick Love.

**Call to Order**

Representative Fielding called the meeting to order.

**Approval of Minutes – August 20, 21, & 22, 2014 [Exhibit B, B-1, B-2]**

A motion to approve the minutes of the August 20, 21, and 22, 2014 meetings was made by Representative Cozart and seconded by Representative McElroy. Without objection the motion carried.

**Opening Remarks - Representative Fielding, Committee Chair**

Representative Fielding recognized members of the Arkansas Association of Black Mayors and the Arkansas Black Legislative Caucus and thanked them for attending the meeting.

**Overview of Issues and Introduction of Presenters – Representative Kim Hammer**

Representative Kim Hammer was recognized. He told legislators that he and the presenters would focus the discussion on fire departments in Arkansas, specifically, volunteer fire departments.

Phillip Bradley, Manager-Community Hazard Mitigation and Ken Hill, Regional Director, Governmental Relations, Insurance Services Office (ISO), Austin, Texas were recognized. Ken Hill discussed the new ISO manual and rating schedule, which was filed and implemented in Arkansas July, 2013. Insurance companies use the ISO classification system to underwrite and rate policies for property insurance. The classifications provide the companies information on fire departments and the level of fire protection provided to a community.

Mr. Phillip Bradley gave a Power Point presentation and explained the fire suppression rating schedule ISO uses when it evaluates a community. The classification is based on a

scale of one to ten. Mr. Bradley said that ISO acts as an independent third party to insurance companies by determining the level of fire protection provided by a fire department. ISO makes its determinations based on a point-based classification program. He said that field surveys are used to determine the level of fire protection available. Fifty percent of an evaluation performed by ISO includes the alarm system used, the communication system used, an evaluation of 911 call centers, and the methods used to dispatch firefighters. ISO also evaluates the communities' water department, which is 40% of the evaluation. An additional element is the location of fire stations and water hydrants. Mr. Bradley said the evaluations are on a 100 point evaluation system including:

- 10 points for emergency communication
- 50 points for a fire department
- 40 points for a water department

Mr. Bradley said that ISO has added a feature known as community risk reduction, which will award an additional five points, increasing the total number of points available to a community to 105. The ISO classification schedule has ten point increments. A classification of one through ten is a class nine, a classification of ten through twenty is a class eight. Should a community receive a ninety point classification, it would be a class one. Mr. Bradley said a new section in the ISO manual is titled Operational Considerations, which refers to fire departments with Standard Operating Procedures (SOP). ISO will give credit for fire prevention activities, public fire safety education, and fire investigation. Mr. Bradley offered to provide an eight hour presentation to regional groups of fire chiefs upon request.

### **Success With Improving ISO Levels at Local Fire Departments**

Lamar Harvey, Chief, Choctaw Volunteer Fire Department, Ken Brown, Chairman, and Joey Weaver, Board Member, Choctaw Volunteer Fire Department Board were recognized. Mr. Harvey discussed work the Choctaw Volunteer Fire Department has done to achieve a lower ISO rating. The department began by evaluating the communities' water supply, which was found to be inadequate. Only three of a total of forty-seven water hydrants had ample water supply. Mr. Harvey said that water supply equals fifty percent of an ISO rating. The department sought to use tankers to address the issue and developed the Van Buren County Tanker Task Force. Automatic aid agreements were entered into with eleven other fire departments. Once the agreements were completed, the departments began training and working together. He said that Van Buren County has access to twelve water sources in its district. The department hired consultants who provided guidance through the five year reduction process. Once the work was completed, the department applied for a review of its rating by ISO. The department reduced its rating from a class nine to a class five.

Joey Weaver, Assistant Fire Chief, Choctaw Volunteer Fire Department was recognized. He discussed the budget for the fire department and said the annual budget is \$40,000. The department serves 900 residents in its community and the county's population totals 17,000 residents.

Ken Brown, Chairman, Choctaw Volunteer Fire Department was recognized. Mr. Brown discussed the economic impact that a reduction in ISO ratings would have on the state. He said that in the event that all fire departments in Arkansas with a class nine rating were able to reduce their rating to a class four, the total savings would be \$163 million. If all the fire departments with a current rating of eight were reduced to a class four, the total savings would be \$13 million. If all fire departments with a current rating of a class seven were reduced to a class four, the savings would be \$11 million. Finally, if all fire departments statewide were rated class four, the total annual savings would be \$188 million.

Tommy Noel, Chief, Big Creek Volunteer Fire Department was recognized. Mr. Noel described the work their volunteer fire department did to reduce its ISO rating. The community originally had only one fire station. The department now has three fire stations strategically placed within a five-mile radius of every resident. The department was able to reduce its ISO rating from a Class nine down to a Class three. Mr. Noel said he has heard from a number of residents who have seen a significant decrease in their insurance premiums, some as much as half the amount they were charged before the decrease in the ISO rating.

David Steele, Area Manager, Fire Supply Consulting, Inc. was recognized. He discussed the fire departments in Saline County and said the lack of fire hydrants in the rural areas required the use of a water shuttle using a fleet of tanker trucks. By utilizing the tanker trucks, the district's fire departments were able to reduce their ISO ratings beginning September 2013, from a class nine down to a class four.

#### **Consideration to Adopt for Interim Study Interim Study Proposal 2013-201**

Representative Hammer was recognized to present a Power Point presentation. He reviewed statewide data from 2013 with information on volunteer fire departments. Based on the data, 49% of fire departments within the state have a class nine ISO rating. Representative Hammer said statistically 26% of fire stations in the U.S. are rated class nine. He said the total economic impact to Arkansas, if all fire departments were rated below a class nine, then the annual savings would total \$188 million. He believes this type of savings to the state would be better than any tax refund and make fire protection affordable to all citizens. He asked legislators to adopt his Interim Study Proposal 2013-201 and to continue discussions of fire protection for the state at future meetings.

A motion to adopt Interim Study Proposal 2013-201 was made by Representative Hammer and seconded by Representative Cozart. The motion was adopted unanimously.

Representative Fielding announced the upcoming meeting of the Senate and House City, County, and Local Affairs Committees scheduled for October 16, 2014 in Room B, Big Mac Building, Little Rock, Arkansas.

There being no further business, the meeting adjourned at 11:25 a.m.