



City of Tukwila  
**Finance Committee**

- ◆ Thomas McLeod, Chair
- ◆ Verna Seal
- ◆ De'Sean Quinn

|                      |               |
|----------------------|---------------|
| <u>Distribution:</u> |               |
| T. McLeod            | Mayor Ekberg  |
| V. Seal              | D. Cline      |
| D. Quinn             | R. Bianchi    |
| K. Hougardy          | C. O'Flaherty |
| D. Robertson         | L. Humphrey   |
| K. Kruller           |               |
| Z. Idan              |               |

# AGENDA

**MONDAY, JUNE 10, 2019 – 5:30 PM**  
**HAZELNUT CONFERENCE ROOM**  
 (At east entrance of City Hall)

| Item   | Recommended Action  | Page        |
|--|---------------------|-------------|
| <b>1. PRESENTATION(S)</b>  |                     |             |
| <b>2. BUSINESS AGENDA</b>  |                     |             |
| a. Update on transfer of surface water billing to King County.<br><i>Richard Takechi, Fiscal Coordinator</i> | a. Discussion only. | <b>Pg.1</b> |
| b. Fire Station 52 funding.<br><i>Rachel Bianchi, Deputy City Administrator</i>                              | b. Discussion only. | <b>Pg.3</b> |
| c. Fire Department financial update.<br><i>Jay Wittwer, Fire Chief</i>                                       | c. Discussion only. | <b>Pg.9</b> |
| d. Fire Marshall's Office staffing and budget.<br><i>Jay Wittwer, Fire Chief</i>                             | d. Discussion only. |             |
| <b>3. MISCELLANEOUS</b>  |                     |             |
| <b>4. ANNOUNCEMENTS</b>  |                     |             |

**Next Scheduled Meeting:** *Monday, June 24, 2019*



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## **INFORMATIONAL MEMORANDUM**

**TO: Finance Committee**

**FROM: Vicky Carlsen, Finance Director**

**BY: Richard Takechi, Fiscal Coordinator**

**CC: Mayor Ekberg**

**DATE: June 10, 2019**

**SUBJECT: Update to the Storm and Surface Water Billings Transfer to King County**

### **ISSUE**

Update on the transition of the Storm and Surface Water billing and collection processes from the City to King County effective January 1, 2019.

### **BACKGROUND**

The City and King County entered into an Interagency Agreement "For Surface Water Management Fee Collection and Remittance Related Services" which was signed by the Mayor on December 13, 2018.

Prior to the transition to the County, the City had over 5,000 surface water accounts which were billed in January and July. Past due notices were also processed and sent twice a year to the customers and/or their paying agent. A monthly late charge was assessed to delinquent accounts, and if still unpaid, a lien was filed against the property. Finance would process all the surface water payments, which would have been made via mail, online, over the phone, drop box, or over the counter. Finance would also receive contact from the customers or interested third parties. The customers would call to discuss what the bill was for, status of the account, updates to their account, or complaints about the bill itself. Escrow companies would contact the City for final payoff amounts.

The transition to King County was intended to alleviate time and cost to the Finance Department by reducing the number of cashiering transactions and phone calls. Other departments would benefit as well by a reduction in inquiries and complaints related to surface water.

### **DISCUSSION**

King County was provided with the customer/billing rate file from the City and used that data to include the surface water charges on annual property tax statements. Before the file was given to the County, a thorough review of accounts was done to ensure that the parcel data matched the County data and that only accounts the County would assume billing responsibilities for were included. The final file was sent to King County and it was successfully integrated into their billing system. The file excluded City owned properties, condominium complexes, and State-owned highways. These were billed directly by the City.

Notification was sent via postcard to all the customers explaining the transition. Despite the mailings, the City still received numerous phone calls from customers inquiring about when they would receive their bill. There were more of these types of calls in the first quarter than expected, but they have since significantly tapered off. Overall, questions and complaints about surface water have been negligible. As the year progresses, we will have the ability to assess any reduction in workloads due to the transition.

The City still has many delinquent accounts on its books and the City was required to retain this function. King County only bills for current surface water charges, therefore; any outstanding balances prior to the transition are still the City's responsibility to collect. Thus, the monthly late charge penalties and past due notices will still be processed, as well as any liens. Once these balances are collected in full, then the accounts will become 'inactive.'

Another efficiency the City will realize is that changes to ownership will not have to be updated in Eden any longer. However, short plats, lot line boundary adjustments, consolidations, and new construction will still be updated in Eden and physically checked to determine its proper billing rate category, which will then be provided to the County to bill on future tax statements.

**FINANCIAL IMPACT**

The City mailed out bills in January and July, however, King County includes the surface water charges on the property tax statements, which are paid in April/May and October/November. Because of the change in timing of billing and revenue receipts, the full financial impact will be provided at year-end when we have a complete year of data to compare to the prior year.

**RECOMMENDATION**

Information Only.





## INFORMATIONAL MEMORANDUM

**TO:** Finance Committee  
**CC:** Mayor Allan Ekberg  
**FROM:** Rachel Bianchi, Deputy City Administrator  
**DATE:** Updated June 5, 2019  
**SUBJECT:** Fire Station 52 Funding

### ISSUE

Staff provided the Public Safety Committee with an update on the status of Fire Station 52, which will also be discussed at the May 28, 2018 Committee of the Whole meeting. The Schematic Design estimate shows that Fire Station 52 is over the revised budget. The Public Safety Committee agreed that the Finance Committee will look at options for funding Fire Station 52 and ultimately provide a recommendation to the full Council. Staff is seeking discussion and direction on the topic to bring back a proposal to the next Finance Committee meeting.

### BACKGROUND

The new Fire Station 52 is to be located on the City Hall Campus just north of the 6300 Building in the upper parking lot. With Fire Station 51 moving further south, the FACETS study determined that it would be important for Fire Station 52 to move further south to maximize coverage and response times throughout the City. Fire Station 52 will become the new headquarters station and thus is a larger, more complex building than Fire Station 51.

With the Schematic Design phase complete, the project team began estimating the project. In addition, the group used the bids received for the Fire Station 51 project, currently under construction, to inform the estimating process. Fire Station 52 is above the adjusted budget adopted by the Council in July of 2018. The project team spent considerable time and discussion identifying places to value engineer the project in order to ensure the best value for the City. The team identified nearly \$670,000 in savings that would not affect the functionality of the building. However, it was determined that no additional savings could be found that would not significantly impact the building's usability and long-term functioning.

The construction budget is estimated to be over budget by \$4.23 million once construction costs, sales tax and contingency are accounted for. The full build out of the Administration space, which has been carried as an alternate since early on in the project, is expected to cost an additional \$1.25 million, which would include construction, sales tax, contingency and furniture, fixtures and equipment (FF&E). While this percentage is higher than the overage on Fire Station 51, this project is significantly more complex. It is a two-story building requiring much more structural support and use of steel and has a significant earthwork component.

The most volatile costs on this project are associated with earthwork. Because of the current market, the unknowns about what contractors would potentially bid on this project and the very real escalation

in the market, particularly for earthwork services, the project team elected to include a 30% contingency in the budget for earthwork alone, which is over \$1 million.

Due to the significant amount of value engineering work, this most recent estimating phase took longer than normal, and the project is now finished up with the Design Development (DD) phase. Both Robinson, the outside estimators, and Lydig will be doing another round of estimating on the DD plan set to refine these numbers. As with any project, the final numbers will be known once the bid results are received and compiled.

## **DISCUSSION**

There is a suite of options available to fund the \$4.23 million gap:

- Streamlined Sales Tax (SST) Mitigation payments, which were unanticipated, will be restored over the next four years, estimated at approximately \$4 million. Previously the State Legislature had ended the SST mitigation payments and the City did not include them in the budget moving forward from their sunset date of 2019. However, during this past session, the Legislature restored the payments for another four years. Because these are one-time funds that should not be programmed for ongoing programs or personnel, using this for a one-time cost like construction of Station 52 makes sense.
- Unallocated Fire Impact Fees from 2018, totaling \$167,000.
- Council's 10% one-time revenue contingency, totaling \$525,000.
- 2019/2020 ending fund balance in excess of Council policy.
- Additional debt issuance.
- Dedication of project sales tax.
- Other options explored during the 2018 Finance Committee D-20 discussions.

The project continues to be constrained by market escalation, and the timeline is critical to ensure the ability to contain costs. The project team is very aware of the importance of utilizing the summer months to do the earthwork and site utilities in order to not have additional costs associated with doing this work in the wet months. In order to achieve this goal, staff will be bringing the project forward in two phases – similar to what was done with the Justice Center – in a “mini-MACC” and total MACC under the following timeline:

- Mini-MACC. Earthwork, site utilities, electrical, structural
  - July 1: Public Safety Committee
  - July 8: Committee of the Whole
  - July 15: Full council consideration
- Final MACC. *Building construction*
  - October 28: Public Safety Committee
  - November 11: Committee of the Whole
  - November 18: Full Council consideration

While it will be necessary that the City has identified how to fill the \$4.23 million gap before starting the “mini-MACC,” decisions on funding the alternate of the Administration build-out do not need to be made until Fall and will be informed by how much of the earthwork contingency is used in the mini-MACC, as well as the progress of the other Public Safety Plan projects.

## **RECOMMENDATION**

Staff is seeking the Committee's direction on how to fund the Fire Station 52 gap. Staff would then return to the June 10 Finance Committee with a funding proposal.

## UPDATE JUNE 5, 2019

Staff has updated the "D-20" funding model to indicate how the funding gap for Fire Station 52 could be achieved (see attached). Per the direction of the Finance Committee at the May 28 meeting, staff utilized the following revenue sources to achieve this goal:

- \$167,000 in Fire Impact Fees collected in 2018 but not allocated.
- The unanticipated Streamlined Sales Tax Mitigation payments that were added back in the 2019 legislative session.

The following are the changes from what was adopted in the 2019/2020 budget and previously seen in the "D-20" model were incorporated into the attached draft:

- Line 13: Fire Impact Fees were increased by \$167,000 in 2019 to account for the \$167,000 in Fire Impact Fees collected but not allocated in 2018.
- Line 17: Streamlined Sales Tax Mitigation payments included as a new revenue source.
- Lines 28 and 29: Justice Center expenditure reduced, and Fire Station 51 expenditure increased per Council action during the Fire Station 51 MACC and Justice Center "mini-MACC" approval.
- Line 31: The \$4.23 M gap for Fire Station 52 was added as a separate line item.
- Line 33: Apparatus funding in 2018 was reduced to what was actually spent; additional funding put in the out years as a place holder until apparatus and equipment schedule is updated.

With these updates, funding the Public Safety Plan, as modified in 2018, remains attainable and a positive fund balance is achieved each year. As has been previously stated, the funding model is an iterative process that will continue to be updated as the City progresses in funding the Public Safety Plan.

Finally, the project team has now completed the Design Development phase and both Lydig Construction and the independent estimators, Robinson, have completed the latest round of estimating. The \$4.23 M gap for Fire Station 52 was validated in this effort.

### **RECOMMENDATION**

Staff recommends funding the gap for Fire Station 52 with the two sources identified above. Once bids for the mini-MACC are received the full Council will be able to make a final decision.

Staff is seeking consensus from the Committee to move to the June 24 Committee of the Whole for Council discussion.



**PUBLIC SAFETY PLAN - Financial Framework - Scenario D - 20 Year Debt with Apparatus Financed**

|    | B  | D            | E          | F          | G            | H          | I            | J         | K           | L           | M           | N           | O           | P           | Q           | R           | S           |
|----|--|--------------|------------|------------|--------------|------------|--------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1  |  | actual       | actual     | actual     | projected    | budget     | budget       | 2021      | 2022        | 2023        | 2024        | 2025        | 2026        | 2027        | 2028        | 2029        | 2030        |
| 2  | TOTAL  |              | 2016       | 2017       | 2018         | 2019       | 2020         | 2021      | 2022        | 2023        | 2024        | 2025        | 2026        | 2027        | 2028        | 2029        | 2030        |
| 9  | <b>Revenues:</b>                                 |              |            |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 10 | UTGO bond proceeds, Voted                        | 77,385,000   | 36,709,954 |            |              | 40,675,046 |              |           |             |             |             |             |             |             |             |             |             |
| 11 | LTGO bond proceeds, Councilmanic                 | 45,000,000   |            |            | 20,000,000   | 25,000,000 |              |           |             |             |             |             |             |             |             |             |             |
| 12 | Fire Impact fees & deposit - Segale              | 4,750,000    |            | 500,000    | 300,000      | 300,000    | 300,000      | 300,000   | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     |
| 13 | Fire Impact fees - other                         | 7,984,000    |            | 1,017,000  | 400,000      | 667,000    | 500,000      | 300,000   | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     |
| 14 | F301, Lnd & Prk Acq contribution                 | 3,000,000    |            |            | 3,000,000    | -          | -            | -         | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 15 | Property/land sales                              | 12,889,300   |            |            | -            | 4,889,300  | 1,000,000    | 2,000,000 | 5,000,000   | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     |
| 16 | REET 1   | 10,500,000   |            |            | 500,000      | 500,000    | 500,000      | 500,000   | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     |
| 17 | Sales Tax Mitigation payments                    | 4,017,452    |            | 141,854    | -            | 251,091    | 1,004,363    | 1,004,363 | 1,004,363   | 753,272     |             |             |             |             |             |             |             |
| 18 | Interfund transfer in (out)                      | 1,391,854    | 9,562      | 258,283    | 1,250,000    | -          | -            | 40,000    | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 19 | Investment earnings                              | 1,211,391    |            | 141,854    | 503,546      | 300,000    | 100,000      |           |             |             |             |             |             |             |             |             |             |
| 20 | Annual contribution to balance                   | 7,467,650    |            |            | -            | -          | -            | -         | -           | -           | -           | -           | 1,000,000   | 1,000,000   | 1,000,000   | 1,000,000   | 1,000,000   |
| 21 | Additional capacity from maturing, existing debt | 14,858,560   |            |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 25 | <b>Revenue Total</b>                             | 190,455,208  | 36,719,516 | 2,058,992  | 25,953,546   | 72,582,437 | 4,235,363    | 4,975,363 | 7,602,963   | 2,351,872   | 1,980,800   | 2,296,400   | 2,817,840   | 2,817,840   | 2,817,840   | 2,817,840   | 2,817,840   |
| 26 | <b>% Dbt Svc capacity used for PSP</b>           |              |            |            |              |            |              | 100%      | 60%         | 60%         | 60%         | 60%         | 60%         | 60%         | 60%         | 60%         | 60%         |
| 27 | <b>Project Expenditures</b>                      |              |            |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 28 | Justice Center                                   | 66,994,711   | 123,833    | 431,266    | 17,868,999   | 26,596,000 | 21,974,613   | -         | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 29 | FS 51  | 14,814,632   | 59,853     | 254,484    | 1,145,000    | 9,416,000  | 3,939,295    | -         | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 30 | FS 52  | 19,260,000   | 8,256      | 161,299    | 771,000      | 2,963,000  | 13,749,000   | 1,607,445 | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 31 | FS 52 SD Est Delta                               | 4,230,000    |            | 142,791    | 1,062,209    | 4,230,000  | 4,230,000    | -         | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| 32 | FS 54  | 1,502,000    |            | 573,651    | 3,373,824    | 624,578    | 368,146      | 276,621   | 583,525     | 507,480     | 287,091     | 384,755     | 414,980     | 806,277     | 109,936     | 758,212     | 991,778     |
| 33 | Apparatus & equip                                | 10,075,303   | 14,447     |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 34 | Apparatus financing                              | 5,750,493    |            |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 35 | Shops  | 30,000,000   |            |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 39 | <b>Project Expenditures Total</b>                | 152,627,138  | 206,389    | 1,847,199  | 46,557,032   | 47,005,578 | 44,532,345   | 1,884,066 | 583,525     | 507,480     | 557,341     | 655,005     | 685,230     | 1,076,527   | 380,186     | 1,333,262   | 1,566,827   |
| 40 |  |              |            |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 41 | <b>Debt Service</b>                              |              |            |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 42 | Debt service LTGO                                | 58,168,554   |            |            | 239,026      | 804,200    | 804,200      | 1,500,000 | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   |
| 43 | Utility Fds pay rent = 50% of dbt svc            | (21,931,081) |            |            | (119,513)    | (402,100)  | (402,100)    | (562,500) | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) |
| 44 | <b>GF Debt Service Total</b>                     | 36,237,473   |            |            | 119,513      | 402,100    | 402,100      | 937,500   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   |
| 45 | <b>Expense Total</b>                             | 188,864,611  | 206,389    | 1,847,199  | 46,676,545   | 47,407,678 | 44,934,445   | 2,821,566 | 2,586,922   | 2,510,878   | 2,560,739   | 2,658,403   | 2,688,628   | 3,079,925   | 2,383,584   | 3,336,659   | 3,570,225   |
| 46 |  |              |            |            |              |            |              |           |             |             |             |             |             |             |             |             |             |
| 52 | Annual Surplus (Shortfall)                       | 1,590,597    | 36,513,127 | 211,793    | (20,722,999) | 25,174,759 | (40,699,082) | 2,153,797 | 5,016,041   | (159,005)   | (579,939)   | (362,003)   | 129,212     | (262,085)   | 434,256     | (518,819)   | (752,385)   |
| 53 | Beginning Carryover (Shortfall)                  | -            |            | 36,513,127 | 36,724,920   | 16,001,920 | 41,176,679   | 477,597   | 2,631,394   | 7,647,435   | 7,488,429   | 6,908,490   | 6,546,487   | 6,675,700   | 6,413,615   | 6,847,870   | 6,329,051   |
| 54 | <b>Ending Carryover (Shortfall)</b>              | 1,590,597    | 36,513,127 | 36,724,920 | 16,001,920   | 41,176,679 | 477,597      | 2,631,394 | 7,647,435   | 7,488,429   | 6,908,490   | 6,546,487   | 6,675,700   | 6,413,615   | 6,847,870   | 6,329,051   | 5,576,666   |

**PUBLIC SAFETY PLAN - Financial Framework - Scenario D - 20 Year Debt with Apparatus Financed**

|    | T                           | U           | V           | W           | X           | Y           | Z           | AA        | AB        | AC        | AD        | AE        | AF        | AG        | AH        | AI        |
|----|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1  | 2031                        | 2032        | 2033        | 2034        | 2035        | 2036        | 2037        | 2038      | 2039      | 2040      | 2041      | 2042      | 2043      | 2044      | 2045      | 2046      |
| 2  |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 9  | <b>Revenues:</b>            |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 10 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 11 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 12 | 350,000                     |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 13 | 300,000                     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000     | 300,000   |           |           |           |           |           |           |           |           |
| 14 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 15 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 16 | 500,000                     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000     | 500,000   |           |           |           |           |           |           |           |           |
| 17 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 18 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 19 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 20 | 1,000,000                   | 1,000,000   | 325,796     |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 21 | 717,840                     | 717,840     | 717,840     | 717,840     | 903,600     | 1,058,800   | 1,058,800   | 640,400   |           |           |           |           |           |           |           |           |
| 25 | 2,867,840                   | 2,517,840   | 1,843,636   | 1,517,840   | 1,703,600   | 1,858,800   | 1,858,800   | 1,440,400 |           |           |           |           |           |           |           |           |
| 26 | 60%                         | 60%         | 60%         | 60%         | 40%         | 40%         | 30%         | 20%       |           |           |           |           |           |           |           |           |
| 27 | <b>Project Expenditures</b> |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 28 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 29 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 30 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 31 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 32 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 33 | 575,049                     | 575,049     | 575,049     | 304,799     | 304,799     | 304,799     | 304,799     | 304,799   |           |           |           |           |           |           |           |           |
| 34 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 35 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 39 | 575,049                     | 575,049     | 575,049     | 304,799     | 304,799     | 304,799     | 304,799     | 304,799   |           |           |           |           |           |           |           |           |
| 40 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 41 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 42 | 3,232,829                   | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   | 3,232,829   | 1,547,932 |           |           |           |           |           |           |           |           |
| 43 | (1,229,431)                 | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) | (1,229,431) | (386,983) |           |           |           |           |           |           |           |           |
| 44 | 2,003,398                   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   | 2,003,398   | 1,160,949 |           |           |           |           |           |           |           |           |
| 45 | 2,578,447                   | 2,578,447   | 2,578,447   | 2,308,197   | 2,308,197   | 2,308,197   | 2,308,197   | 1,465,748 |           |           |           |           |           |           |           |           |
| 46 |                             |             |             |             |             |             |             |           |           |           |           |           |           |           |           |           |
| 52 | 289,393                     | (60,607)    | (734,811)   | (790,357)   | (604,597)   | (449,397)   | (449,397)   | (25,348)  |           |           |           |           |           |           |           |           |
| 53 | 5,576,666                   | 5,866,060   | 5,805,453   | 5,070,642   | 4,280,285   | 3,675,688   | 3,226,291   | 2,776,894 |           |           |           |           |           |           |           |           |
| 54 | 5,866,060                   | 5,805,453   | 5,070,642   | 4,280,285   | 3,675,688   | 3,226,291   | 2,776,894   | 2,751,546 | 1,590,597 | 1,590,597 | 1,590,597 | 1,590,597 | 1,590,597 | 1,590,597 | 1,590,597 | 1,590,597 |





# INFORMATIONAL MEMORANDUM

TO: Finance Council Committee

FROM: Vicky Carlsen, Finance Director  
Jay Wittwer, Fire Chief

CC: Mayor Ekberg

DATE: May 22, 2019  
Updated after May 28, 2019 Finance Committee meeting

SUBJECT: Fire Budget Discussion

### ISSUE

Review current and historical Fire Department budget, staffing, and service levels to determine a sustainable model which meets the City's financial and policy goals.

### BACKGROUND

This section provides historical information on the Fire department as well as narrative discussing several aspects of the budget development process. The final section provides the current budget projection.

### Current Staffing Levels

#### Total Fire Department Staffing

The 2019-2020 Budget authorizes a total of 67.0 Full-Time Equivalents (FTE's) in the Fire Department. The table below summarizes these Budgeted FTE's.

| Position  | FTE's     | Notes   |
|---|-----------|---|
| Fire Chief  | 1         |   |
| Assistant Fire Chief                                | 1         |   |
| Battalion Chief – EOC & Fire Marshall               | 2         |   |
| Captains (Inspectors) – Fire Marshall's Office      | 2         |   |
| Captains – Training Consortium                      | 2         | Work with the South King County Fire Training Consortium as part of City's financial commitment |
| Senior Project Coordinator – Fire Marshall's Office | 1         | Plans reviewer  |
| Assistant to the Chief                              | 1         |   |
| Administrative Support Technician                   | 2         | 1 supports the Fire Chief, 1 supports the Fire Marshall's office                                |
| Emergency Management Specialist                     | 1         |   |
| Battalion Chiefs – Suppression                      | 3         | One per shift   |
| Captains – Suppression                              | 12        | 4 per shift, 1 per Fire Station   |
| Firefighters – Suppression                          | 39        | 13 per shift  |
| <b>Total FTE's</b>                                  | <b>67</b> |   |

There has not been a change in the number of Budgeted FTE's since 2013.

Minimum Staffing Levels - Suppression

As noted in the chart above, there are several activities, such as Fire Marshall, Training, and Emergency management which have staff and budgets allocated to these services. The majority of staffing (54 FTE's) and budget is dedicated to suppression with 24/7 coverage for calls for service within the Tukwila community. This memo is focused on the Suppression services within the Fire Department.

Shift Coverage - 48/96

In 2009, per the newly adopted labor agreement, the Tukwila Fire Department began operating on a 48-hour, 3 shift model, with 18 personnel assigned to each shift. This translates into a shift being on for 48 hours, then off for 96 hours, also referred to as a "48/96" model. This was a change from what is known as the Modified Detroit schedule of a 24-hour schedule.

The chart below shows the shift schedule for both the 48/96 and the Modified Detroit:

| Example of Modified Detroit and 48/96 Schedule |       |       |       |       |       |       |       |                     |
|--|-------|-------|-------|-------|-------|-------|-------|---------------------|
|  | Day 1 | Day 2 | Day 3 | Day 4 | Day 5 | Day 6 | Day 7 | Day 8               |
| 48/96 (Current Schedule)                       | On    | On    | Off   | Off   | Off   | Off   |       | <i>Then repeats</i> |
| Modified Detroit                               | On    | Off   | On    | Off   | On    | Off   | Off   | <i>Then repeats</i> |

Minimum Staffing

Per current policy, the minimum staffing level is for 13.0 FTE. Each station has three firefighters (one Captain and two firefighters) who respond to calls with engines or the ladder, with the battalion chief stationed at Station 51. When staffing level for the shift is at least 15, the aid car can be placed in service, which increases the level of service and can reduce response time by having an additional unit in service. The chart below summarizes daily staffing levels based on the number of FTE's available.

| Station | Apparatus       | Minimum Staffing<br>13.0 FTE | Additional Staffing<br>14.0 FTE | Aid Car Staffing<br>15.0 FTE |
|---------|-----------------|------------------------------|---------------------------------|------------------------------|
| FS 51   | Battalion Chief | 1                            | 1                               | 1                            |
| FS 51   | Engine          | 3                            | 3                               | 3                            |
| FS 52   | Engine          | 3                            | 3                               | 3                            |
| FS 53   | Engine          | 3                            | 3                               | 3                            |
| FS 54   | Ladder          | 3                            | 4                               | 3                            |
| FS 54   | Aid Car         | 0                            | 0                               | 2                            |
|         |                 |                              |                                 |                              |
|         | Total Staffing  | 13                           | 14                              | 15                           |

When the City added pipeline positions in 2014 (discussed below), an additional 3 to 5 (unbudgeted) FTE were added. Currently, the policy is to fill up to 3 pipeline positions, which effectively increases the staffing to 19 personnel per shift.

For each shift of 19 FTE, there are two slots set aside for vacation and two slots set aside for Kelly Days (explained below). That leaves an additional two slots available for education leave or sick leave before staffing falls to minimum staffing of 13. When additional sick leave, Kelly



INFORMATIONAL MEMO

Page 3

days, training days, or other activities occur that reduce staffing below 13, the current policy is that other staff are called in on overtime to maintain the minimum staffing level.

Summary of Current Shift Coverage:

|   | "A" Shift | "B" Shift | "C" Shift |
|---|-----------|-----------|-----------|
| Total Staff per Shift                     | 19        | 19        | 19        |
| Less: Vacation Slots                      | -2        | -2        | -2        |
| Less: Kelly Day Slots                     | -2        | -2        | -2        |
| Staffing Level Prior to Unexpected Leaves | 15        | 15        | 15        |
| Minimum Staffing                          | 13        | 13        | 13        |
| Slots Available for Unplanned Leave       | 2         | 2         | 2         |

Kelly Day

A Kelly Day is an additional day provided to meet FLSA and contractual requirements. Due to FLSA rules, each personnel are provided a certain number of "Kelly Days", which is a day off during an FLSA period, and are scheduled ahead of time similar to a planned vacation day. Each FLSA cycle is 24 days and only one Kelly Day may be scheduled each FLSA period. Kelly Days do not carry over into a new year. Starting in 2009, the total number of Kelly Days per each position is 14 days. This was an increase from 13 per the prior labor agreement, which was provided in lieu of a 1% pay increase.

Pipeline Positions

In March 2014, the Council approved the use of 3 pipeline positions. The pipeline positions were intended to create potential cost savings and increase operational effectiveness. When a firefighter retires, the individual in the pipeline can step into the vacated position. When a recruit enters the academy, it can take between six and nine months before a recruit is fully trained. These pipeline positions were approved by Council at the March 3, 2014 meeting.

In July 2016, in expectation of additional retirements and in an effort to reduce overtime usage, the Council increased this to authorize an additional 2 up to 5 pipeline positions. In a June 2016 memo, it was stated that through the middle of the year, the department had filled 55 24-hour overtime shifts due to minimum staffing requirements. If the three pipeline positions had not been in existence, the department would have filled 132 24-hour overtime shifts due to minimum staffing issues. The memo also stated that because of the pipeline positions, the aid car was in service more frequently, increasing service levels to the communities. The additional pipeline positions would enhance the department's capability to keep up with pending retirements and is more efficient and cost effective than the utilization of excessive overtime.

The chart below shows total authorized positions and pipeline positions.

| Authorized FTEs and Pipeline Positions |      |      |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|------|------|
|  | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| FTEs                                   | 65   | 66   | 67   | 67   | 67   | 67   | 67   | 67   | 67   |
| Pipelines                              | -    | -    | -    | -    | -    | 3    | 5    | 5    | 5    |

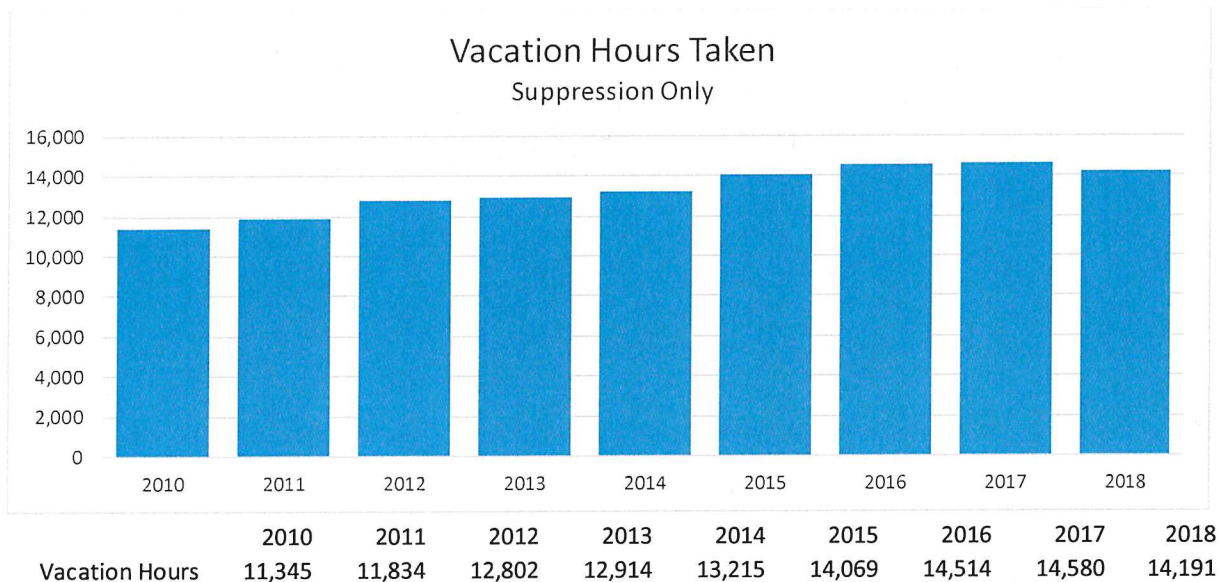
The additional pipeline positions add to the number of firefighters available per shift.

**Staffing level considerations**

There are several factors which come into play when balancing current staffing levels for suppression.

Vacation leave

Per contract, each personnel are guaranteed a certain level of vacation leave. The table below shows the average usage of total vacation leave per year, by hours. As you can see vacation hours use has slowly increased over the years with a slight reduction in 2018. Per the labor union agreement, personnel may accumulate up to two years of accrued vacation. For example, if a firefighter accrues two weeks per year, they can accumulate up to four weeks of accrued vacation. The exception to this rule is if an employee had scheduled as many as two work cycles or less vacation and then was unable to take such vacation due to serious illness/injury, the employee may exceed the two-year maximum by that amount with the understanding that (1) the employee will bring their vacation balance within the two-year maximum within an agreed upon period of time of return to work.



Kelly Day

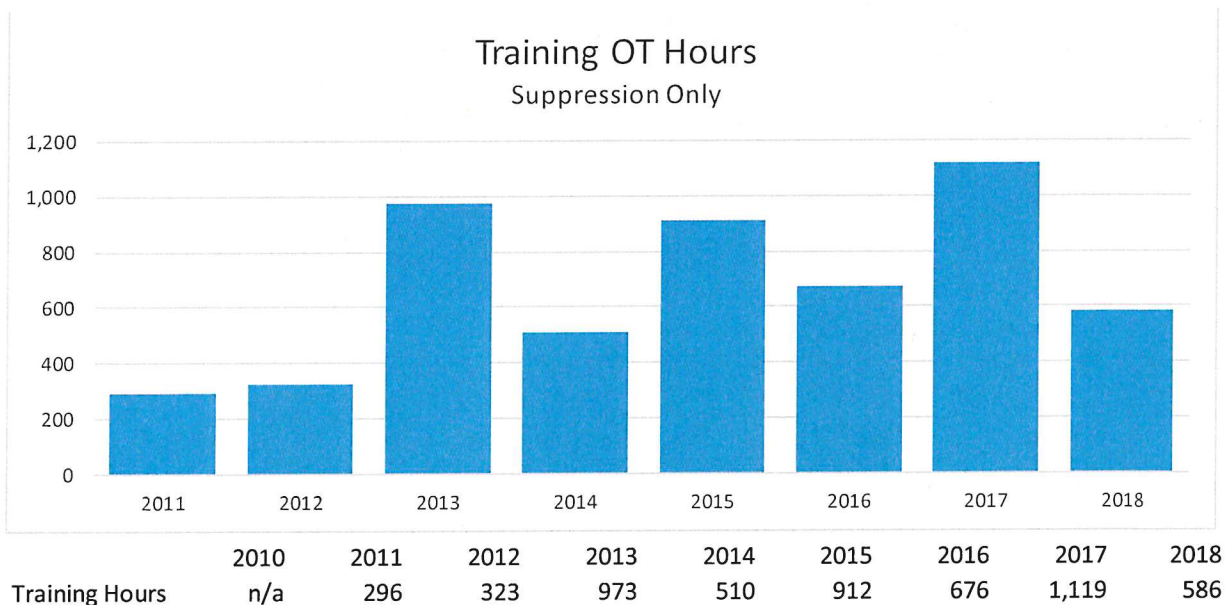
Per the contract and FLSA guidelines, as described earlier, the number of Kelly Days per personnel has remained constant at 14 since 2009. The table below shows the average usage of total Kelly Days per year as expressed in hours. As you can see this has remained fairly consistent at about 16 thousand per year. Kelly Day usage increased in 2016 and 2017 along with the increase in pipeline positions. Further analysis is needed to determine why Kelly Day usage decreased in 2018.





Training/Other Usage

There is required training and other education which firefighters complete each year. Some of this is done during normal scheduled work hours, while others impact daily staffing levels. The number of hours for training and education outside of the normal work schedule is shown below. As the chart demonstrates, overtime training hours is not consistent from year to year with it ranging from a low of approximately 296 to a high of over 1,100 in 2017.

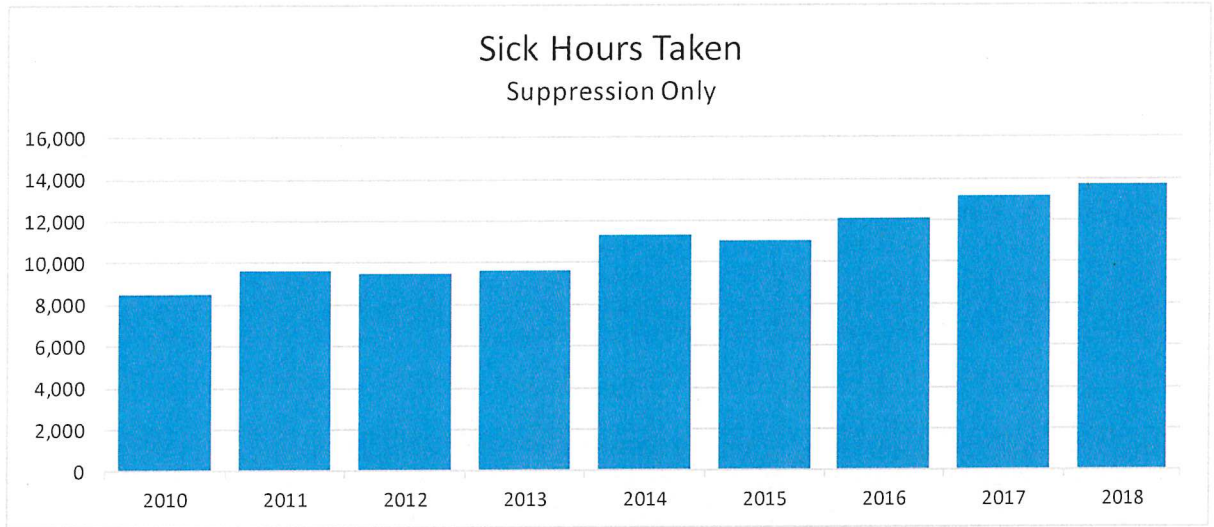


Sick Leave and Long-Term Disability

Sick leave can change by day and by shift. Below are two charts depicting sick leave hours from 2010 through 2019. The first chart compares January through April in all years and the second one compares January through December from 2010 through 2018 and January through April for 2019. Both charts combine regular sick leave with long-term disability as our financial system

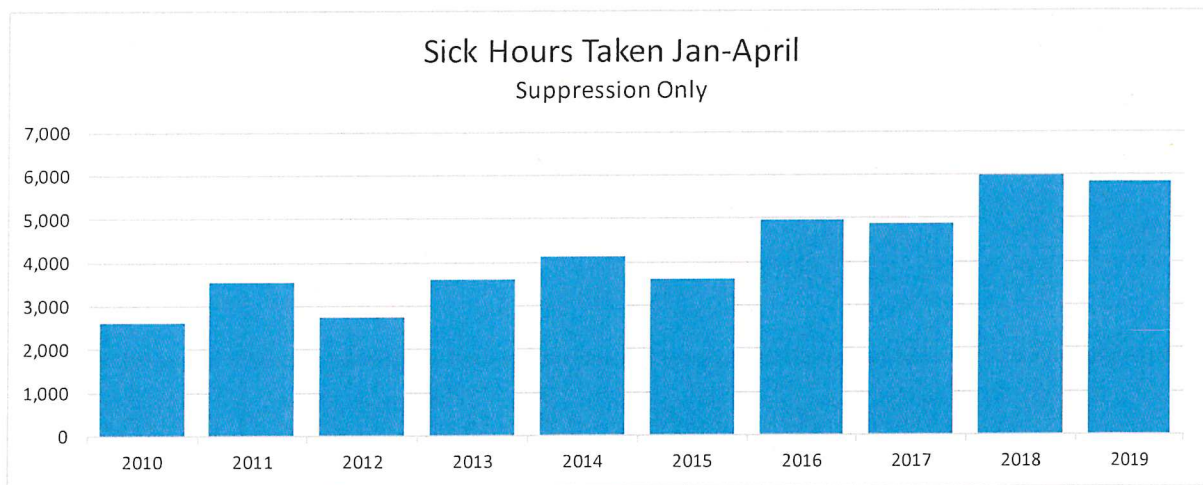
does not segregate long-term disability from sick leave. Along with long-term disability, sick leave usage appears to be trending upward with the trend beginning in 2015.

As the table below shows, the number of hours of sick leave has increased from just over 10,000 hours in 2010 to a peak of 14,000 hours in 2018. Sick leave usage can have a significant staffing and budget impact, especially if covered through overtime staffing.



|            | 2010  | 2011  | 2012  | 2013  | 2014   | 2015   | 2016   | 2017   | 2018   |
|------------|-------|-------|-------|-------|--------|--------|--------|--------|--------|
| Sick Hours | 8,549 | 9,668 | 9,506 | 9,614 | 11,356 | 11,085 | 12,091 | 13,141 | 13,699 |

Using sick leave usage through April 2019, the projection is for a similar usage of sick leave in 2019 as was experienced in 2018.



|            | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  |
|------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Sick Hours | 2,601 | 3,551 | 2,739 | 3,608 | 4,125 | 3,616 | 4,968 | 4,887 | 5,997 | 5,828 |

Long-Term Disability

Whereas sick leave is intended for a short period of time, there is also the case when a firefighter is out for a longer period of time due to an injury, health issue, or other issue.

One factor contributing to the budget situation this year is the number of firefighters out on long-term disability, which we have defined as at least one consecutive month of sick leave. Below is a chart that shows how many firefighters are out on long-term disability each month. The chart is an estimate through June and only reflects those currently out on extended leave. Names have been removed for privacy. Data on long-term disability for prior years will be presented at a later date once the research has been completed. As the table shows, in January there is one firefighter out on long-term disability, whereas in March and April there were four to seven firefighters out on long-term disability.

| Dates on long-term disability | Employee | January | February | March | April | May | June |
|-------------------------------|----------|---------|----------|-------|-------|-----|------|
| 4/1/18 - ?                    | FF 1     |         |          |       |       |     |      |
| 1/7/19 - 6/1/19               | FF 2     |         |          |       |       |     |      |
| 3/2/19 - 7/1/19               | FF 3     |         |          |       |       |     |      |
| 3/10/19 - ? (intermittent)    | FF 4     |         |          |       |       |     |      |
| 1/21/19 - 4/28/19             | FF 5     |         |          |       |       |     |      |
| 2/5/19 - 4/18/19              | FF 6     |         |          |       |       |     |      |
| 3/19/19 - 5/5/19              | FF 7     |         |          |       |       |     |      |
| 1/16/19 - 2/19/19             | FF 8     |         |          |       |       |     |      |
| 5/15/19 - 7/1/19              | FF 9     |         |          |       |       |     |      |

Retirements/Leaves of Service and New Hires for Suppression

Each year, individuals leave the department due to retirement, another opportunity or unfortunately, due to a death but the Department also makes new hires. On average, the Department loses one to three firefighters per year and seeks to maintain consistent staffing levels by hiring new employees. When the Department hires a new firefighter, they first have to undergo approximately four months of training before they are deemed qualified as available for service. While the new firefighter is not able to fill a roster spot on a shift during these initial four months, they are paid salary and benefits.

The chart below compares the Department's departures and hires for the time period 2010 through 2019.



|            |      |      |      |      |      |      |      |      |      |      |
|------------|------|------|------|------|------|------|------|------|------|------|
|            | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Departures | 0    | 3    | 5    | 3    | 3    | 3    | 3    | 3    | 9    | 3    |
| Hires      | 2    | 1    | 4    | 4    | 3    | 9    | 6    | 3    | 6    | 2    |



Deployments

Another factor that affects staffing levels is deployments. When a natural disaster occurs somewhere else, often we will send firefighters to assist with recovery. Some recent examples include responding to the Oso disaster in our own state and the hurricanes that occurred on the east coast last year.

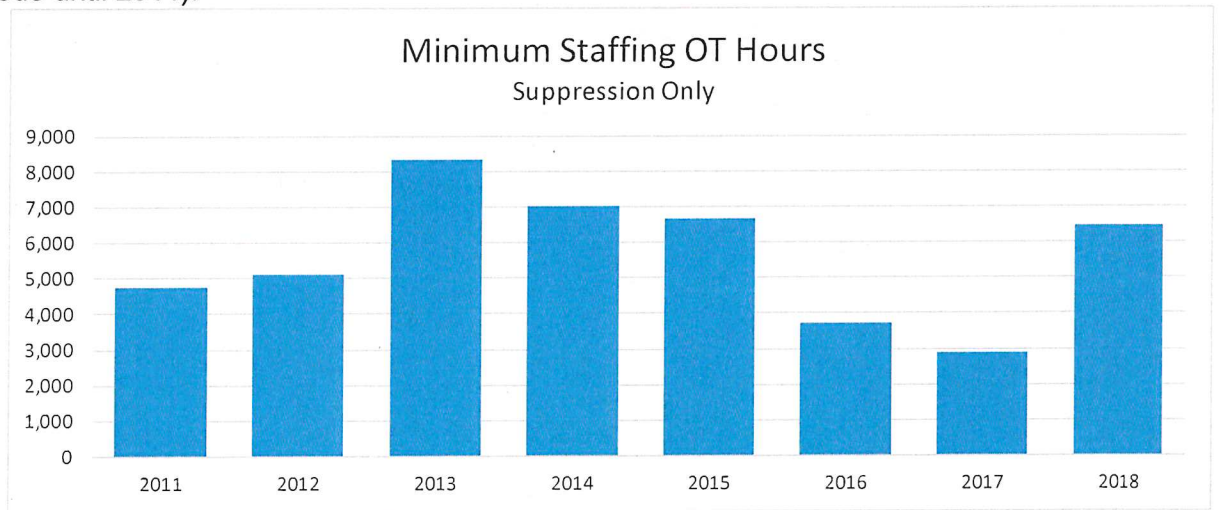
When firefighters are deployed to assist with recovery, they are typically gone for several days which affects staffing levels. Most often, the City is reimbursed for the costs associated with these deployments but occasionally, the City is not reimbursed for all costs. Additional information on deployments will be provided at a later date.

Summary of Staffing Considerations

Overtime Usage

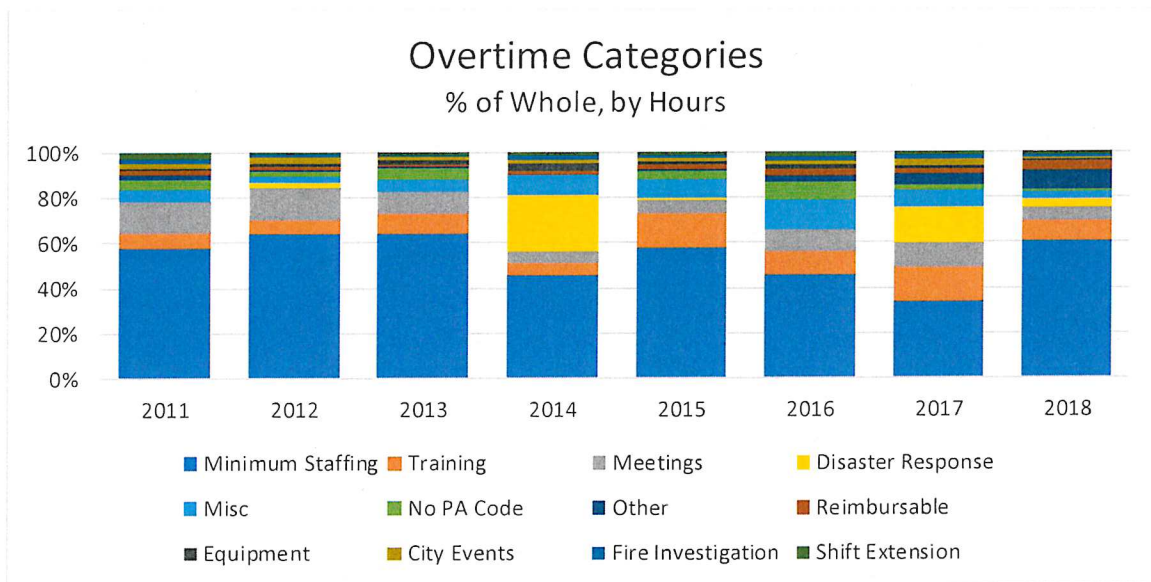
Overtime is used to ensure that minimum staffing is met due to any reason, from vacation, Kelly Days, sick leave, long-term disabilities, retirements, or other issues. For example, when a firefighter goes out on long-term disability for an extended length of time (at least one month), the usual two slots available for education and sick leave drops to one. When more than one firefighter on the same shift is on long-term disability, any firefighter calling in sick automatically results in minimum staffing overtime.

The overtime usage has fluctuated over time. The table below shows the number of minimum staffing overtime hours used 2011 through 2018 (overtime hours were not tracked per project code until 2011).



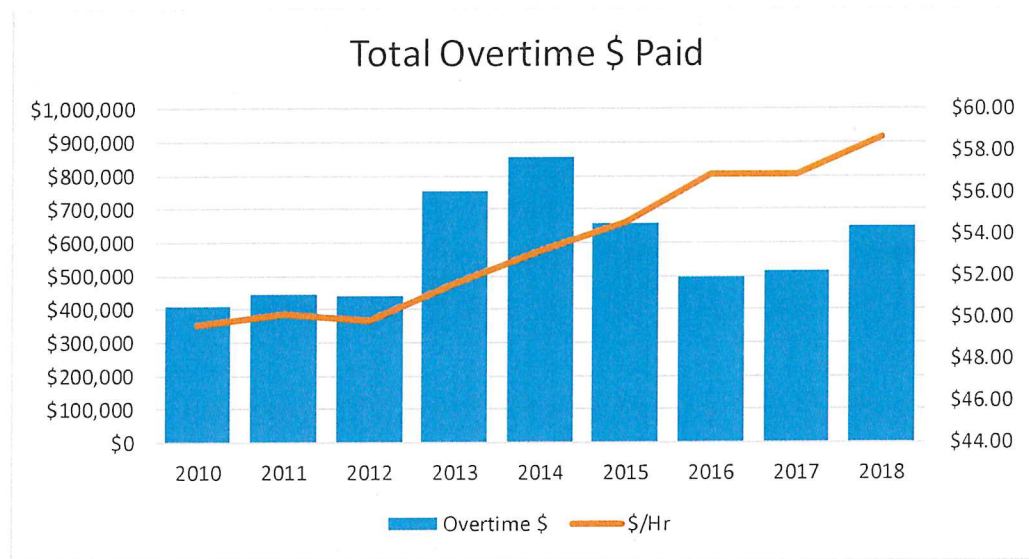
|                    |      |       |       |       |       |       |       |       |       |
|--------------------|------|-------|-------|-------|-------|-------|-------|-------|-------|
|                    | 2010 | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  |
| Min Staff OT hours | n/a  | 4,735 | 5,102 | 8,337 | 7,040 | 6,680 | 3,709 | 2,876 | 6,458 |

The following chart shows total overtime by category. Minimum staffing overtime can range from around 30% of total overtime to over 60% of total overtime.



| Overtime           | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | Grand Total |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------------|
| Minimum Staffing   | 5,167 | 5,648 | 9,325 | 7,359 | 6,968 | 3,972 | 3,024 | 6,678 | 48,140      |
| Training           | 599   | 595   | 1,333 | 926   | 1,855 | 955   | 1,453 | 1,066 | 8,781       |
| Meetings           | 1,210 | 1,205 | 1,372 | 803   | 695   | 793   | 907   | 600   | 7,584       |
| Disaster Response  |       | 239   | 30    | 4,031 | 89    | 26    | 1,439 | 416   | 6,268       |
| Misc               | 503   | 235   | 777   | 1,469 | 1,024 | 1,165 | 711   | 318   | 6,201       |
| No PA Code         | 398   | 188   | 778   | 21    | 432   | 639   | 211   | 80    | 2,746       |
| Other              | 198   | 32    | 45    |       | 127   | 283   | 406   | 940   | 2,031       |
| Reimbursable       | 161   | 142   | 163   | 197   | 221   | 250   | 214   | 488   | 1,835       |
| Equipment          | 87    | 123   | 284   | 573   | 180   | 131   | 147   | 112   | 1,635       |
| City Events        | 174   | 232   | 260   | 226   | 175   | 125   | 209   | 55    | 1,455       |
| Fire Investigation | 164   | 126   | 73    | 307   | 175   | 206   | 237   | 161   | 1,447       |
| Shift Extension    | 247   | 67    | 155   | 218   | 126   | 174   | 81    | 132   | 1,201       |

The cost of overtime has increased due to the change in usage and also the increase in average compensation over the past few years. As the table shows, the cost per hour has consistently increased over the past several years.



|                | 2010      | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Overtime \$    | \$407,964 | \$446,557 | \$440,553 | \$754,079 | \$857,927 | \$658,738 | \$495,855 | \$514,312 | \$647,876 |
| Overtime Hours | 8,221     | 8,907     | 8,831     | 14,592    | 16,127    | 12,065    | 8,717     | 9,038     | 11,046    |
| \$/Hr          | \$ 49.63  | \$ 50.13  | \$ 49.89  | \$ 51.68  | \$ 53.20  | \$ 54.60  | \$ 56.89  | \$ 56.90  | \$ 58.65  |

**A key administrative and policy question is what can be done to reduce the overtime usage and costs going forward.**

Budget Process

The Finance staff budgets for personnel costs as well as liability insurance and fleet costs. Fire staff budget supplies and services. All departments develop their budgets within the parameters set by Administration and Council.

When Finance drafts the budget for personnel, all approved positions are fully funded at the existing labor agreement rate schedules plus an estimate for COLA increases. Benefits are adjusted based on known or estimated rate increases. Positions that are not at the top step include an increase in both salary and benefits to account for any step increases due during the biennium. Any vacant position is budgeted at the lowest step plus benefits and medical at the full family rate.

Overtime is typically budgeted at previous year levels unless a department can prove the need for additional budget. One change in how overtime was budgeted occurred with the 2017-2018 biennium. Prior to 2017, the overtime budget line item included both overtime and associated benefits. Beginning with the 2017 budget, the overtime line item is strictly overtime pay. Benefits associated with overtime are budgeted in the correct benefit line.

There are a few items that are not budgeted and which the City departments are expected to absorb the difference within their original adopted budget.

- Pipeline positions are not budgeted. It is expected that these costs will be offset by a reduction in overtime costs and usage.
- As a policy, the City also does not budget for pending or possible retirements, specifically the vacation and sick leave payouts.



- The budget does not include funds for possible deployments. Typically, the budget will be amended once costs and reimbursement information can be estimated. Often, reimbursement funds are not received until the following year.
- The City does not usually amend the adopted budget to account for any labor agreements that settle wages higher than what is included in the adopted budget. Departments are expected to absorb the difference.

New information for June 11, 2019:

Budget Amendments

The fire department budget has been amended every year since 2012. The amendments range in amounts from a low of \$85 thousand in 2010 to a high of \$1 million in 2014. The average budget amendment for the department is about \$500 thousand. The chart below shows the total original adopted budget followed by a breakdown of amendments by year.

One item to note on budget amendments is that in the first year of the biennial budget, the budget amendment will often be carried forward into the second year of the budget cycle. This can be seen in 2015 and 2016 when overtime was increased both years and again in 2017 and 2018 when budget was provided for pipeline positions.

| Fire Budget Amendment Details |                |                              |                   |                   |                        |                    |                                  |                              |                     |                      |
|-------------------------------|----------------|------------------------------|-------------------|-------------------|------------------------|--------------------|----------------------------------|------------------------------|---------------------|----------------------|
|                               | Adopted Budget | New Contract (Signing Bonus) | Increase Overtime | Other Adjustments | Revenue Backed - Other | Pipeline Positions | Deployments (Not Revenue Backed) | Deployments (Revenue Backed) | Total of Amendments | Final Amended Budget |
| 2010                          | 10,212,773     | -                            | -                 | 85,000            | -                      | -                  | -                                | -                            | 85,000              | 10,297,773           |
| 2011                          | 9,948,846      | -                            | -                 | -                 | -                      | -                  | -                                | -                            | -                   | 9,948,846            |
| 2012                          | 10,226,000     | 234,768                      | -                 | 21,693            | 60,500                 | -                  | -                                | -                            | 316,961             | 10,542,961           |
| 2013                          | 10,247,976     | -                            | 200,000           | -                 | -                      | -                  | -                                | -                            | 200,000             | 10,447,976           |
| 2014                          | 10,472,254     | -                            | -                 | 390,000           | 355,000                | -                  | 89,600                           | 170,000                      | 1,004,600           | 11,476,854           |
| 2015                          | 11,056,925     | -                            | 300,000           | 440,000           | -                      | -                  | -                                | -                            | 740,000             | 11,796,925           |
| 2016                          | 10,959,499     | -                            | 310,000           | 403,000           | 37,805                 | -                  | -                                | -                            | 750,805             | 11,710,304           |
| 2017                          | 11,862,568     | -                            | -                 | -                 | 35,000                 | 240,000            | -                                | 125,000                      | 400,000             | 12,262,568           |
| 2018                          | 12,192,595     | -                            | -                 | 69,045            | -                      | 240,000            | -                                | 40,000                       | 349,045             | 12,541,640           |
| 2019                          | 12,473,387     | -                            | -                 | -                 | -                      | -                  | -                                | -                            | -                   | 12,473,387           |

Additional details on the "Other Adjustments" column is as follows:

- 2010: Increase of \$85K for fleet O&M
- 2012: \$21,693 for reinstating .25 FTE
- 2014: \$340K to fund LEOFF retiree medical and \$40K to add fire permits to TRAKiT.
- 2015: 80K for vacation payouts (not related to service separations), \$210K for payouts due to service separation, and 90K for associated benefits. Also includes \$60K for radio purchases
- 2016: \$90K for vacation payouts (not related to service separations), \$220K for payouts due to service separation, and 93K for associated benefits.
- 2018: \$69k to budget for transfer to firemen's pension fund

2019 Projected Year-End

Staff is preparing a projected year-end model along with a discussion on the assumptions that will be included in the model. The model will be completed and presented at a future meeting.

### **DISCUSSION**

To begin the discussion on next steps to address the fire department's projected overbudget situation, two options regarding policy are being presented below as possible ways to keep the fire department within budget. Additional options could be presented at a later date.

#### **Policy Discussion**

There are some policy choices that relate to both the fire department budget as well as levels of service. As discussed above, there are a few items that, as a policy, the City does not budget for when drafting the biennial budget:

- Pipeline positions – salary and benefits for an entry level firefighter is approximately \$98 thousand.
- Known retirements – based on current information, payouts in June are expected to be approximately \$72 thousand total for three firefighters.

Additionally, the current policy sets minimum staffing levels at 13 per shift. If staffing falls below 13, minimum staffing overtime is triggered.

Two suggestions that could keep the Fire department within budget follow.

#### 1) Increase budget/revenues to support current level of service and staffing

The first method would be to increase the fire department's budget to include funding for the pipeline positions and add budget for retirements that have already occurred in 2019 as well as those that are planned for later in the year. Funds could either come from increasing existing revenue sources, adding new revenue sources, decreasing budgets in other departments, or a combination of all the above.

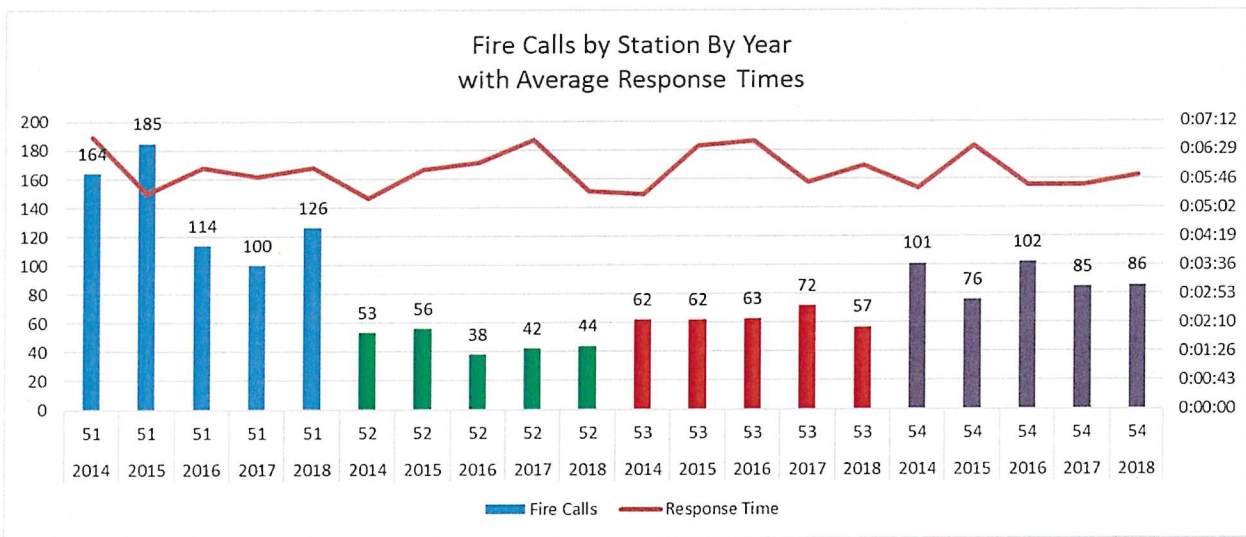
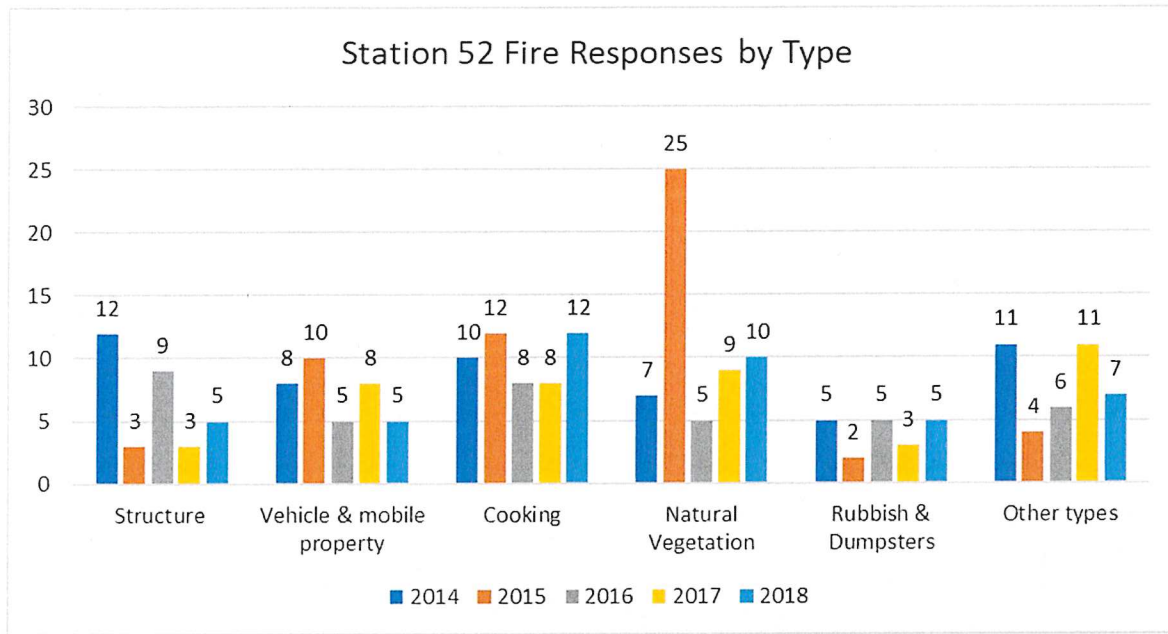
#### 2) Decrease minimum staffing level to 12 on days when minimum staffing is not met

A policy option for the Fire Department would be to change the level of service to 12 rather than 13. When minimum staffing is below 13, rather than calling in one shift of overtime, the Fire Station 52 aid car could be placed in service rather than an engine. The aid car can respond to most calls but the reduction in service would come into play when a fire call comes from Station 52's area. An engine from another station would become the first due in unit, lengthening the response time. Engine 52 is also the second in engine for most fire calls in the City. If this engine is swapped out for the aid car, this will cause a delay in a second engine arriving on scene, putting the first-in unit at risk. The "two in - two out" rule by the State OSHA / L& I, is required for entry into a hazardous environment, such as a fire. Each of Tukwila's fire units are staffed at 3, a second staffed fire unit is needed. Fireground staffing levels (NFPA 1710) will also be affected, which will require an increase of aid from our neighboring fire agencies.

From January 1, 2019 through April 30, 2019, there were 60 days when minimum staffing was below 13, resulting in minimum staffing overtime. Each shift of overtime costs approximately \$1,400. If, on those 60 days, minimum staffing was reduced to 12 and the aid car placed in service, total savings in overtime costs would have been \$84 thousand.



Below is a chart showing fire calls by type that Station 52 engine responded to from 2014 through 2018. The chart represents first-in calls only and does not include fire calls were Station 52 was the second in engine. As demonstrated by the second chart, Station 52 responds to the fewest fire calls of all four stations. On average, this station responds as first in on 48 fire calls a year.



New Option: Fully Fund Current Service Levels

Another option available would be to fully fund the current service levels in the following manner:

- 1) As previously mentioned, the current staffing model includes 19 24-hour personnel per shift. Between 2013 and 2018, the average number of overtime hours worked was 12,000 across all divisions within the fire department. Assuming an hourly rate of \$60 per hour, to fully fund overtime at the average number of overtime hours worked annually, the total overtime budget

would be \$720 thousand. The current overtime budget for 2019 is \$531 thousand. If the budget were trued up to reflect the average number of overtime hours worked, the budget should be increased an additional \$189 thousand. Adjusting benefits would add an additional \$24 thousand for a total increase in budget of \$213 thousand.

| Fire Overtime Costs Compared to Number of Overtime Hours<br>(Excludes benefits) |         |         |         |         |         |         |         |         |         | Estimate<br>Based on<br>2010-2018<br>2019 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---|
|   | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    |   |
| Overtime \$   | 407,964 | 446,557 | 440,553 | 754,079 | 857,927 | 658,738 | 495,855 | 514,312 | 647,876 | 720,000                                   |
| Overtime Hours  | 8,221   | 8,907   | 8,831   | 14,592  | 16,127  | 12,065  | 8,717   | 9,038   | 11,046  | 12,000                                    |
| Cost per Hour   | 49.63   | 50.13   | 49.89   | 51.68   | 53.20   | 54.60   | 56.89   | 56.90   | 58.65   | 60.00                                     |

2) Fund the cost associated with the academy. The length of the academy is approximately 18 weeks and during those weeks, the fire department carries the full cost of the recruit (salary and benefits of approximately \$40 thousand in total) but does not receive a level of service in return. Budget could be provided to cover the costs of the academy. Budget for four recruits would add \$160 thousand to the existing budget.

3) Fund the cost of separations of service (retirements, etc.). Because current policy requires minimum staffing of 13, the fire department must absorb the costs of separations without reducing service levels. To date, the department is aware of three upcoming retirements with estimated payouts totaling \$72 thousand. Adding budget of \$100 thousand would cover not only known separations but provide some funding for possible future separations.

To summarize, to fully fund current service levels, total budget of \$473 thousand would be added to the 2019 budget. Future budget years would include these same increases with COLA adjustments factored in.

|                          |           |
|--------------------------|-----------|
| True up overtime         | \$213,000 |
| Fund academy             | 160,000   |
| Fund service separations | 100,000   |
| Total increase in budget | \$473,000 |

Service Levels

Another policy decision is related to service levels. Staff will be bringing forward information on existing service levels to the Public Safety committee in the near future. This information will be beneficial in discussing the Fire department budget. To enhance the discussion on service levels, staff is gathering data on call statistics. Some of the information being gathered is call types by year and calls by station. Detailed call statistics will help guide future discussions on how best to address the budget situation with the fire department.

National Fire Protection Association (NFPA)

The NFPA is a non-profit organization that convenes committees comprised of fire service-related professionals for the purpose of developing fire, electrical, and other life-safety standards. These standards are often utilized to make policy decisions regarding staffing and service levels.

NFPA 1710 provides minimum standards related to the organization and deployment of fire suppression operations, emergency medical operations, and special operations by career (paid)

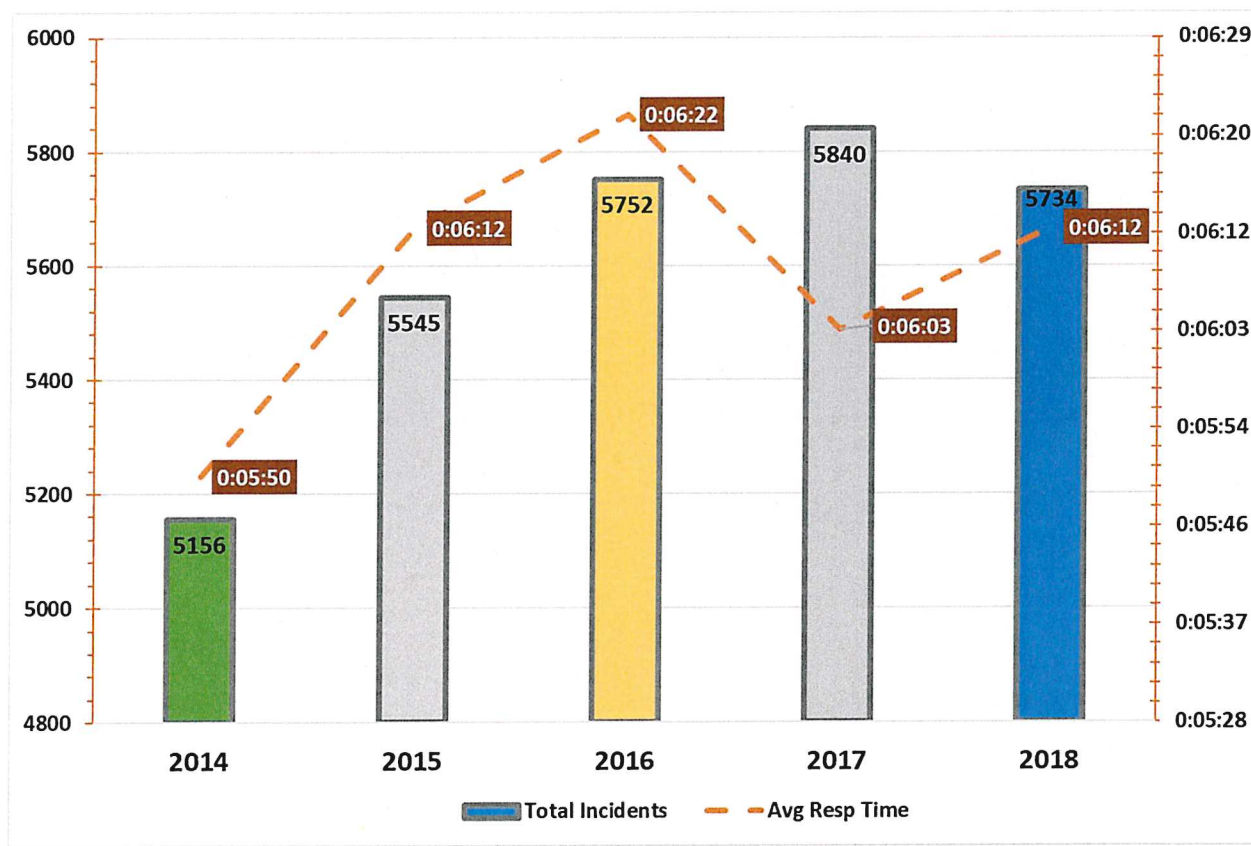


fire departments. Standards recommended by NFPA 1710 are summarized below and represent the resources necessary to provide the highest probability of a successful and safe outcome.

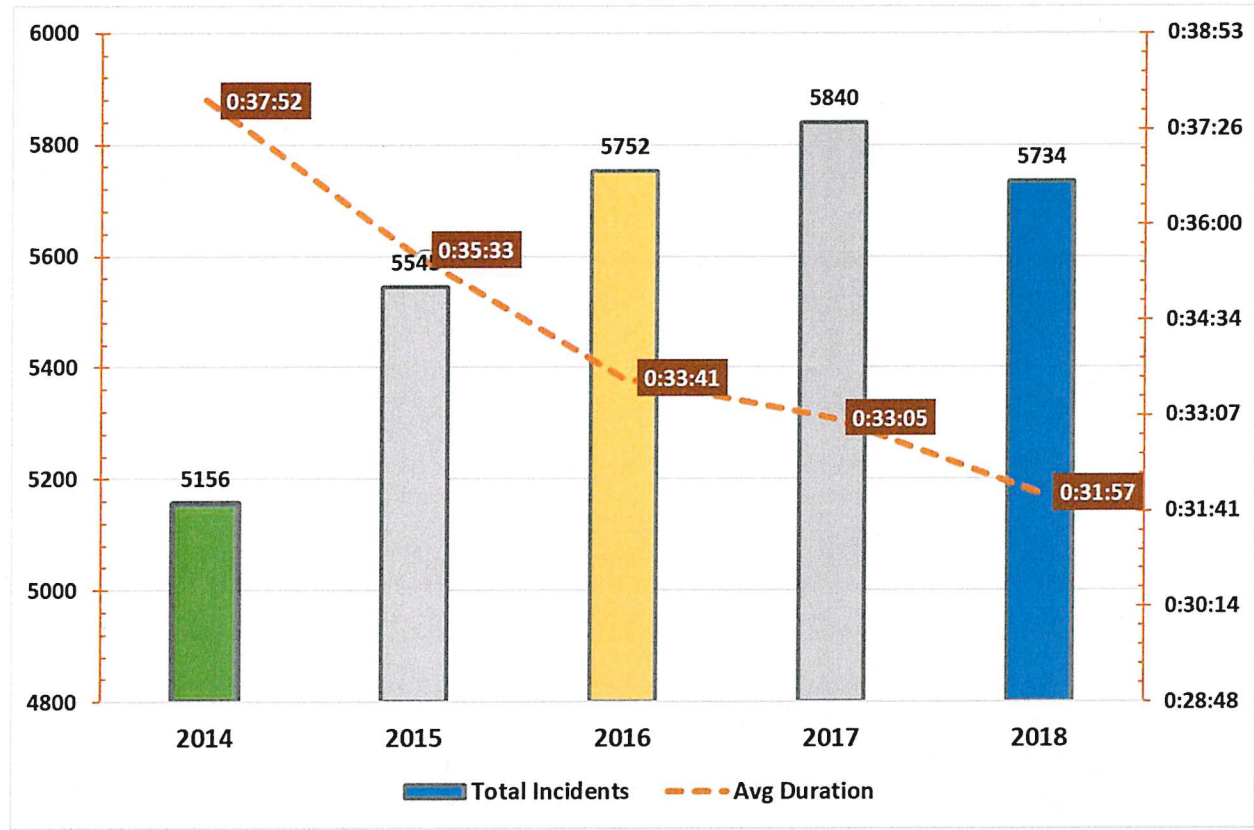
- Single-family dwellings: minimum 14 members, 15 if aerial is used
- Open strip malls and garden-style apartments: minimum 27 members, 28 if aerial is used
- High-rise with highest floor greater than 75 ft above lowest level of fire apparatus access: minimum 42 members, 43 if building is equipped with a fire pump.

In addition to reviewing NFPA standards on staffing levels, it is important to review incidents and response times. As the chart below indicates, from 2014 through 2017, the number of incidents each year increased. However, in 2018 the total number of incidents decreased. It is too early to know if 2018 was an anomaly or the start of a new trend.

Along with the increase in incidents, response times also increased in apparent correlation with the increase in incidents except for 2017. In 2017 average response time actually decreased.



Another trend in service levels worth noting is that the average duration of an incident has been declining over time. The shorter duration on calls helps to mitigate the impacts of increased call volume on average response times.



**RECOMMENDATION**

For information only

**ATTACHMENTS**