

Tukwila Future Fire/EMS Service Community Advisory Committee

Meeting 8

Tuesday, April 5, 2022 | 4:00 PM – 6:00 PM

The meeting will be conducted on Zoom. Join Zoom Meeting:
<https://us02web.zoom.us/j/7558840726?pwd=d3NDRjhIQ0hYckpUUGNzRndpK2hqUT09> Phone in
information: (253) 215-8782 | Meeting ID: 755 884 0726 | Passcode: 482717

Agenda

1. Welcome (2 min.) *Chair Verna Seal*
2. Review of Agenda (1 min.) *Karen Reed, facilitator*
3. Review and approval of March 22 meeting summary (3 min.) *Karen*
4. Response to questions asked at previous meeting (5 min.) *Staff Team*
5. Review of "homework" responses on Public Engagement Strategies (10 min.) *Karen*
6. Preview of 2023-2024 budget (10 min.) *Vicky Carlson*
7. Re-cap of Options 6 & 7 (5 min.)
8. Presentation & Discussion: **Options 8 and 9: Annexing into an RFA** (40 min.)
 - **Option 8: Renton RFA (RRFA)**
 - **Option 9: Puget Sound Regional Fire Authority (PSRFA)**
 - **How are these options the same? How are they different?**
 - Review of **Attachment A**
 - Questions/comments from Committee
- break**-- (5 min.)
9. *Committee Discussion of Options* (30 min.)
 - Deliberations will continue at Meeting 9 & 10
 - Coming in your email: survey of how well options meet the Committee's criteria
10. IAFF Union Comment (3 min.) *IAFF President James Booth*
11. Next Agenda (1 min.) *Karen*
12. Adjourn (2 min.) *Verna*



Future of Fire/EMS Services Community Advisory Committee

March 22, 2022

Virtual Meeting due to COVID-19 Emergency

4:00 p.m.

DRAFT MINUTES

Present

Committee members: Verna Seal, Chair; Katrina Dohn, Peggy McCarthy, Dennis Robertson, Sally Blake, Hien Kieu, Ramona Grove, Andy Reisinger, Jovita McConnell (Absent: Ben Oliver, Jim Davis, Abdullahi Shakul)

City staff & consultants: David Cline, Laurel Humphrey, Norm Golden, Jay Wittwer, Vicky Carlsen, James Booth, Jake Berry, Karen Reed, Bill Cushman

1. Welcome

Chair Seal called the meeting to order.

2. Review of Agenda

Ms. Reed reviewed the agenda.

3. Review and approval of March 8, 2022 Committee meeting minutes

Ms. Blake requested a statement be added reflecting her disagreement with the levy being equivalent to a reserve. Mr. Robertson moved approval of the minutes as amended and Ms. Seal seconded. The motion carried and the minutes were approved as amended.

4. Responses to questions asked at previous meeting.

Ms. Reed reviewed the updated list of responses.

5. March 21, 2022 City Council Presentation

Committee members discussed how the presentation went.

6. Presentation on Options 6 and 7

Ms. Reed described Option 6, which is to contract with the Renton Regional Fire Authority, and Option 7, which is to contract with the Puget Sound Regional Fire Authority. Questions and comments included:

- These options would not address the sustainability piece, as the City would have to pay the contract fee.

- **Q:** Why does RFA want to contract as a first step? **A:** To determine if it is a good fit, work out any issues prior to annexation.

- A lot of the moving parts have been figured out since the last time the City considered this.

- **Q:** How big is the City's cost for retired firefighters? **A:** \$261K in 2021 for LEOFF 1

- **Q:** Does the City retain LEOFF 1 and debt service in both options? **A:** Yes

- If the City proceeds with a contract, returning to the City seems unlikely.
- **Q:** Are you going to provide an analysis of how the FBC shifts costs to different types of taxpayers and how that compares to how we currently fund city services? **A:** We will evaluate the impact on Tukwila taxpayer segments under the current fire benefit charges---but note that FBC formulas and collections can be changed from year to year by the RFA boards.
- **Q:** Will Tukwila residents lose service levels? **A:** IAFF does not think that would happen, as all fire service working toward meeting the same national standards.
- **Q:** Does the City want to retain ownership of the stations? **A:** If the City annexed to an RFA we want to maintain control of the property, because if the agency wanted to move a station the property could be repurposed by the City.

7. Cross-Agency Data Presentation

Fire Department leadership presented a data comparison of Tukwila Fire Department, Puget Sound Regional Fire Authority, and Renton Regional Fire Authority.

- **Q:** Does PSRFA have more capacity to address a diverse population, such as more language access? **A:** We do not have demographic data on the workforces at the RFAs. Regionally there has been a concentrated effort to attract more diversity in hiring, and results are starting to show.
- **Q:** Does the City's equipment transfer to the agency with contracting or annexation? **A:** Yes
- **Q:** IF we choose to contract and it goes well, then annexation is desired, does that require a vote? **A:** Yes.
- **Q:** What if voters don't approve? **A:** This is a challenging aspect to the contracting option if your ultimate goal is annexation.
- The Fire Department now is not financially sustainable, in that the City's budget can't continue to fund it without asking for a property tax increase. A contract does not solve that problem.
- With annexation, part of the property tax goes with the new agency.
- **Q:** Weren't we told that PSRFA is positive about annexation as soon as possible? **A:** Yes. PSRFA is willing to start negotiations in year 1 of a contract. This is a distinction between the two RFAs. It typically takes 12-18 months to negotiate annexation terms.

8. Committee Discussion on Community Engagement

Due to a lack of time, Ms. Reed indicated she would send some questions out via email for Committee members to complete on their own.

9. Union Comment

Captain Booth shared that he appreciates the discussion. RFAs are only about 14 years old and are popular because of increasing budget pressures in local governments. The IAFF supports contracting because one way or another we are paying for a Fire Department next year, and Tukwila is hurting for resources when compared with our neighbors. A contract is a bridge and the annexation planning could begin immediately. In 13 years, the department has over 30% more calls with less staffing.

10. Adjourn

The meeting was adjourned at 6:01 P.M. by unanimous consent.

Minutes by LH

Future of Fire/EMS Services Community Advisory Committee (v. 4.1.22)

	Question Received	Question	Response / Status
1	Meeting 1	<i>Provide number of calls by type (EMS vs Fire) per day, per station Note that 2 stations were recently relocated which impacts relevance of per-station call data from before the present locations were active.</i>	Calls by station district provided on 12/14.
2	"	<i>Provide data/outcomes from other cities that joined a regional effort</i>	Pending (will be presented later)
3	Meeting 2	<i>Provide information on how much of their general fund budget/property tax the cities of Renton and SeaTac were expending on Fire before they formed an RFA (Renton) or contracted with an RFA (SeaTac)</i>	Provided in meeting 6 packet.
4		<i>Would additional fire investigation and permitting/fire inspector staff pay for themselves through fees? Generally, what can we expect in terms of Fire Marshal office generated revenue?</i>	Provided in Meeting 3 packet
5		<i>How many inspections does one inspector complete in a year on average?</i>	Provided in Meeting 3 packet
6		<i>Does the Fire Department and/or City have a preference/priority in terms of these enhanced services?</i>	Provided in Meeting 3 packet
7		<i>Where would the money come from to fund enhanced services?</i>	This will be discussed in Meeting 4 (Feb 4)
8		<i>What is the staffing model for a CARES unit?</i>	Provided in Meeting 3 packet
9	After meeting 2	<i>A summary of projected future City revenue streams (particularly sales tax) for the next ten years or so.</i>	We can provide a 6-year forecast. (Vicky Carlsen)
10	"	<i>Definition of fiscal sustainability?</i>	This is a discussion item for the Committee
11	"	<i>Can you provide comparables for total salary, total compensation cost (TCC), retirement benefits and medial plan benefits in other fire service providers in South King County</i>	We will provide this data for Renton RFA and Puget Sound RFA when we explore those service alternatives.
12	Meeting 3	<i>Can you provide information on what the City has done with respect to the efficiency and cost reduction recommendations in the CPSM report?</i> <ul style="list-style-type: none"> • <i>Additional info on this requested at Mtg. 4</i> 	Provided in Meeting 5 Packet

13	“	<i>Can we charge other fire agencies for responding to calls in their territory? Could this offset our costs?</i>	Provided in Meeting 4 Packet
14	Meeting 4	<i>Could we contract out inspection services and would that cost less than doing it ourselves?</i>	Provided in Meeting 5 packet
15	Meeting 5	<i>Please provide comparative data on numbers of firefighters per capita and square mileage per station for Puget Sound Regional Fire Authority, Renton Regional Fire Authority, and Tukwila</i>	Provided in Meeting 6 packet
16		<i>In creating a Tukwila Fire District, how soon is the property tax revenue available after the levy?</i>	A new taxing district needs to notify the assessor of intent to impose taxes by August 1 for the taxes to start the following calendar year.
17	After meeting 5	<p>Inspectors:</p> <p>a. Which personnel typically conduct the routine inspections, the FMO inspectors or the on-duty firefighters? Would routine inspections be conducted for apartment complexes as well as commercial buildings?</p> <p>Page 18 of 12.14.2021 agenda packet, "With additional staff, from 1.0 to 3.0 FTE's, Tukwila could provide regular inspections, every one to three years, for the estimated 2,500 businesses within Tukwila. Annual inspections could be provided for the estimated 400-600 commercial occupancies that have higher hazards. Additional staff, from 1.0 to the full 3.0 FTE would increase the number of inspections that could be completed each year."</p> <p>b. How was the number of additional inspectors determined? The Enhanced Services scenario has been reduced to 2 FTE's from 3. The overtime budget, according to the published 2021-2022 budget, is \$60,000 per year. If the cost of one inspector, 1 FTE is \$150,000, then the overtime cost of \$60,000, would suggest only 1/2 of an FTE is needed not 2 FTE's... so how was the need determined? Also, contracting for these services could match demand with capacity and keep costs lower.</p> <p>c. How much additional revenue could be earned if the inspection and planning fees were increased?</p>	Provided in Meeting 6 packet

		It appears the average cost for both is \$100... \$100 per inspection and \$100 per plan review. This was calculated as follows. Financial Planning Model, page 15, shows inspection fee revenue at \$80,000 and plan review revenue at \$100,000. On page 5 of the 1.4.22 agenda packet, the number of annual inspections and plan reviews is listed as 800 and 1000 respectively.	
18	“	<u>Cares Unit.</u> The \$250,000 of overhead seems very high compared to the \$58,000 projected cost for .33 FTE. What kind of costs make up this \$250,000?	Provided in Meeting 6 packet
19	“	<u>Public Educator.</u> Could public education be accomplished by existing City resources? Some possibilities - messaging could be placed on the City's website or in the Hazelnut, in-person training could be conducted by the Emergency Manager or Fire Chief/Deputy Chief, middle school and high school students could visit FS 54 on a field trip as it's within walking distance of Showalter and Foster, the City's communication division and the Community Connectors (if still being used) could meet with their residential groups to share information.	Provided in Meeting 6 packet
20	“	Is it feasible and does the Administration plan to pursue enacting a utility tax on all water and sewer utilities in Tukwila City instead of just those operated by the City? How much additional revenue could be generated by this?	No, the City does not currently have a plan to pursue a utility tax on all water and sewer utilities in Tukwila not operated by the city. The city did look at this a few years back during budget deliberations and the council at that time chose not to pursue it.
21	“	Provide and update on what the Council is considering in regards to Fire Marshal Office services?	Provided in Meeting 6 packet
22	Meeting 6	Provide dollars associated with the data in response to question 3.	Provided in Meeting 7 packet
23	Meeting 7	Clarify how capital needs for the Fire Department are met now	See below

24	“	How much are SeaTac and Renton paying now for fire service?	Answer for SeaTac below
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Question 23: Funding for Fire Department Capital Assets: What’s In Place Today?

In 2016, the City adopted a plan called the “Public Safety Plan” (PSP) to address public safety needs across the City. This plan is updated with each biennial budget.

Funding for the PSP includes several funding sources:

- voted and “councilmanic” (non-voted) debt
- fire impact fees
- Federal CARES Act funds which are restricted to specific purposes.
- Allocations of existing general government revenues including Real Estate Excise Tax 1 (REET 1), land sales, fund balance contributions from other funds, sales tax mitigation, and investment interest earnings.

In terms of debt funding, there were two actions:

- Submitting a bond to the voters (the Public Safety Bonds) approved by voters in 2016. The bonds were issued in two series. The first series was issued in 2016, with a 20-year term, and generated \$36.7 million in proceeds. The second series was issued in 2019, again with a 20-year term, and generated \$41.3 million. All proceeds of these bonds have been spent.
- Two councilmanic 20-year property tax levies in 2018 (generating \$20.2 million) and 2019 (generating \$25.3 million). All proceeds of these bonds have been spent.

All bonded revenues, together with all other revenue sources listed above, were part of the Public Safety Plan revenue sources for all the projects in the PSP.

The 2016 voter-approved bond was originally scoped to fund the following:

- A justice center
- Replacement of 3 Fire Stations (51, 52, 54)
- Fire Apparatus and Equipment needs for the term of the bonds.

Due to higher than projected increases in construction costs, the City needed to significantly reduce the size and scope of projects to be funded from the bond proceeds. The difficult decision was made to remove the replacement of fire station 54 from the original scope and eliminate application of any bond proceeds to buy fire apparatus and equipment. The Justice Center and Stations 51 and 52 were completed with the voter-approved bond proceeds. Fire Station 54 replacement is on hold for now.

Total Fire PSP project costs for Fire are as follows (Years 2016-2030):*

Fire Station 51 (completed)	\$14,258,094
Fire Station 52 (completed)	22,256,457
**Fire Station 54 (land acquired)	1,290,809
***Apparatus and Equipment	15,825,796
Total Fire	\$39,373,061

*Subject to change by Council

**\$1.29 million was expended to purchase land for a future fire station 54.

***Includes acquisition and financing costs for all projected engines and ladders need through 2030.

Fire equipment and apparatus funding needs from 2016-2030 are identified and will be funded through 2030 through the PSP from a variety of existing, dedicated revenue sources that are identified in the PSP. The funding flows directed to the PSP are allocated to match projected expenditures each biennium; proceeds from some asset sales are dedicated to PSP projects and may provide funds beyond the biennium.

After 2030, if the fire department remains a general fund department, equipment and apparatus will continue to be purchased and maintained for the fire department. The current plan for the period after 2030 is to set aside funds on a pay-as-you-go basis from general fund dollars, the same as other departments in the general fund.

Does the City have any dedicated Fire Department Reserves?

Yes, for LEOFF 1 Retiree expenses. No, for any Fire Department operating expenditures or capital projects. As noted above, apparatus and equipment needs are planned and will be funded through existing revenue streams through 2030 in the PSP. No funding is in place for future fire station replacements.

The City does have two reserves in place to cover unanticipated costs for all General Fund departments – including the Fire Department.

- The City maintains a general fund reserve of at least 18% of prior year ongoing revenue.
- In addition, the City maintains a contingency reserve equals to at least 10% of prior year ongoing general fund revenue.

These reserves are established per Council adopted Resolution No. 1861. The resolution requires that any spend down of the reserves is repaid through an identified funding plan.

In addition to these reserves, the City also maintains a Fleet Reserve for general fund departments other than the Fire Department. The Fleet fund is funded to fully fund the equipment needs for the biennium plus and adequate reserves for unplanned emergencies. Currently, the PSP funds fire apparatus but after 2030 fire fleet will be funded the same way as other departmental fleet needs.

Question 24: How much are SeaTac and Renton paying for fire/EMS service now?

Renton is still being studied.

SeaTac began receiving service from Puget Sound RFA by contract in 2014.

In 2013, **25.5%** of SeaTac's General Fund expenditures went to Fire, the equivalent of **60.7%** of their property tax revenue went to Fire for that same year.

[SeaTac 2013:](#)

Fire Dept General Fund Budget: \$7,969,058

Total Budgeted General Fund: \$31,297,970

Total Property Taxes: \$12,055,098

SeaTac Fire Costs

	Total GF Cost	PSRFA Cost	Retained GF Costs
2011	\$7,164,221	N/A	N/A
2012	\$7,326,215	N/A	N/A
2013	\$7,969,058	N/A	N/A
2014	\$9,963,200	\$8,718,347	\$1,244,853
2015	\$8,985,785	\$8,897,405	\$88,380
2016	\$10,091,396	\$10,001,462	\$89,934
2017	\$10,046,285	\$9,982,609	\$63,676
2018	\$10,135,167	\$10,084,973	\$50,194
2019	\$10,752,876	\$10,675,977	\$76,899
2020	\$10,785,478	\$10,714,358	\$71,120
2021 budget	\$10,895,064	\$10,807,645	\$87,419
2022 budget	\$11,115,283	\$11,023,799	\$91,484

“Homework” on Public Engagement Strategies

8 Committee Members Responded

Question 1: Do you think your neighbors (and for business community folks, your fellow business community members) will be interested in learning more about the future of the Fire Department – especially if the recommendation is to make a significant change from the current operating model? If instead the recommendation is *status quo*, is your answer different?

All 8 respondents agreed that their neighbors would be interested in learning more.

Yes they will be interested in learning more about the future of our Fire Department regardless. Any info is better than no info.

Answer: Of course they will. An important Public Safety issue is changing as well as a significant residential/business property owner tax.

Yes, business could be affected as much or more than residents, especially as it relates to impact costs associated with any change. Since the business community does not have a “vote” in the matter, as residents may, I think outreach will be critical. If status quo is adopted, I think it would be important to explain to the business community what that means long term to them (less services potentially).

Most definitely. The community is always interested in their fire department. No matter what the community should be made aware that the Fire Department is not financially sustainable in the future.

Yes; [my answer is different if the recommendation is status quo.]

I definitely think they would be interested in learning more about the future of the Fire Department as it will affect their assessment of their own safety and finances regardless of the path taken.

I think the public needs to learn about the future of the Fire Department. Over the years, there has been so much misinformation spread through social media. There is a feeling among the "old guard" that the Tukwila Fire Department is "their" fire department and the firefighters are blissfully happy with the way things are until, of course, the administration makes changes that they don't like. If the recommendation is status quo, the public should completely understand what that means because my guess is the administration is going to cut other departments and services that will impact the residents and businesses.

Yes, but at same time do our community know how our current fire department operates and if any changes I think it will be fair to inform all our Community members and businesses on changes and educate them on how it's offering its service.

Question 2: Do you think the Committee should offer its thoughts to the Council on this topic as requested? Why or why not?

All 8 respondents agreed that the Committee should offer their thoughts here to the Council.

Yes! They should be informed to what is going on and why the committee decided on options.

Answer: Sure—but the Council Members had to run for election and I haven't for 7 years so I assume they are more current with residential and business community contacts.

Yes, I think the committee should provide thoughts and potential recommendations on outreach strategies to the council.

I think a written synopsis from the consultant on all of our ideas would be adequate.

Yes. We have spent hours pouring over the information so have a much better understanding.

I think our thoughts could be offered (the more ideas, the better the potential options available) but I don't think the council should think of this as an easy way out and not do the deep thinking themselves as they are responsible for the decision.

It was part of our "charge" and therefore we should. However, it should be kept at a very high level and not too prescriptive.

Yes, I think our contribution and thoughts are important on decision making.

Question 3: What (if anything) do you think your neighbors will want to know?

Explaining the cost impact was a top-rated item, as was explaining other impacts and the rationale behind the proposed action.

How will this affect me?

How much will this cost me?

What is changing?

Why is it changing?

Why did we have new fire stations recently built if we are in this situation?

Will we receive the same service/response time?

Everything Jovita said. She nailed it.

Answer: Three things. (1) Why is the City doing this? (2) Will Fire Dept service meaningfully change? (3) Will it cost them more or less?

For the business community, cost/benefit will be crucial to explain. If we end up asking business to burden a large share of the cost, we need to be clear about the benefit (and or risk of not doing it).

Financial impact, response time, benefit/negative impacts

They will want to know if this affects their family's/personal safety and how much it will cost them. I think these are hard times to separate people from the currency that represents their life's energy but I do think people will support a well thought out and honest assessment of the needs and a fiscally conservative and fair way of paying for those needs. I also think they would want to know who oversees the fire department and its costs and operations with the selected option.

The truth. And, of course, if the recommendation is moving to a contract followed by annexation, they need to know the cost to them.

The way our department operates and its services. Tukwila being diverse community I think it's fair to educate people about service delivery and how committed departments are to meet their demands.

Question 4: What ideas do you have for things the CITY could do to bring this information to your neighbors after the Committee delivers its report?

An array of strategies was identified—primary mention to meetings, social media, mailers, print and online media

Community events or town hall
Utilize Social Media.
Send out flyers
Tukwila Blog
Tukwila News
City Council

Answer: A clearly written letter sent to all residents and business's answering #3 above.

Again, from a business lens, I would advocate for public outreach (seminars, meetings with council, virtual or in person events etc.) only for business community leaders. I think this way, the comments and concerns of the business community can be heard without overemphasis on impacts to residents. Also, early outreach is vital. As much notice as possible I think is critical to get buy in.

- *I think the City should communicate to the community more thorough social media. This is an example of changing with changing times. Our Police Department is better at this than Fire. One idea would be to dedicate a FB page to this topic only for questions and commentary.*
- *Mailings are not as effective as they use to be and costly but I suppose you would have to do at least one.*
- *Community outreach at the Community Center*
- *Hazelnut newsletter*

Social Media, letter to residents and business owners.

I heard once that people have to hear things seven times before it sinks in! Besides direct mail and the city's channel I don't even know what's out there but they should use it all. I don't know if this is kosher but maybe the fire department should also have a role to play as many of the items they are interested in adopting benefit them directly (i.e. wages, overtime, staffing, # of fire stations ...)

Town Hall meetings (in person and virtual), articles in all city publications, surveys, etc. However, the city is going to have to work fast so they should be very creative.

- *Send package of the report to every household.*
- *Flyers to gathering areas like mosques, churches and other public areas and engage local NGO to spread the word.*



Recap of Options 6 & 7

Contracting with Renton RFA or Puget Sound RFA

How are these options the same?

How are they different?

MEETING 8 | APRIL 5, 2022

CITY OF TUKWILA FUTURE OF FIRE/EMS COMMUNITY ADVISORY COMMITTEE



Options 6 & 7 involve contracting for service with another Fire Service provider

- ▶ Option 6: Renton Regional Fire Authority
- ▶ Option 7: Puget Sound Regional Fire Authority

How are these options the same?

LABOR IMPACTS

- ▶ Labor force would become employees of the selected RFA and would have a new shift pattern the Tukwila Local prefers.

COSTS

- ▶ Both are more than **status quo (current service levels/staffing)**, but slightly less than **status quo + enhancements**

SERVICE LEVELS

- ▶ Response times will not change.
- ▶ The City would contract to operate all 4 stations (explore other options in future)

ENHANCED SERVICES

- ▶ Both RFAs offer the Enhanced Services for substantially less cost than the City's Option 2 estimate.
 - ▶ Both anticipate being able to staff expanded FMO services for Tukwila with just 4 FTE. (Tukwila currently has 5 FTE; proposal for up to 4 additional FTE from Fire Dept.)
 - ▶ Both quote substantially less for shared use of CARES unit than the City initial estimated in Option 2.

How are these options the same?

CITY ASSETS AND OBLIGATIONS

- ▶ Fire Apparatus and Equipment would move to new agency (“as is,” in exchange for the RFA picking up other costs)
- ▶ City would retain title to fire stations and capital improvement obligations for those stations.
- ▶ City would retain LEOFF retiree payment obligations.
- ▶ Question of how the City will fund the contract remains unaddressed.
- ▶ Biggest risk: reduced City control over costs and implications for impacts on other city services to fund the contract.

GOVERNANCE BOARD REPRESENTATION

- ▶ Both agencies would offer Tukwila a nonvoting seat on their Board of Commissioners.

How are these options different?

COST

- ▶ Offers are slightly different.

The RFA costs show the estimate from the RFAs of costs to Tukwila if a contract were in place in 2022.

2022 Estimated Options Costs – Excluding City Retained Costs

<i>Option 1</i> Status Quo	<i>Option 6</i> RRFA	<i>Option 7</i> PSRFA	<i>Option 2</i> Status Quo + Enhancements
\$14.2M	\$14.6M	\$14.9M	\$15.1M

- ▶ Based on the information in the RFA quotes, the City's enhanced services option cost estimate could likely be reduced considerably.
- ▶ Renton is entering labor negotiations this year; expect cost increase to bring their salaries more in line with PSRFA beginning 2023, potentially as much as +/- 8 -10% given inflation.
- ▶ PSRFA and Tukwila are entering labor negotiations in 2023; expect cost increases beginning 2024. PSRFA has a 5% cost cap in place; Tukwila is at CPI.

How are these options the same?

- ▶ Both agencies want to contract with Tukwila before they will engage in annexation discussions.
- ▶ This is a RFA Board policy decision, not a legal requirement

How are these options different?

▶ LABOR IMPACTS

- ▶ PSRFA pays more at all levels than RRFA, except most senior staff
- ▶ PSRFA also pays more at all levels than Tukwila.
- ▶ Renton's CBA would require more adjustment to bring it in sync with Tukwila's CBA in order to ensure labor's conditions are met. The CBA terms would need to be negotiated before a service contract could be signed.
 - ▶ It is possible that this negotiation will not be successful or could lengthen the implementation schedule.
- ▶ Puget Sound and Tukwila Labor Locals already have an agreement in place to facilitate contracting & sending Tukwila employees to PSRFA.
- ▶ Tukwila Local prefers PSRFA contract

How are these options different?

CONTRACT TERMS

- ▶ PSRFA shifts more management risk to the City via an annual “true-up” than does RRFA
 - ▶ If actual labor costs exceed or are less than budgeted costs, the difference is calculated and included in the PSRFA contract cost the following year.

SERVICES OFFERED

- ▶ RRFA staffs its Fire Marshal Office with civilians rather than a mix of civilian and firefighters.

ANNEXATION

- ▶ PSRFA is more open to an annexation discussion, and having that discussion start sooner (year 1) than is RRFA

Balancing Different Goals

Potential Policy Goals	City-controlled options	RFA Contract Options
Cost Control	More control	Less control
Secure least cost option	Option 1	More expensive than Option 1
Ability of City to raise new money for fire costs	More ability	Less ability
Secure enhanced services	Initial estimates more expensive	Less expensive
Eliminating management responsibility for Fire Dept. (pro or con?)	Management responsibility remains	Management responsibility shifted
Likelihood of Annexation	Less likely – contract is seen as a necessary precedent by both RFAs.	? PSRFA more interested in talking
Responding to Labor's preferences		Labor prefers PSRFA; RRFA also preferred to staying at City

Option 8: Annexation into Renton RFA

(Note: the RRFA has indicated it is not willing to have the City annex directly into the RFA without **first partnering in a service contract** capacity for some number of years. However, because it would be extremely difficult to reconstitute the Tukwila Fire Department after entering into a service contract (or annexing), it makes sense to analyze what annexation would look like as a longer- term option, *based on what we know today.*

Service Provider: Renton RFA
(See **Option 6** for description)

Brief description of option

Subject to agreement between the RRFA Board and the City, and approval of a simple majority of City voters, the City could annex into the RRFA. If the City were annexed, the City would no longer have responsibility for funding the Fire Department costs. Property owners in the City would be subject the RRFA fire levy and fire benefit charge (FBC).

The RFA Board would control the budget and service levels provided. Both the governance structure and the FBC formula may be changed by vote of the RFA Board. The RRFA will need to have its FBC renewed by voters in 10 years. Well before then, the RRFA will likely need to ask voters to restore its Fire Levy (currently down to \$0.73/\$1,000 A.V. from the \$1.00 maximum rate); this lid lift would require a simple majority approval of all RFA voters.

Annexation may require the transfer of the fire stations to the RFA, with a right of reversion should the RFA cease to use a site as a fire station. Whether there would be a cost associated with the reversion would be negotiated.

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

See: Option 6

Timeframe: Earliest date on which this option could be implemented

It would be several years before the City would know if this is an option that RRFA would agree to, and under what terms.

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

Based on the current stance of the RRFA, to annex into the RRFA the City would need to first enter into a service contract and then in a few years, see if the RRFA was willing to agree to an annexation. If so, the process for annexing into RRFA would be as follows:

- The parties would negotiate an annexation plan
- The plan would need to be approved by both legislative bodies
- The City would then submit the annexation question to the City's voters. A simple majority approval is required.

Current service metrics for service provider (response time)

See Option 6.

Once annexed, service level decisions would be made by the RFA Board; there would not be a contract obligation with the City. The RRFA would decide on its service levels and program offerings.

Enhanced Services Options: staffing/cost

Under annexation, the RRFA would make the decisions about what services to offer. The RRFA currently offers the three enhanced services the Fire Department has prioritized.

Note that the Fire Marshal Office services are not provided automatically under annexation: a separate contract is necessary. The cost estimate for annexation assumes the City and RFA will contract for the amount included for FMO service in the RFA's *contract* offer (Option 6). This FMO contract cost is added to the City's retained costs in Attachment A.

Operational Model Options: considering a model with fewer than 4 stations in Tukwila? Cost and service implications

There is likely to be serious consideration to save money by shifting one of Tukwila's fire stations to a sub-regional station. It seems unlikely that the RRFA and PSRFA Boards would pursue this unless there were overall service level benefits (or no significant reductions), in addition to cost savings.

The City could seek to negotiate some commitments around this as part of the annexation plan.

Summary of estimated cost components/ estimated annual cost to City and/or taxpayers.

See **Attachment A**.

Note that the FBC formula could be changed in any year by the RFA Board. If the City perceives that the current formula would result in a significant subsidy by Tukwila property owners or others in the RFA, adjustments to the formula could be part of the negotiation around the annexation, but there are limitations on the parties' ability to tie the hands of future Boards in terms of budget and services.

Staffing Implications

Staff would already be RFA employees (since a contract precedes annexation).

Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed?

The City would have negotiate the future ownership of the fire stations and responsibilities for capital upgrades and maintenance. Continued city ownership or transfer with conditions are both possible.

Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?

The City would need to negotiate terms for adding Tukwila to the governance board. The RRFA board currently has 3 representatives from Renton and 3 from Fire District 25 (which is vastly smaller in size, population and assessed value than Renton). Tukwila would have some representation on the Board but would not have a controlling interest.

Note that the RFA Board can change its governance structure at any time without going to the voters. The RRFA Board members are currently all elected officials from member agencies; by law, some or all of them could be directly elected by voters in the RFA.

Summary of implications of this option

Cost: \$14.4 M cost paid by city taxpayers to RFA and to City for fire marshal office staffing.

Service Levels: Service level decisions would be controlled by the RFA Governing Board. The RRFA has a very stable funding model with the combination of the FBC and fire levy and thus has the capacity to maintain service levels despite changes in the economy/costs of service.

Oversight/Management Control: Tukwila would have some direct representation on the RFA board (assuming its current model is continued). Tukwila would not have a controlling interest on the board.

Other: The timeline on annexation is typically 18 months to 2 years from the time negotiations begin.

If the City annexes, it loses some of its property tax capacity by law: that capacity is shifted to the RFA. Because the RRFA has an FBC, the reduction would be \$1.00 from the City’s statutory maximum (currently in excess of \$3.00).

In order to secure voter approval for annexation, the City is likely to need to reduce its property tax levy by some amount, since the fire budget is no longer part of the City’s budget. This amount becomes “banked property tax capacity” that can later be used by the City Council without voter approval.

Risks/Major Unknowns:

- What agreement will ultimately be reached between the parties around governance, FBC formula policies, future fire services in Tukwila?
- What leverage will the City have in the negotiation for annexation if key issues are not addressed in the initial contract negotiation?
- Will the voters of Tukwila approve annexation?
- How will the cost change over time? (true for any option)
- How will the FBC estimate change after the data base is reviewed in detail?

Option 9: Annex into Puget Sound Regional Fire Authority

(Note: the PSRFA has indicated it will require a contract as a precedent to annexation, but that it may be willing to begin annexation discussions in year 1 of a contract. Because it would be difficult to reconstitute the City Fire Department after entering into a service contract, it is important to consider how annexation might look, based on what we know now.)

Service Provider: Puget Sound Regional Fire Authority (PSRFA)
(See Option 7).

Brief description of option:

Subject to agreement between the PSRFA Board and the City, and approval of a simple majority of City voters, the City could annex into the PSRFA. If the City were annexed, the City would no longer have responsibility for funding the Fire Department costs. Property owners in the City would be subject the PSRFA fire levy and fire benefit charge (FBC).

The PSRFA Board would control the budget and service levels provided. Both the governance structure and the FBC formula may be changed by vote of the PSRFA Board. The PSRFA has a permanent FBC in place. Voters recently also restored the fire levy to \$1.00 – the rate is currently \$0.93/\$1,000 A.V. At some point, the PSRFA will need ask voters to restore its Fire Levy; this lid lift would require a simple majority approval of all RFA voters.

Annexation may require the transfer of the fire stations to the RFA, with a right of reversion should the RFA cease to use a site as a fire station. Whether there would be a cost associated with the reversion would be negotiated.

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

See **Option 7** for description of PSRFA.

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

The City would need to first enter into a service contract, and then commence annexation negotiations. The process for annexing is as follows:

- The parties would negotiate an annexation plan
- The plan would need to be approved by both legislative bodies
- The City would then submit the annexation question to the City’s voters. A simple majority approval is required.

Current service metrics for service provider (response time)

Once annexed, service level decisions would be made by the RFA Board; there would not be a contract obligation with the City. The PSRFA would decide on its service levels and program offerings.

Enhanced Services Options: staffing/cost

Under annexation, the PSRFA would make the decisions about what services to offer. The PSRFA currently offers the three enhanced services the Fire Department has prioritized.

Note that the Fire Marshal Office services are not provided automatically under annexation: a separate contract is necessary. The cost estimate for annexation assumes the City and RFA will contract for the amount included for FMO service in the RFA's *contract* offer (Option 7). This FMO contract cost is added to the City's retained costs in Attachment A.

Operational Model Options: considering a model with fewer than 4 stations in Tukwila? Cost and service implications

There is likely to be serious consideration to save money by shifting one of Tukwila's fire stations to a sub-regional station. It seems unlikely that the RRFA and PSRFA Boards would pursue this unless there were overall service level benefits (or no significant reductions), in addition to cost savings.

The City could seek to negotiate some commitments around this as part of the annexation plan.

Summary of estimated cost components/ estimated annual cost to City and/or taxpayers.

See **Attachment A**.

Note that the FBC formula could be changed in any year by the RFA Board. If the City perceives that the current formula would result in a significant subsidy by Tukwila property owners or others in the RFA, adjustments to the formula could be part of the negotiation around the annexation, but there are limitations on the parties' ability to tie the hands of future Boards in terms of budget and services.

Staffing Implications

Staff would already be RFA employees (since a contract precedes annexation).

Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed?

The City would have negotiate the future ownership of the fire stations and responsibilities for capital upgrades and maintenance. Continued city ownership or transfer with conditions are both possible.

Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?

The City would need to negotiate terms for adding Tukwila to the governance board. The PSRFA board currently has 3 representatives from Kent and 3 from Fire District 37, together with 3 non-voting representatives (Covington—part of District 37, and the two contract clients—Sea Tac and Fire District 43).

Note that the RFA Board can change its governance structure at any time without going to the voters. The PSRFA Board members are currently all elected officials from member agencies; by law, some or all of them could be directly elected by voters in the RFA.

Summary of implications of this option

Cost: \$14.2 cost paid by city taxpayers to RFA and to City for fire marshal office staffing.

Service Levels: Service level decisions would be controlled by the RFA Governing Board. The PSRFA has a very stable funding model with the combination of the FBC and fire levy and thus has the capacity to maintain service levels despite changes in the economy/costs of service.

Oversight/Management Control: Tukwila would have some direct representation on the RFA board (assuming its current model is continued). Tukwila would not have a controlling interest on the board.

Other: The timeline on annexation is typically 18 months to 2 years from the time negotiations begin.

If the City annexes, it loses some of its property tax capacity by law: that capacity is shifted to the RFA. Because the PSRFA has an FBC, the reduction would be \$1.00 from the City's statutory maximum (currently in excess of \$3.00).

In order to secure voter approval for annexation, the City is likely to need to reduce its property tax levy by some amount, since the fire budget is no longer part of the City's budget. This amount becomes "banked property tax capacity" that can later be used by the City Council without voter approval.

Risks/Major Unknowns:

- What agreement will ultimately be reached between the parties around governance, FBC formula policies, future fire services in Tukwila?
- What leverage will the City have in the negotiation for annexation if key issues are not addressed in the initial contract negotiation?
- Will the voters of Tukwila approve annexation?
- How will the cost change over time? (true for any option)
- How will the FBC estimate change after the data base is reviewed in detail?



Options 8 and 9

Annexing into Renton RFA or Puget Sound RFA

How are these options the same?
How are they different?

MEETING 7 | MARCH 22, 2022

CITY OF TUKWILA FUTURE OF FIRE/EMS COMMUNITY ADVISORY COMMITTEE

Options 8 and 9 are about Tukwila annexing into another Fire Service provider

- ▶ Option 8: Renton Regional Fire Authority
- ▶ Option 9: Puget Sound Regional Fire Authority

Annexing means transferring legal responsibility for fire and EMS service deliver away from the City to the RFA.

Annexation requires agreement of both agencies and Tukwila voter approval (50% +1).

Under annexation, the City retains its police power responsibility for permit reviews and other Fire Marshal Office activities.

Challenges with evaluating the cost of annexation

- ▶ **It is not possible to precisely model the costs or terms of annexation.**

Here are the primary reasons why:

- ▶ Annexation would take a minimum of at least 1.5 years from the time **negotiations** begin. That could be several years in the future. Between now and then, the tax levy rate for each RFA will change, FBC collection amounts will change, and the FBC formula could change.
- ▶ Modelling the Fire Benefit Charge (FBC) requires data on the **classification** of each parcel and structure in Tukwila (is it commercial or residential?) and how many **square feet** each structure is...plus the presence of factors that would increase the FBC (high risk activity) or decrease the FBC (sprinklers). **The data base we have has not been deeply scrubbed. It's missing parcels equivalent to about 8% of Tukwila AV.**

Importance of considering annexation even though we have less than perfect data

- ▶ If the City must enter into a contract before annexing, the Fire Department assets and employees are transferred to the RFA.
- ▶ It is difficult to unravel those transfers and reconstitute the Fire Department.
- ▶ Annexation is a likely next step after contracting.

How are these options the same?

- ▶ The **process for annexing** into either RFA is the same:
 - ▶ First, the City and the RFA negotiate the terms of annexation, addressing items such as:
 - ▶ Transfer of assets, ability to re-acquire properties if later not used for fire purposes
 - ▶ Transfer of retained obligations (LEOFF, debt service on fire stations)
 - ▶ Representation on the governance board
 - ▶ The City Council and RFA Board must approve the negotiated plan.
 - ▶ The City places the annexation measure before City voters.
 - ▶ If approved by voters (simple majority), the annexation is effective on the prescribed date.

A note on taking annexation to the voters...

- ▶ If annexation is approved, the costs of the Fire Department (excluding fire marshal office) come off the City's books.
- ▶ With the cost of the fire department eliminated from its budget, does the City reduce some of its taxes? By how much?
- ▶ The City's policy decision on any tax rollback impacts the NET result for taxpayers. It is an important aspect of the voters' decision.
- ▶ This presentation doesn't speculate on what the City will do; it focuses on the comparative costs of fire service under each option.

How are these options the same?

LABOR IMPACTS

- ▶ Labor force would already be employees of the selected RFA.

COSTS

- ▶ Costs of fire service are removed from the City's budget (excepting fire marshal services)
- ▶ Costs of fire service are instead paid directly by City property owners.
- ▶ Costs are controlled by the RFA Board.
- ▶ **The City will contract for Fire Marshal Office services**

SERVICE LEVELS & PROGRAM OFFERINGS

- ▶ Would be under the control of the RFA Board.
- ▶ With our integrated response model in the fire zone, the response times should not differ between RFAs.

ENHANCED SERVICES

- ▶ Both RFAs offer the Enhanced Services

How are these options the same?

CITY ASSETS AND OBLIGATIONS

- ▶ Fire Apparatus and Equipment would already be under RFA ownership.
- ▶ City would negotiate whether to retain or transfer title to **fire stations**. At a minimum, expect that if the properties were no longer used as fire stations in the future by the RFA, the City could re-acquire the property (likely at some cost). *(Debt on stations 51 and 52 is assumed to be retained, for comparison purposes).*
- ▶ City could seek to transfer LEOFF retiree payment obligations to the RFA (negotiation item). *(Assumed a retained cost, for comparison purposes).*
- ▶ Biggest risk: reduced City control over costs and services.

GOVERNANCE BOARD REPRESENTATION

- ▶ Tukwila would need to negotiate Board representation with the RFA. Tukwila will not have a controlling interest on the Board.

How are these Options the same?

Fire Benefit Charge (FBC)

- ▶ The FBC formulas are similar in their structure and approach.
- ▶ The FBC formula (and collection amount) can be changed by the RFA Board each year.
- ▶ **FBC impacts cannot be precisely modelled without a major effort to “scrub” the property tax records.**

Labor Costs

- ▶ Labor cost are renegotiated every few years. We expect a significant increase in the new Renton CBA (now being negotiated) to bring it in line with the PSRFA salaries/benefits and address inflation. The PSRFA and Tukwila CBAs are scheduled to be renegotiated next year.
- ▶ **Both PSRFA and RRFA are in the same labor market and considered “comparable” agencies to each other. We can expect their labor costs to be similar over time.**

How are these options different?

Timeline

- ▶ PSRFA is willing to start annexation discussions in Year 1. **Update: it is possible they would consider annexation first, but this is TBD.** The sooner annexation is accomplished, the sooner the cost (and cost risk) is removed from the City budget—*assuming the voters agree.*

How are these options different?

COST

Projected costs are below:

2022 Estimated Options Costs – Costs of Fire/EMS service + Fire Marshal Office					
Option 1 Status Quo	Option 9 PSFRA Annexation	Option 8 RRFA Annexation	Option 6 RRFA Contract	Option 7 PSRFA Contract	Option 2 Status Quo + Enhancements
\$14.2M	\$14.2M	\$14.4M	\$14.6M	\$14.9M	\$15.1M

Option 8 & 9 costs include what taxpayers would pay the RFA and the City's cost of contracting for the FMO (before subtracting FMO revenues). The FMO costs are in the other Option amounts shown here.

Deeper dive into the Costs of Options 8 & 9

- ▶ The total cost to City taxpayers/property owners are calculated based on the following:

TOTAL COSTS of ANNEXATION	
Taxpayers pay to RFA	Fire Levy – assumed at \$0.90 for both agencies
	+ FBC – based on screened (but not perfect) data showing cost allocated to each parcel in Tukwila
Taxpayers pay through City taxes	+ Fire Marshal Office Contract cost (net of fee revenue) RRFA: \$610K - \$300K fees = \$310K PSFRA: \$840K - \$300K fees = \$540K
	+ City Retained Costs – Debt Service and LEOFF

for comparison purposes. Actual Fire Levy rates will differ year to year, and the FBC may be adjusted up or down accordingly to meet budget demands

The total AV on the FBC database is 8% lower than the total City AV—this means parcels are missing from the FBC database. We don't know which parcels.

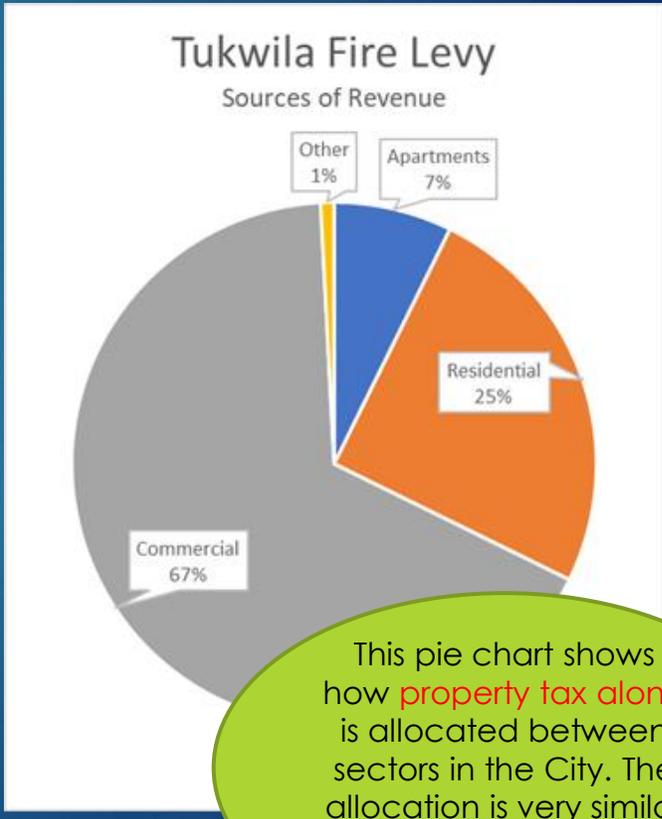
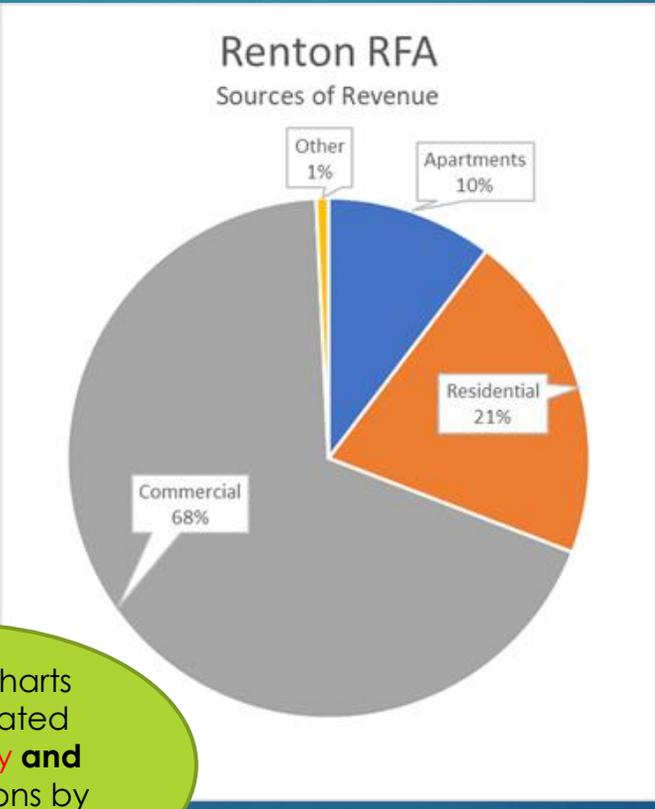
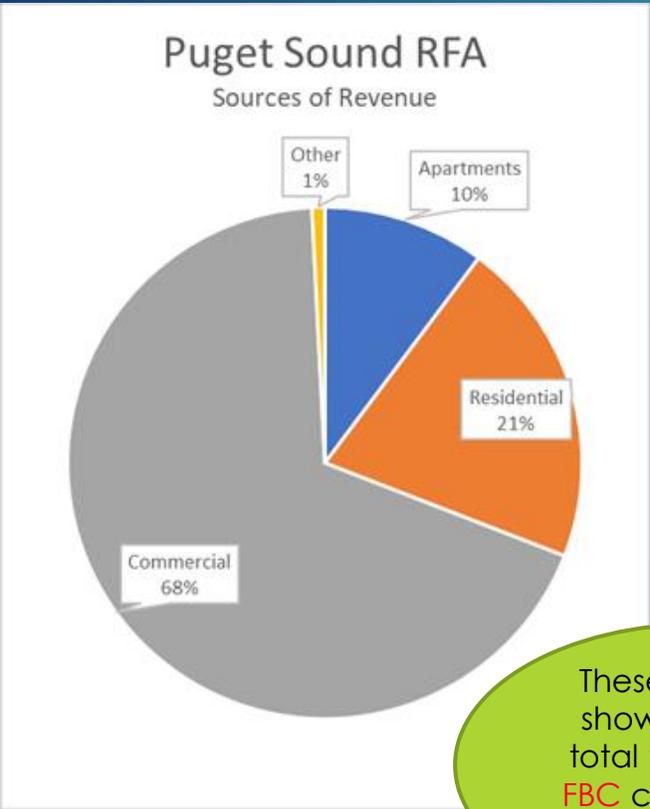
What if the RFA fire levy were higher or lower?

Options based on \$0.90 Fire Levy		
	At \$0.75 levy	At \$1.00 levy
Cost range	Subtract \$1.2M from Option cost.	Add \$803K to Option cost

This assumes the FBC is held constant regardless of the Fire Levy rate.
And that the FBC data we have is correct (we know it is not).

How does the FBC impact different sectors of the City?

Sectors: apartments, single family residential, commercial, other



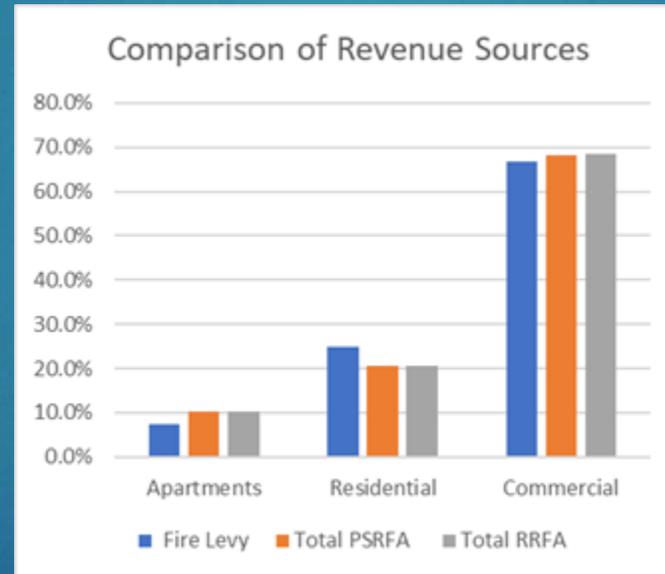
These pie charts show estimated total fire levy and FBC collections by sector in Tukwila

This pie chart shows how property tax alone is allocated between sectors in the City. The allocation is very similar to the FBC+fire levy charts

Comparison by Sector of costs paid under annexation or property tax alone.

The surprise is seeing how little impact the FBC has on the commercial sector.

Apartments—the bulk of fire calls – do see a modest increase in cost share with an FBC.



This could be the result of errors in the FBC data base.

Levies and FBC formulas and collections will change over time.

How much of the **total cost** is collected from an FBC?

PSRFA		RRFA	
Total budget:		Total budget:	
FBC revenue:	about 40%	FBC revenue:	about 40%
Tax revenue + other	about 60%*	Tax revenue & other:	about 60%*
Tukwila collections		Tukwila Collections:	
FBC revenue:	46.4%	FBC revenue:	48.1%
Tax revenue (fire levy):	53.6%	Tax revenue (fire levy):	51.9%
* includes other revenues, EMS levy, etc.			

What explains the increased relative share of FBC revenue in Tukwila versus the total RFA budget? Two factors:

- The 60% in the total RFA budget includes more than just the fire levy (fee revenue, EMS levy revenue)
- Tukwila is relatively more urban than the total RFA territories

How to address the FBC data base gaps?

The missing parcels could be vacant property – no FBC.

The missing parcels could be one large commercial property – a lot of FBC.

Unless we do a deeper dive, we can't correct the FBC data.

Balancing Different Goals

Potential Policy Goals	City-controlled options	RFA Contract Options	RFA Annexation
Cost Control	More control	Less control	Limited control
Governance	City decides budget, service levels	City decides service levels, has non-voting seat on RFA Board	City has voting seat(s) on RFA Board
Secure least cost option	Option 1	More expensive than Option 1	Data base is far from perfect, but annexation appears to be on par with the status quo / option 1 and it provides enhanced services.
Ability of City to raise new money for fire costs	More ability	Less ability	N/A. The RFA is responsible for securing its own funding
Secure enhanced services	Initial estimates more expensive	Less expensive	RFAs make service delivery decisions. Both currently offer enhanced services.
Eliminating management responsibility for Fire Dept.	Management responsibility remains	Management responsibility shifted (contract compliance, renegotiation remain with City)	Management responsibility eliminated. City has some RFA Board representation
Likelihood of Annexation	Less likely – contract is seen as a necessary precedent by both RFAs.	? PSRFA more interested in talking	? Voters make the decision. A faster track more likely with PSRFA
Responding to Labor's preferences		Labor prefers PSRFA; RRFA also preferred to staying at City	Labor prefers PSRFA but going to RRFA is preferred to staying at City.

Questions? Comments?