

Meeting Notes
Fire Authority Stakeholders Group
February 10, 2011

Members Present:

Tony Anderson, SeaTac City Council (Co-Chair)	Les Thomas, Board Member Kent FD RFA (Co-Chair)
Brian Wiwel, City of SeaTac Assistant Fire Chief	Jim Schneider, Kent/SeaTac Fire Department Fire Chief
Mike Denbo, RFA Board Member	Larry Rabel, Kent Fire Captain, Planning Unit
Mike McCarty, SeaTac Finance Director	Margaret Martin, Kent Finance Manager
Gene Fisher, SeaTac Deputy Mayor	John Gallup, SeaTac Local 2919 President
Mia Gregerson, City of SeaTac Councilmember	Jeff Richardson, SeaTac Fire Battalion Chief
Ken Weatherill, Kent Deputy Chief	Brian Carson, SeaTac Fire Captain
Terry McCartin, Kent Firefighter	Art Stipen – SeaTac Business Owner
Keven Rojecki, SeaTac Firefighter	Erin Sitterly, SeaTac Citizen
Ron Wieland, SeaTac Firefighter	Robin Loudon, SeaTac Business Owner
Richard Jordan, SeaTac Citizen	Mike Moore, IAFF Local 1747
Greg Markley, Kent Battalion Chief	Mary Ann Cromwell

Members Absent:

Mark Jones, Kent IAFF Local 1747 President
Scott Galassi, Kent IAFF Local 1747 Vice President
Mike Richardson, Kent Fire Captain
Dan Flood, SeaTac Local 2919 Vice President
Dave Bush , SeaTac Citizen

Agenda Items

1. Chair Tony Anderson requested approval of the notes from December 9, 2010. Committee Approved.
2. Chair Tony Anderson announced that the Union Work Group and the Governance Board Work Group would meet one hour before the monthly RFA meetings.
3. Chief Wiwel gave an overview of the Agenda.
 - a. Union Work Group & Governance Board Work Group Update.
 - b. Assistant Fire Chief Brian Wiwel: Comparison to Other Similar Communities, Capital Facilities Needs (Plan), and Future Growth and Location of Need.
 - c. Fire Chief Jim Schneider overview of RCW 52.26 RFA Exploratory Process.
 - d. Finance Direct Mike McCarty presented financing available to address current and future needs for Fire Protection and EMS services for the SeaTac Fire Department, Financing alternatives for fire protection alternatives.

Meeting Notes:

1. Committee approved the notes from December 9, 2010, meeting.
2. Union Work Group and Governance Board Work Group will give an update at the March 10, 2011, meeting. Groups will meet one hour prior to the scheduled RFA Exploratory Committee Meeting.
3. Presentation on Comparison to Other Similar Communities. See attached document on the following items:
 - Survey of seven other similar fire service departments.
Four other comparable Cities Used: Tukwila, Mukilteo, Bothell & Lynnwood. Three comparable Fire Districts Used: Pierce county Fire District 3, King County Fire Districts 2 & 16.
 - SeaTac is at or near the median for most indicators. The notable exceptions are when population ratios are used. SeaTac has a static population of approximately 25,750. However, SeaTac is unique in having an airport in the middle of the City. The highway, freeway, hotels, office and commercial, with airport make SeaTac a work and travel destination creating a large dynamic population. If the dynamic population is included we are closer to 85,000. At 85,000 we are near the bottom of many of the comparables.
 - A specific comparison was done comparing SeaTac with Tukwila.
4. Presentation on Capital Needs. Capital Fire Equipment, Capital Vehicles (Apparatus), Capital Facilities (Fire Stations & Training Facility). See attached document on the following items:
 - Fire Equipment and Apparatus are in a 303 Fund established in 1997. Funded by transfers from the 301 Fund. This is detailed in the City's Six-Year Capital Improvement Plan. Currently replacement of radios and purchase of ladder truck not in plan.
 - Capital Facilities Needs:
 - Fire Station 45 originally constructed in 1959 with remodels in 1980 and 1986. Seismic Evaluation completed in 2005, results of study deemed not structurally sound in the event of a major earthquake. New construction originally scheduled to begin in 2010, currently put on hold. To be funded by issuing General Obligation bonds. Cost estimate approximately \$3.5 million.
 - Fire Station 46 replacement completed in 2009.
 - Fire Station 47 originally constructed in 1966, one story building constructed with unreinforced masonry walls and a wood framed roof. Masonry has historically performed the worst in seismic events. Was scheduled to be replaced after Station 45 completion. Planned to go on Riverton Heights School Site. Not in the CIP budget. Cost estimate approximately \$3.5 million, current dollars, may be more in the future.
 - Fire Training Facility: Currently SeaTac has no Training Facility that is needed for practice skills. Planned to go on Riverton Heights School Site. Not in the CIP budget. Cost estimate approximately \$1.8 million, current dollars, may be more in the future.

- Future Growth and Location Needs: SeaTac's current number of stations and their locations appears to provide adequate distribution and coverage. Replacement stations will need capacity for future apparatus/staff growth.
 - Total cost estimate for all Capital items over the next 10 year is \$13.3 million, not including radios and a ladder truck.
5. Presentation on the RCW 52.26 RFA Exploratory Process see attached document on the following items:
- Establish Regulations for RFA
 - Legislature has identified needs for a RFA option for fire jurisdictions: Ability to respond, Efficiencies to be gained and Enhanced funding options.
 - RFA is an Independent Taxing Jurisdiction
 - Options to Create: Recommendations from Exploratory committee, If RFA Exploratory committee recommends to form RFA then their elected bodies will then determine if the jurisdictions move forward to next process.
 - To develop an RFA Plan. Each governing body of participating jurisdictions appoints three officials to a Planning Committee.
 - The Planning Committee is charged with formulating the Plan for the creation of the RFA with input from both jurisdictions.
 - Planning committee develops an RFA Plan: Governance, Financing, Facilities and operations and recommended sources of revenue.
 - Governance: Governing Board has the power to levy taxes, Impose benefit charge, Enter into agreements with other entities, Monitor the execution of service delivery, Monitor execution of service delivery, Composition and selection of the governing board is determined by the Plan. RCW notes that the board would consist solely of elected officials.
 - RFA Process: When the plans is completed the jurisdiction's elected officials must approve the plan, which would then go to a vote by the citizens.
 - Election for approval of the Plan and Implementation of the Plan: When joining an RFA, current legislation states both jurisdictions forming the RFA vote. Revised legislation being proposed identifies only the jurisdiction joining the RFA votes..
6. Financial Considerations for Providing Fire Protection Services see attached document on the following items:
- Based on 2011 Adopted Budget estimates Property taxes account for 41% of General Fund revenues, sales taxes provide 30% of GF revenue total, other taxes 8% of GF revenue, remaining 21% combination of items.
 - Revenue sources for funding of fire protection are property Taxes, Basic Life Support (BLS) Levy, Sales Taxes, various Excise Taxes, and other sources. Initiative 747 and property tax revenue. Prior to-747 the Cities could levy up to 6% of previous year's. From 1990 to 2001 City's increases averaged 3.71% per year. SeaTac has levied the maximum 1% allowable since 2002.
 - General Fund then relied more heavily on sales tax. From 2002 -2008, average sales tax revenue increased approximately 7.5% per year, offsetting loss of property tax. In 2009

there was a 17.7% decrease in sales tax revenue. There has been modest increase in 2009. Fire's net direct operating costs are \$6,916,207.

- There are Fire Department costs in other department's budgets (soft costs), totaling approximate \$610,000.
 - When you take the department's budget plus soft costs, less revenues the Fire Department's total cost is \$7,525,978, which is equivalent to \$1.78 per 1,000 of assessed value.
 - If SeaTac joins the Kent RFA, it will forego \$1.00/\$1,000 AV in taxing authority but it could capture the \$0.78. This amount could contribute to either increased services or lowering the tax burden.
 - The City's CIP provides for replacement of fire vehicles, tools and other equipment for the six-year period. Funding is provided through scheduled transfers from Fund #301 to the Fire Fund #303. The CIP provides for replacement of Fire Station #45, with a funding source of future general obligation bonds.
 - SeaTac was finding it a challenge to balance the General Fund budget due to the 1% property tax levy increase limitation. The problem was compounded with a significant decrease in sales tax revenue beginning in November 2008. SeaTac's property tax levy rate for 2011 is \$2.80 per \$1,000 of assessed value. \$1.782 of this amount is being used to fund the net operating cost of the Fire Department, which equates to 63.6% of the total levy rate.
7. Next meeting will be held on March 10, 2011 – Presentation by Fire Captain Larry Rabel on Fire Benefit Charge. King County Assessor's office also invited.

Questions:

Taxes Category – where does the utility tax go?

Answer "SeaTac does not have a utility tax assessment."

Banked Capacity?

Answer: "SeaTac used banked capacity in the past, does not have banked capacity now".

City Reserves?

Answer: "Council Policy of 3 months operating funds. Was 4 months and was reduced to 3".

Police budget compared to Fire and Property tax?

Answer: "Police is about 8 million = 1.90 per 1,000 of AV. Combined police and fire costs total \$3.68 per 1,000 which exceeds the 2.80 so, other revenue such as sales tax is used as well".

Fire Inspections fees given to POS in the ILA?

Answer: "Not familiar with that".

How did radio replacement get left out of plan?

Answer: "Radios were not originally purchased by us. They were purchased all at same time and were not being replaced like other items."

Meeting ended at 7:20 pm.

SeaTac/Kent RFA Exploratory

02-10-2011



Agenda Review

- Comparison to Other Similar Communities
- Capital Facilities Needs and Plans
- Future Growth and Location Needs
- Break 18:20
- RCW 52.26 Exploratory Process
- Alternatives Available for Current and Future Needs for Fire and EMS Services
- Financing Alternatives for Fire Protection Alternatives
- Financial Dynamics for Providing Fire Services

Comparison to Other Similar Communities

- We surveyed seven other similar fire service departments (total of eight)
 - Jurisdictions used by the PERC arbitrator
- Four other comparable Cities used:
 - Tukwila, Mukilteo, Bothell, Lynnwood
- Three comparable Fire Districts were used:
 - Pierce County Fire District 3, King County Fire District 2 & 16
 - PERC also used Sno. Co. 3, 4, & 8. Not included as their population is less than 1,000 people per square mile.

Comparison to Other Similar Communities

- SeaTac is at or near the median for most indicators (different than average)
- The notable exceptions are when population ratios are used
 - 25,750 static population
 - 85,000 dynamic population
 - Airport, hotels, commercial, travel routes

SeaTac and Comparable Departments

Indicator	SeaTac Indicator	SeaTac's Rank	Median Indicator Value	Low	High
Square Miles in Service Area	10.3	3	9.1	6.3	12.1
Population Served	25,750	6	33,450	18,080	37,430
Fire Stations	3	3	2	2	4
Total Incidents per Year	4,100	5	4,138	1,894	6,335
Total Paid Uniformed Personnel	48	4	48	25	63
Daily Minimum (on duty) Staffing	10	4	10	6	13
Square Miles per Station	3.43	6	3.87	2.15	5.5
Incidents per Square Mile	398.1	4	387.9	303	856.1

SeaTac and Comparable Departments

Indicator	SeaTac Indicator	SeaTac's Rank	Median Indicator Value	Low	High
Incidents per Total Paid Uniformed Personnel	85.4	4	81.6	68.1	132
Daily Incidents per Daily Minimum (on duty) Staffing	1.12	3	1.04	0.79	2.17
Assessed value per 1,000 Pop.	\$139,242,203	7	\$151,911,856	105,782,397	245,428,141
Budget per 1,000 Population	\$268,573	3	\$258,754	188,359	579,106
Stations per 1,000 Population	0.117	2	0.075	0.053	0.221
Firefighters per 1,000 Population	1.86	2	1.44	1.02	3.48
Daily Staffing per 1,000 Population	0.39	2	0.31	0.22	0.72

SeaTac Comparable at 85,000

Indicator	SeaTac Indicator	SeaTac's Rank	Median Indicator Value	Low	High
Population Served	85,000	1	34,275	18,080	85,000
Assessed value per 1,000 Pop.	\$42,182,197	8	\$151,911,586	\$42,182,197	\$245,428,141
Budget per 1,000 Population	\$81,362	8	\$243,936	\$81,362	\$579,106
Stations per 1,000 Population	0.035	8	0.059	0.035	0.221
Firefighters per 1,000 Population	0.56	8	1.30	0.56	3.48
Daily Staffing per 1,000 Population	0.12	8	0.28	0.12	0.72

SeaTac/ Tukwila

Indicator	SeaTac Indicator	Tukwila Indicator
Square Miles in Service Area	10.3	8.6
Population Served	25,750	18,080
Fire Stations	3	4
Total Incidents per Year	4,100	4,900
Total Paid Uniformed Personnel	48	63
Daily Minimum (on duty) Staffing	10	13
Square Miles per Station	3.43	2.15
Incidents per Square Mile	398.1	569.8

SeaTac/Tukwila

Indicator	SeaTac Indicator	Tukwila Indicator
Incidents per Total Paid Uniformed Personnel	85.4	77.8
Daily Incidents per Daily Minimum (on duty) Staffing	1.12	1.03
Assessed value per 1,000 Pop.	\$139,242,203	\$245,428,141
Budget per 1,000 Population	\$268,573	\$579,106
Stations per 1,000 Population	0.117	0.221
Firefighters per 1,000 Population	1.86	3.48
Daily Staffing per 1,000 Population	0.39	0.72

Capital Needs

- Capital Fire Equipment
- Capital Vehicles (Apparatus)
- Capital Facilities
 - Fire Stations
 - Training Facility



Fund: Fire Equipment Capital Reserve Fund (303)
Department: Fire (09)
Responsible Manager: Brian Wiwel, Acting Fire Chief

Fund Description

The *Fire Equipment Capital Reserve Fund #303* was established in 1997 to account for the accumulation of monies to fund the replacement of Fire Department capital equipment. The main revenue source for this Fund is transfers from the *General Fund*. A Six Year Capital Equipment Replacement Summary has been included in the budget (located behind the 303 Fund expenditure detail) which schedules future equipment replacements. A similar CIP schedule has been included in the Citywide 2010 – 2015 Capital Improvement Program (a separate document). Fire Department estimated equipment lives are shown in the replacement schedule shown below:



**Capital
Apparatus
and
Equipment
Needs**

Vehicle/Equipment	Replacement Cycle
Cardiac Defibrillators	7 Years
Thermal Imaging Cameras	7 Years
Chief/Training Officer Vehicle	10 Years
Self-Contained Breathing Apparatus (SCBA)	10 Years
Command Vehicle	10 Years
Fire Inspectors Vehicle	10 Years
Hydraulic Rescue Tool	10 Years
Pickup Truck	10 Years
Public Educator/Public Info Officer Vehicle	10 Years
Type III Aid Car	10 Years
Support Truck	20 Years
Pumper Truck	20 Years

Fire Equipment & Apparatus

- 303 fund established 1997 for Fire Equipment and Apparatus
- Funded by transfers in from 301 Fund
- Detailed in the City's Six-Year Capital Improvement Plan



Fire Equipment & Apparatus

All Apparatus and Equipment has an estimated replacement cycle

Vehicle/Equipment	Replacement Cycle
Cardiac Defibrillators	7 Years
Thermal Imaging Cameras	7 Years
Chief/Training Officer Vehicle	10 Years
Self-Contained Breathing Apparatus (SCBA)	10 Years
Command Vehicle	10 Years
Fire Inspectors Vehicle	10 Years
Hydraulic Rescue Tool	10 Years
Pickup Truck	10 Years
Public Educator/Public Info Officer Vehicle	10 Years
Type III Aid Car	10 Years
Support Truck	20 Years
Pumper Truck	20 Years

Body Armor – Five Years



Equipment

Defibrillators - Seven Years



Thermal Imaging Cameras – Seven Years



Hydraulic Rescue Tools

- Ten Years



Self Contained Breathing Apparatus / Spare Bottles

- 10/15 years



Radios? 15 years old





Apparatus

- Staff Cars - Ten Years
 - Chief's
 - Battalion Chief's
 - Training Officer
 - Inspectors
 - Pickup



Aid Units



- Ten Years

Rescue Truck

- 20
Years



Engines

- 20 Years



Ladder Truck?



Vehicle Description	App #	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Next Replc
Beg Fund Balance		731,000	667,997	751,670	55,128	445,635	455,098	442,811	135,471	382,058	487,499	
Contribution		350,000	375,000	375,000	375,000	400,000	425,000	425,000	425,000	425,000	425,000	
Asset Sales		0	1,000	3,500	7,500	0	500	10,500	500	4,500	6,000	
Inv Interest		1,353	10,700	12,714	8,007	35,940	33,392	33,028	17,411	29,840	35,150	
Subtot BFB + Revs		1,082,353	1,054,697	1,142,884	445,635	881,575	913,990	911,339	578,382	841,398	953,649	
Suburban	19	80,331										2021
Suburban	22						102,525					2026
Escape	24						34,327					2026
Escape	25						34,327					2026
Pickup	26								60,224			2028
Expedition	20		53,027							77,412		2026
Expedition	21			55,678							81,282	2027
Tahoe	23			55,678							81,282	2027
Engine	121											2028
Squrt	112		250,000	574,420								2033
Engine	115						300,000	702,088				2037
Engine	117										350,000	2021
Engine	118											2024
Aid Car	116			295,410								2021
Aid Car	119					325,680						2025
Support	120											2028
Boat	27											2023
Defibrillators				106,570					136,100			2023
Rescue Tool								73,780				2027
TIC						63,902						2022
SCBA		217,650								276,487		2025
Bottles (80)		116,375										2025
Body Armor						36,895					47,088	2025
Total Expenditures		414,356	303,027	1,087,756	0	426,477	471,179	775,868	196,324	353,899	559,652	
Ending Fund Bal		667,997	751,670	55,128	445,635	455,098	442,811	135,471	382,058	487,499	393,997	

Apparatus & Equipment Cost Next Ten Years



A photograph of several fire trucks from the City of Seatac parked in front of a fire station. The trucks are red and white, with "CITY OF SEATAC" written on them. The fire station has a green metal roof. The scene is outdoors with trees and a clear blue sky.

– Equipment	1,074,847
– Apparatus	3,513,691
– Total	\$4,588,538

Capital Facilities

Seismic Evaluation
And
Seismic Upgrade Cost Estimate
For
Fire Stations 45, 46 and 47
City of SeaTac, Washington



Prepared by

MLA Engineering, pllc
1411 Fourth Avenue, Suite 1111
Seattle, Washington 98101

September 9, 2005

Fire Station 46



Fire Station 45



Fire Station 45

- Originally Constructed 1959
- Added onto approximately 1980
- Remodeled approximately 1986
- Seismic Evaluation 2005
 - Not Structurally Sound and is in Danger of Collapse in a Major Earthquake
- Replacement scheduled after Station 46 replacement completed

- Construction originally scheduled to begin in 2010
- Current Estimate \$3,457,500
- Funding with G.O. Bonds

CITY OF SEATAC

2011 - 2016 CAPITAL IMPROVEMENT PROGRAM

PROJECT STATUS (Check all that apply):

Conceptual Est	<input type="checkbox"/>	P.S.E. Complete	<input type="checkbox"/>
Design	<input checked="" type="checkbox"/>	Construction/Repl	<input type="checkbox"/>

PROJECT TITLE: **Fire Station #45 Replacement**

LOCATION: Fire Station #45, 2929 S 200th Street

DESCRIPTION: Fire Station #45 was formerly the Fire Department headquarters which was relocated to S 170th Street (Fire Station #46 site). Fire Station #45 will be replaced with a smaller size station (8,000 sq feet versus 12,600 sq feet). The existing structure was seismically evaluated and it has been determined that it is not structurally sound and is in danger of collapse in the event of a major earthquake.

BARS NO.: 306.000.12.594.22.52.011

PROJECT NUMBER: **FAC-00001**

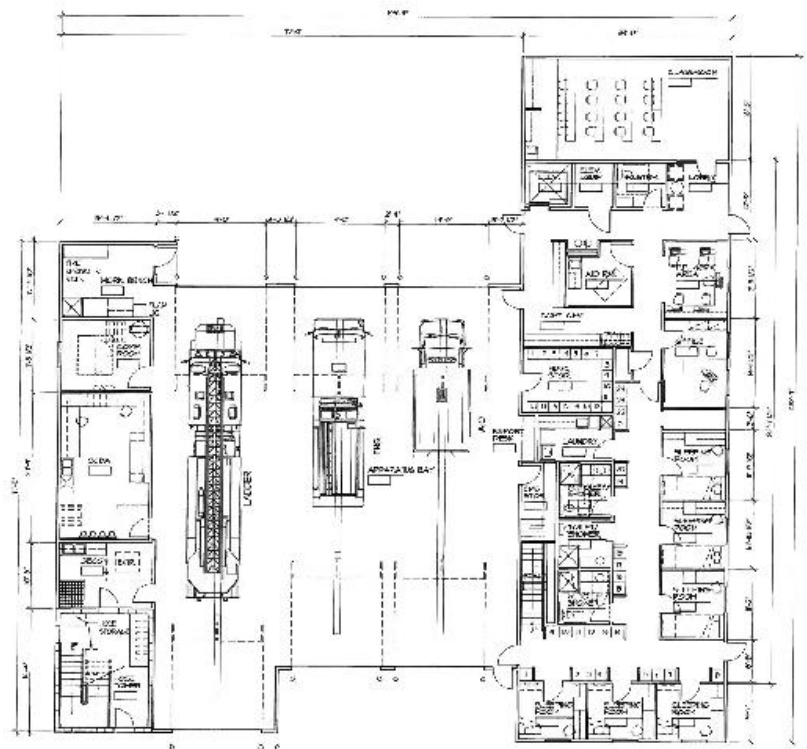
Department	Facilities
Program	Facilities
Prepared By	Pat Patterson
Department Priority	1 of 9
City Priority	of



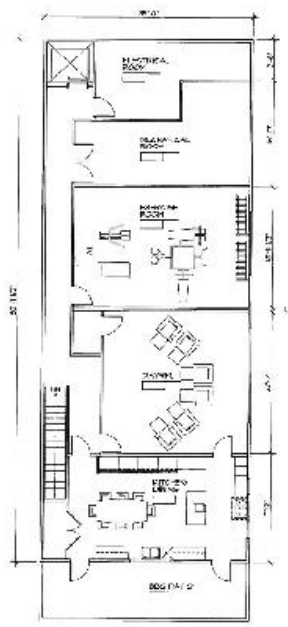
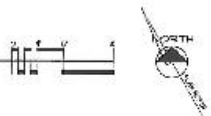
EXPENDITURE SCHEDULE										
Capital Costs	Total Prior Years	2011	2012	2013	2014	2015	2016	2011-2016 TOTAL	Total Future Years	Total Project
Plan/Design/Eng	115,034	327,856	-	-	-	-	-	327,856	-	442,892
Land Acquisition	-	-	-	-	-	-	-	-	-	-
Construction	-	1,248,589	1,249,988	-	-	-	-	2,498,577	-	2,498,575
Other/Equipment	-	-	-	-	-	-	-	-	-	-
Sales Tax (@ 5%)	-	118,723	118,720	-	-	-	-	237,443	-	237,440
Contingency (10%)	-	135,841	135,841	-	-	-	-	271,682	-	271,682
Total Capital	115,034	1,833,217	1,505,249	-	-	-	-	3,338,465	-	3,457,530
Operating Costs/Revenue Adjustments: Decrease in utilities due to smaller facility.										
Salaries/Benefits	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-
Utilities/Services	-	-	-	(36,210)	(36,024)	(37,852)	(36,114)	(146,200)	-	(146,201)
Equipment	-	-	-	-	-	-	-	-	-	-
Other: Debt Svc	-	-	265,984	265,984	265,984	265,984	265,984	1,068,916	-	1,068,915
Chg in Revenues	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total Op/Rev Adj	-	-	265,984	265,984	265,984	265,984	265,984	1,068,916	-	1,068,915
New FTE's	-	-	-	-	-	-	-	-	-	-

FINANCING SCHEDULE										
Funding Source	Total Prior Years	2011	2012	2013	2014	2015	2016	2011-2016 TOTAL	Total Future Years	Total Project
Asset Sales	-	-	-	-	-	-	-	-	-	-
GMA Impact Fees	-	-	-	-	-	-	-	-	-	-
Parking Taxes	-	-	-	-	-	-	-	-	-	-
REET - 1st Qtr %	-	-	-	-	-	-	-	-	-	-
REET - 2nd Qtr %	-	-	-	-	-	-	-	-	-	-
Sales Taxes	115,034	-	-	-	-	-	-	115,034	-	115,034
GO Bonds	-	3,328,466	-	-	-	-	-	3,328,466	-	3,328,466
Fed Grt:	-	-	-	-	-	-	-	-	-	-
St Grt:	-	-	-	-	-	-	-	-	-	-
Loc Grt:	-	-	-	-	-	-	-	-	-	-
Fund Bal #306/W301	-	-	-	-	-	-	-	-	-	-
Total Funding	115,034	3,328,466	-	-	-	-	-	3,338,465	-	3,457,500

100% NORTHWEST ARCHITECTS, P.C. 1000 10TH AVENUE, SUITE 1000, SEASIDE, WA 98134. TEL: 206.465.1000. WWW.NWARCHITECTS.COM



1 MAIN FLOOR PLAN
 SCALE: 1/8" = 1'-0"



2 UPPER FLOOR PLAN
 SCALE: 1/8" = 1'-0"

1000 NORTHWEST ARCHITECTS, P.C.
 1000 10TH AVENUE, SUITE 1000
 SEASIDE, WA 98134

Project: _____

Sheet No.: _____

**CITY OF SEASIDE
 FIRE STATIONS 45
 SERVICE WASHINGTON**

Date: _____
 Title: _____

Scale: 1/8" = 1'-0"
 Project No: 08-20
 Date: 08/05/2008
 Drawn by: _____

Fire Station 47



Fire Station 47

- Originally Constructed 1966
- Seismic Evaluation 2005
 - Station 47 is a one story building constructed with unreinforced masonry walls and a wood framed roof. Masonry has historically performed the worst in seismic events.
- Replacement planned after Station 45 replacement completed

Fire Station 47

- Location - Riverton Heights School Site
- Construction not currently scheduled in CIP
- Estimate \$3,457,500 (assuming same cost as Station 45)
 - Cost may be more in future years



Fire Training Facility

- Currently SeaTac has no Training Facility
- Needed to Practice Skills



Fire Training Facility

- Cost Estimate based on prefab drill tower and necessary site improvements
 - 1,640,000 to 1,831,250



Riverton Heights Site

- Land Allocated for Fire Station 47 and Training Facility



Future Growth and Location Needs

- SeaTac's current number of stations and their locations appears to provide adequate distribution and coverage
 - May change with additional data
- Replacement stations will need capacity for future apparatus/staff growth

Fire Station and Training Facility Costs

- Radios? Ladder Truck?



Regional Fire Protection Service Authority

- **Summary of RCW**
- **Governance**

Summary of RCW

➤ **RCW 52.26.010 – 52.26.901**

➤ **Establish Regulations for RFP**

(RFA)

Summary of RCW

- **Legislature determined**
- **Ability to respond** to emergencies has not kept up with the State's needs
- **Efficiencies to be gained**
- Can best be achieved through **enhanced funding options**

Summary of RCW

- RFA is an **independent taxing jurisdiction**
- Option to create
 - Two or more fire jurisdictions whose boundaries are coextensive

Summary of RCW

- **Recommendation** comes out of the exploratory committee
- If the RFA exploratory committee recommends to form an RFA,
- Then their **elected bodies** will **determine** if the jurisdictions move forward to the next process

Summary of RCW

- To develop an RFA Plan
- Each governing body of **participating jurisdictions appoints three (3) elected officials** to a Planning Committee

Summary of RCW

- The Planning Committee is charged with **formulating the Plan** for the creation of the RFA
- Input from both jurisdictions in forming the RFA Plan

Summary of RCW

➤ Planning Committee develops an RFA Plan

- Governance
- Financing
- Facilities and operations
- Recommended sources of revenue

Governance

- Governing Board has the power to levy taxes
- Impose benefit charge
- Enter into agreements with other entities

Governance continued:

- Monitor the execution of service delivery
- **Composition and selection** of the governing board is determined by the Plan

Governance continued:

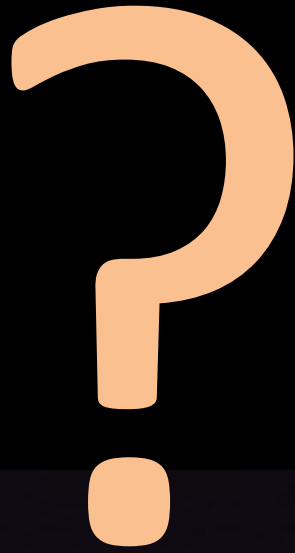
- Although, the RCW notes that the board would **“consist solely of elected officials”**

RFA Process

- When the **Plan is completed** the **jurisdiction's elected officials must approve the Plan**, which then would go forward to a vote by the citizens.

Election for approval of the Plan and implementation of the Plan

- Joining an RFA
- **Current** legislation
- **Revised** legislation




Thank you

SeaTac /Kent RFA Exploratory Committee

Financial Considerations for Providing
Fire Protection Services

February 10, 2011



SeaTac's General Fund Revenue Composition

Based on 2011 Adopted Budget Estimates:

- Property taxes account for 41% of General Fund revenues
- Sales taxes provide 30% of GF revenue total
- Other taxes (gambling and leasehold excise) provide an additional 8% of GF revenue
- Total tax revenue accounts for 79% of GF revenue sources
- Remaining 21% of revenue comprised of a combination of licenses, permits, grants, State-shared revenue, Municipal Court fines, Parks & Recreation program and activity fees, investment interest, transfers from other funds, and other miscellaneous revenue sources

SeaTac Revenue Sources Associated with Funding of Fire Protection Operating Costs

- Property Taxes
- Basic Life Support (BLS) Levy
- Sales Taxes
- Various Excise Taxes (Gambling tax, leasehold excise tax)
- State-Shared Revenues (not designated for a specific purpose)
- Fire Plan Review and Permit Fees
- Fire-related Grant Revenue
- Intergovernmental Fire Protection Services (Highline School District)
- Investment Interest

Initiative 747 and Property Tax Revenue

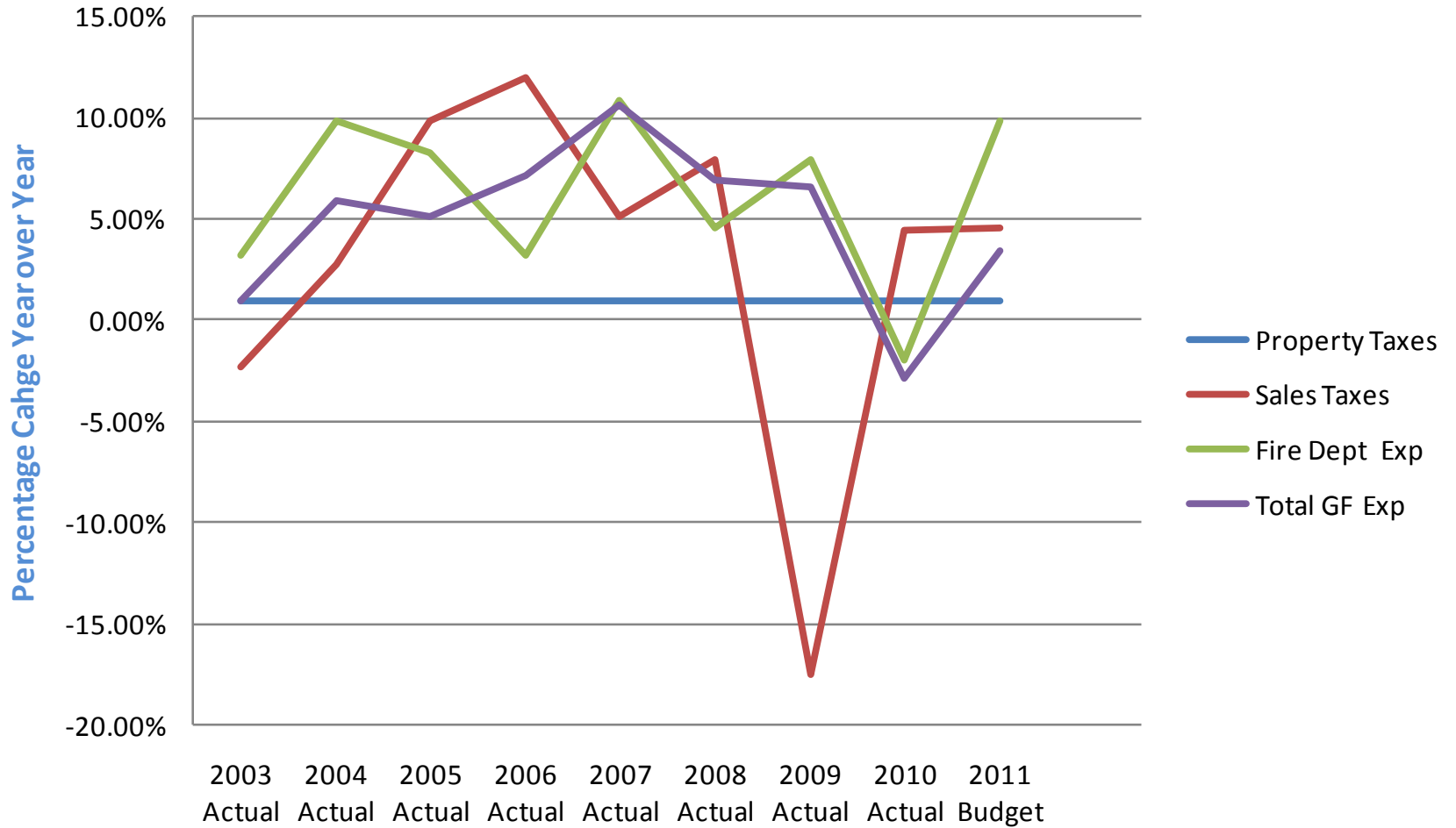
- Prior to passage of Initiative 747 by the voters in November 2001, cities could establish property tax levies of up to 6% of the previous year's levy amount, plus new construction and state-assessed property valuation increases
- During the period from SeaTac's incorporation in 1990 through the 2001 tax year, the City's property tax levy increases averaged 3.71% per year
- Under Initiative 747 and the Washington State Legislature's action to reinstate the 1% limitation in 2007 after Initiative 747 was ruled unconstitutional by the Washington State Supreme Court, SeaTac has levied the maximum 1% annual allowable increases since the 2002 tax year

Sales Tax Revenue to the Rescue!

(...at least for a while)

- With annual property tax levy increases limited to 1% beginning with the 2002 tax year, SeaTac's General Fund started to rely more heavily on sales tax revenue
- During the period from 2002 through 2008, average annual sales tax revenue increased approximately 7.5% per year, helping to offset the smaller property tax increases
- Unfortunately 2009 arrived, and so did a 17.7% decrease in sales tax revenue to the General Fund
- 2010 saw a modest 4.41% increase over 2009
- 4.6% increase over 2010 projected in the 2011 Budget

Percentage Changes in Revenues and Expenditures 2003-2011



Current SeaTac Fire Department Net Direct Operating Cost

Based on 2011 City of SeaTac Adopted Budget

Direct Operating Expenditures	\$7,304,686
Less: Direct Operating Revenues	<u>(388,479)</u>
Net Direct Operating Cost	\$6,916,207

Current SeaTac Fire Department Soft Costs

Soft costs not included in Fire Department budget:

- City Manager's Office
- Human Resources
- Finance Administration
- Information Services
- Geographic Information System (GIS) Services
- Legal Department Services
- Civil Service Administration Costs
- Facility Maintenance
- Property and Liability Insurance

Soft Cost Allocation

Department	2011 Budget	% of Costs	Total	Description
City Manager's Office	\$624,918	5%	\$31,246	% of total budget
Human Resources	\$506,584	29%	\$146,909	% of employees - 50/170
Finance Administration	\$760,490	15%	\$114,073	% of total budget
Information Services	\$71,155	N/A	\$71,155	25% of System Administrator and budget for software maintenance and hardware purchases and leases
GIS Services	\$194,520	5.6%	\$10,893	Actual time worked on Fire-related GIS projects in 2010
Legal Services	\$927,817	5%	\$46,390	City Attorney Estimate
Civil Service	\$11,275	100%	\$11,275	Based on 2011 budget
Facility Maintenance	\$122,830	100%	\$122,830	Based on 2011 budget
Non- Departmental	\$55,000	100%	<u>\$55,000</u>	Property/Liability Insurance
Total Soft Costs			\$609,771	

Current SeaTac Fire Department Net Operating Cost and Equivalent Property Tax Rate

Based on 2011 City of SeaTac Adopted Budget and 2011 Assessed Valuation of \$4,221,569,357

Direct Operating Expenditures	\$7,304,686	
Less: Direct Operating Revenues	<u>(388,479)</u>	
Net Direct Operating Cost	\$6,916,207	1.638
Add: Soft Costs	609,771	.144
Total	<hr/> \$7,525,978	1.782

Fire Operations Fiscal Impact to SeaTac

- If SeaTac joins the Kent RFA, it will forego \$1.00/\$1,000 AV in taxing authority
- Currently, the City expends the equivalent of approximately \$1.78/\$1,000 AV on Fire Department operating expenditures
- If SeaTac were to join the RFA, it could capture the \$0.78
- This amount could contribute to either increased services or lowering the tax burden
- Impacts to SeaTac taxpayers will be discussed at the March 10 Exploratory Committee Meeting

Current Capital Funding

- The City's 2011 – 2016 Capital Improvement Program provides for scheduled replacement of fire vehicles, tools and other equipment for the six-year period
- Funding is provided through scheduled transfers of construction-related sales tax revenue from the Municipal CIP Fund #301 to the Fire Equipment Capital Reserve Fund #303
- The 2011 – 2016 Capital Improvement Program also provides for the replacement of Fire Station #45
- Identified funding source for Station #45 replacement is issuance of future general obligation bonds

Summary

- SeaTac was already finding it a challenge to balance the General Fund budget due to the 1% property tax levy increase limitation.
- The problem was compounded with a significant decrease in sales tax revenue beginning in November 2008. In addition, the City transferred \$920,000 in construction-related sales tax from the Municipal CIP Fund to the General Fund in 2010 and 2011 to balance the GF budget.
- SeaTac's property tax levy rate for 2011 is \$2.80 per \$1,000 of assessed value. \$1.782 of this amount is being used to fund the net operating cost of the Fire Department, which equates to 63.6% of the total levy rate .

Questions?

