

# City of SeaTac

## Regular Council Meeting Minutes

September 10, 2013  
6:30 PM

City Hall  
Council Chambers

**CALL TO ORDER:** The SeaTac City Council Regular Meeting was called to order by Mayor Anthony (Tony) Anderson at 6:32 p.m.

**COUNCIL PRESENT:** Mayor Anthony (Tony) Anderson, Deputy Mayor (DM) Mia Gregerson, Councilmembers (CMs) Barry Ladenburg, Rick Forschler, Terry Anderson, Dave Bush, and Pam Fernald.

**STAFF PRESENT:** City Manager Todd Cutts, City Attorney Mary Mirante Bartolo, City Clerk Kristina Gregg, Assistant City Manager (ACM) Gwen Voelpel, Police Chief Lisa Mulligan, Fire Chief Jim Schneider, Finance & Systems Director Aaron Antin, and Human Services (HS) Program Manager Colleen Brandt-Schluter.

**FLAG SALUTE:** Mayor A. Anderson led the Council, audience and staff in the Pledge of Allegiance.

**PUBLIC COMMENTS:** Fred Hause, Mel McClure, and Mark Blumenthal spoke in support of Agenda Bill #3529 - Contractual Consolidation Interlocal Agreement (ILA) between the City of SeaTac and the Kent Regional Fire Authority (RFA).

Goodspaceguy spoke about economics and the harm done by minimum wage, requesting that the minimum wage be abolished.

Kevin Kelly, representative for CleanScapes, thanked Council and staff for selection process and the transition timeline prepared by staff.

Thomas Wray, teamsters local 117, stated his concern that two elements were overlooked or not investigated in the hauler selection process: (1) job security, and (2) prevailing wages.

Kathleen Brave spoke regarding the sidewalk projects in SeaTac: (1) concern about trees coming down in order for project to be completed; and (2) 34<sup>th</sup> Avenue South – is difficult to walk with businesses parking employees on the street.

Doris Cassan spoke against Agenda Bill #3529.

Earl Gipson spoke regarding Agenda Bill #3529 stating his opinion that the projections are not accurate.

### **PRESENTATIONS (Continued):**

#### **•National Recovery Month Proclamation**

Mayor A. Anderson read the proclamation declaring September as National Recovery Month.

#### **•Council confirmation of Mayoral appointment of Misoon Kong to the Hotel/Motel Tax Advisory Committee** MOVED BY GREGERSON, SECONDED BY FORSCHLER TO CONFIRM THE APPOINTMENT OF MISOON KONG TO THE HOTEL/MOTEL TAX ADVISORY COMMITTEE.

MOTION CARRIED UNANIMOUSLY.

#### **•Refugee Women's Alliance (ReWA)**

Family Support Program Director Amina Ahmed reviewed programs offered by ReWA and support provided by SeaTac funding.

Ms. Ahmed shared an upcoming event: ReWA Gala on September 20 at 5:30 p.m. at the downtown Sheraton. The keynote speaker is Governor Inslee.

### **CONSENT AGENDA:**

**•Approval of claims vouchers** (check nos. 104178 - 104353) in the amount of \$1,511,052.15 for the period ended August 20, 2013.

**•Approval of claims vouchers** (check nos. 104354 - 104492) in the amount of \$466,023.60 for the period ended September 5, 2013.

**•Approval of payroll vouchers** (check nos. 51649 – 51687) in the amount of \$211,522.27 for the period ended August 15, 2013.

**•Approval of payroll electronic fund transfers** (check nos. 78123 – 78321) in the amount of \$404,273.89 for the period ended August 15, 2013.

**•Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$81,356.04 for the period ended August 15, 2013.

**CONSENT AGENDA (Continued):**

- **Approval of payroll vouchers** (check nos. 51689 – 51732) in the amount of \$466,145.73 for the period ended August 31, 2013.
- **Approval of payroll electronic fund transfers** (check nos. 78322 – 78519) in the amount of \$389,106.53 for the period ended August 31, 2013.
- **Approval of payroll wire transfer** (Medicare and Federal Withholding Tax) in the amount of \$77,198.88 for the period ended August 31, 2013.
- **Pre-approval or final approval of City Council and City Manager travel related expenses** for the period ended September 5, 2013.

**Approval of Council Meeting Minutes:**

- **Council Study Session** held August 13, 2013
- **Regular Council Meeting** held August 13, 2013
- **Special Council Study Session** held August 27, 2013

MOVED BY GREGERSON, SECONDED BY LADENBURG TO ACCEPT THE CONSENT AGENDA AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

**PUBLIC COMMENTS (related to Action Items and Unfinished Business):** There were no public comments.

**ACTION ITEM:**

**Agenda Bill #3529; A Motion establishing a Contractual Consolidation Interlocal Agreement (ILA) between the City of SeaTac and the Kent Regional Fire Authority (RFA)**

**Summary:** The City has been discussing consolidating its fire services with surrounding jurisdictions for a number of years. In the 1990s, the City participated in an exploration of regional consolidation called Saltwater Ridge. In the mid-2000s, the City engaged a third party consultant to explore fire consolidation with the City of Tukwila. Those efforts did not lead to consolidation.

At a June 2010 City Council retreat, potential fire consolidation was again discussed at the request of the Council. Staff provided Council with background on the existing state of fire services. While minimum staffing levels for effective fire suppression and emergency medical services have always been maintained, resources to provide services such as fire prevention, public education, training, and emergency management were either eliminated or have never been funded. Staff also presented Council with four scenarios to provide fire services: (1) City retain fire services; (2) explore consolidation with the City of Tukwila; (3) explore consolidation with South King Fire; (4) explore consolidation with the Kent RFA. At that time, Council directed staff to explore consolidation with the Kent RFA.

During the commencement of exploration of the merger, in consideration of the services that were not currently being provided (as highlighted above) and the existing Fire Chief vacancy, the City entered into an ILA concerning discrete services with the Kent RFA that commenced in 2011 and is still presently in place. This contract includes provision of the following services: Chief Administrative Services, Emergency Management Services, Fire Prevention Services, Fire Investigation Services, and Training Services. The Kent RFA has advised that it will be unable to continue providing services under the current contract terms beyond December 31, 2013. Above listed services are in addition to a pre-existing contract with the Kent RFA for Fleet Maintenance.

On a parallel track, the exploration of the Kent RFA providing a complete suite of fire services to the City of SeaTac commenced. Throughout 2011 and 2012, the two entities worked through an exploratory process utilizing a stakeholder task force to consider how to address consolidated operations, administration, labor issues, logistic, governance and information technology. In addition, a Citizen's Advisory Committee was assembled to provide input from citizens and businesses. While the parties involved agreed that the concept of consolidation was worth exploring, it was discovered that fiscally it was unfeasible to merge SeaTac fire services with the Kent RFA. This became apparent when the fiscal analysis brought to light that the Kent RFA does not collect personal property tax in the context of its Fire Benefit Charge and that SeaTac collects a large amount of property tax from personal property tax assessed at the airport. As such, this exploratory process ceased and a recommendation was made to the Council in December of 2012 for the two agencies to explore contractual consolidation. Council concurred with the recommendation and directed staff to explore contractual consolidation.

**ACTION ITEM (Continued):**

**Agenda Bill #3529 (Continued):**

*CONTRACTUAL CONSOLIDATION PROCESS*

Early in 2013, the City and the Kent RFA commenced exploration of a contractual consolidation. A contractual consolidation steering committee was formed including staff from the City and the RFA and a resident and business representative. The first step in this process was to create the Contractual Consolidation Plan. The plan served as the foundation for defining the need for consolidation, outlining the formation authority, jurisdictional boundaries, governance model and organizational structure. It also highlighted financial implications of the consolidation and the services to be provided. The plan, along with the fiscal implications and pros and cons of implementation, were presented at the June 2013 City Council retreat to a joint meeting of the Council and the RFA Board of Directors.

During the time the plan was being developed, both International Association of Fire Fighters (IAFF) Kent Local Number 1747 and SeaTac Local Number 2919 were meeting to discuss how labor contracts would be merged. Shortly after the Council retreat, both locals voted to approve a Memorandum of Understanding (MOU) on a common contract.

The next step was to draft an ILA between the City and the RFA to formalize the contractual consolidation. The ILA serves to flesh out what had been developed in the aforementioned plan. The intention is to bring this ILA to the City Council Study Session on August 13 for review and discussion, with the potential to bring the ILA forward at the September 10 RCM for action.

*ANALYSIS*

Below is a qualitative analysis of the pros and cons of contractual fire consolidation with the RFA. Items with asterisks indicate when items adjacent are related:

PROS	CONS
Decreased costs to operate fire services in the long term* <ul style="list-style-type: none"> <li>• Economies of scale with Fire Chief, Fire Marshal, public education</li> <li>• Ability to take advantage of early retirement program</li> </ul>	Increased costs to operate fire services in the short term* <ul style="list-style-type: none"> <li>• Significant increase in labor costs</li> </ul>
Annual increases to operating and administrative costs capped at Consumer Price Index (CPI)*	Loss of direct ability to bargain labor contracts*
Offers flexibility to revert back to City administered fire services*	Conversion back to City administered fire services would be onerous*
Liability shifts to the RFA	Loss of local control (City would hold one nonvoting advisory position on RFA Board)
Increased ability to perform Emergency Management regional integration	Loss of local in-house fire service expertise in emergency management discipline
Proven and effective RFA leadership*	No direct control over decision regarding future department leadership*
Efficiency in regional services coordination	Annual "B" business inspections currently performed by firefighters no longer conducted
All current SeaTac employees would retain positions within the Kent RFA	
Kent RFA takes on some of the support services work currently performed by the various City departments, including Finance, Human Resources (HR), and Legal; helping balance capacity within available resources	
Greater depth of service (hazmat, technical rescue, water rescue)	

Staff recommends that Council authorize approval of this ILA. Over the life of the existing ILA, the RFA has exhibited quality leadership for fire services in SeaTac, including fire suppression and emergency medical services. The RFA would provide a depth of services and existing extensive knowledge base beyond the capabilities of a department the size of SeaTac. This depth of services and knowledge base would extend to fire prevention, emergency management, public education and fire investigation. The RFA also would provide both

**ACTION ITEM (Continued):**

**Agenda Bill #3529 (Continued):** general training for firefighters as well as opportunities for firefighters to participate on technical teams (hazmat, technical rescue, water rescue), which SeaTac firefighters would not otherwise have the opportunity to participate on. Considering the above factors holistically, the RFA has the ability to provide higher quality service to the citizens of SeaTac.

This recommendation does not come without some reservations. While fiscal projections indicate cost savings in the future, projections such as these can be difficult to predict given the volatile nature of variables such as future inflationary factors and labor costs. SeaTac also loses direct control over its fire services. (However, as always in a contract situation, SeaTac has the option to terminate this agreement after a period of time.)

The fiscal impact analysis of contractual consolidation is driven by the implications of the ILA. Finance personnel from the City and the RFA worked together to compile the estimated costs for 2014. A joint effort was also used to develop the schedule for capital costs, deducing the City's annual capital contribution to the RFA.

Given the long-term nature of this agreement, it is responsible to consider the long-term fiscal impact to the City. As such, the City modeled consolidation costs for the next ten years. When creating a ten year model, it should be noted that assumptions are made based on existing data, historical trends, and market projections. However, these are assumptions, and changes when actual costs are available will certainly alter current projections.

The City projected costs over a ten year period for two scenarios, a City base scenario and a Kent RFA consolidation scenario, include the following assumptions:

- The City base scenario represents:
  - The City retaining its fire services
  - 4% annual increase assumed
  - Delayed equipment replacements and no dedicated funding stream for this in the future
  - This cost is \$480,000 higher than the 2014 adopted budget amount due to service adds (Fire Chief, Fire Marshal, Fire Investigation, Emergency Manager, Public Education) included in ILA service levels.
  - Kent RFA early retirement program not feasible at non-regional level (8 spots per 175 fire FTE's, utilization of overtime, 6-month academy plus 12-month training program for recruits)
  
- The Kent RFA consolidation scenario represents:
  - The service levels detailed in the ILA
  - 2.1% annual increase assumed
  - Cost savings realized through:
    - RFA early retirement program
    - RFA absorbing new firefighter training costs
    - Less overtime costs given larger organization to absorb absences
    - Indirect costs on City are removed (insurance liability, negotiations, etc.)
  - Labor cost (44 firefighters) higher initially, level of service changes done via ILA
  - Cost increase for maintenance & operations and administration capped at CPI (2.1%)
  - City passes through \$600,000 for purchase of ladder truck in 2014 (from Sound Transit mitigation)
  - City pays Unfunded Liabilities (\$1.3M) and RFA pays for current capital equipment (\$1.1M)
  - Dedicated funding for equipment replacement (\$460,000 annually) with provisions for return of fund balance and inventory buy back at end of contract

In the scenarios above, the City could anticipate the following fiscal impact:

- Total cost in year one of the City base scenario is projected to be \$9 million. (It should again be emphasized that fully funding a standalone fire department in the City of SeaTac would cost approximately \$480,000 more than what the City is expending today.)
- Total cost in year one of the Kent RFA consolidation scenario is projected to be \$9.7 million. Fire reserve budget could cover onetime cost of \$200,000 (this is the net of City unfunded liability and RFA purchasing City current capital equipment), yielding an impact to the City's general fund of \$9.5 million.
- Assuming projections are accurate, the City would begin to save money on an annual basis with the ILA model in 2017. The cumulative breakeven point for this cost projection is 2020.

City Manager Cutts, Fire Chief Schneider, Finance & Systems Director Antin, and RFA Attorney Brian Snure reviewed the agenda bill summary and the proposed ILA.

**ACTION ITEM (Continued):**

**Agenda Bill #3529 (Continued):**

Mr. Cutts reviewed minor changes since the last review.

MOVED BY GREGERSON, SECONDED LADENBURG TO PASS AGENDA BILL #3529.\*

Council discussion ensued regarding the agreement.

\*UPON A ROLL CALL VOTE, MOTION CARRIED WITH LADENBURG, A. ANDERSON, GREGERSON AND BUSH VOTING YES, AND FORSCHLER, T. ANDERSON, AND FERNALD VOTING NO.

**UNFINISHED BUSINESS:** There was no Unfinished Business.

**NEW BUSINESS:** There was no New Business.

**CITY MANAGER'S COMMENTS:** City Manager Cutts commented on the following: (1) September 20 - 1<sup>st</sup> Annual Litter Cleanup; (2) Finance & Systems Director Antin received the Professional Finance Officer Award; and (3) ACM Voelpel received the Assistant Excellence in Leadership Award.

**COUNCIL COMMENTS:** CM Ladenburg thanked staff for their due diligence on the agenda items.

CM Forschler and Mayor A. Anderson stated their appreciation of the Legal staff for their hard work.

CM T. Anderson thanked everyone for attending the Council meetings.

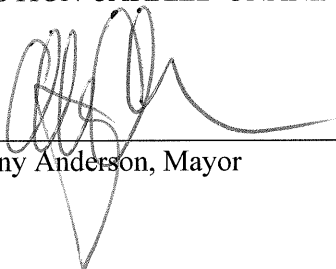
CM Bush commented on the following: (1) attended the opening day at McMicken Heights Elementary School; and (2) Music for Life is collecting instruments and giving them to kids that can't afford them.

Mayor A. Anderson also thanked the citizen volunteers for participating in the fire study.

**ADJOURNED:**


MOVED BY T. ANDERSON, SECONDED BY A. ANDERSON ADJOURN THE REGULAR MEETING OF THE SEATAC CITY COUNCIL AT 8:03 P.M.

MOTION CARRIED UNANIMOUSLY.



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Tony Anderson, Mayor



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Kristina Gregg, City Clerk

*CITY OF SEATTLE*  
*National Recovery Month*  
*PROCLAMATION*

WHEREAS, behavioral health is an essential part of one's overall wellness; and

WHEREAS, prevention of mental and/or substance use disorders works, treatment is effective, and people recover in our area and around the nation; and

WHEREAS, preventing and overcoming mental and/or substance use disorders is essential to achieving healthy lifestyles, both physically and emotionally; and

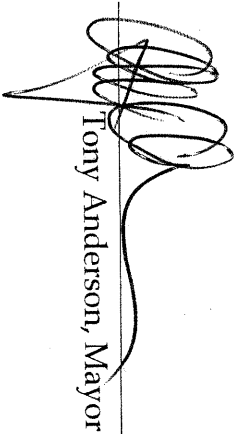
WHEREAS, we must encourage relatives and friends of people with mental and/or substance use disorders to implement preventative measures, recognize the signs of a problem, and guide those in need to appropriate treatment and recovery support services; and

WHEREAS, in 2011, 3.8 million people received specialty treatment for substance use disorders and more than 31.6 million adults aged 18 or older received services for mental disorders, according to the 2011 National Survey on Drug Use and Health. Given the serious nature of this public health problem, we must continue to reach the millions more who need help; and

WHEREAS, on October 1, 2013 as a result of the Affordable Care Act, more than 11 million uninsured individuals with behavioral health needs will become eligible for affordable insurance coverage for their treatment needs, according to the 2011 National Survey on Drug Use and Health. We must insure that all of these individuals are successfully enrolled into coverage.

NOW, THEREFORE, I, Tony Anderson, Mayor of the City of Seattle, Washington, do hereby proclaim September 2013 as National Recovery month, and call upon the people of Seattle to observe this month with appropriate programs, activities, and ceremonies supporting this year's Recovery Month.

Signed this 10<sup>th</sup> day of September 2013.



Tony Anderson, Mayor

