

*Marysville Arlington/FPD 12
Regional Fire Authority Committee*

Meeting

Marysville City Council Chambers

February 23, 2017

5:00 p.m.

Welcome and Introductions

Mayor Nehring called the meeting to order at 5:12 p.m. and invited everyone to introduce themselves.

Marysville Mayor:	Jon Nehring
Marysville Council:	Steve Muller ¹ , Jeff Vaughan, Jeff Seibert ²
Marysville CAO:	Gloria Hirashima
Marysville Finance Director:	Sandy Langdon
MFD Finance Manager:	Chelsie McInnis
Arlington Mayor:	Barbara Tolbert
Arlington City Admin.:	Paul Ellis
Arlington Council:	Marilyn Oertle, Chris Raezer, Jessica Stickles
Marysville Fire Dist:	Gary Bontrager, Pat Cook
Marysville Fire Chief:	Martin McFalls
Arlington Dep. Fire Chief:	Tom Cooper
Marysville Alternate CM:	Kamille Norton ³

¹ Steve Muller arrived at 5:20 p.m.

² Jeff Seibert arrived at 5:31 p.m.

³ Kamille Norton participated as the alternate while waiting for the arrival of other council members.

Approval of January 26, 2017 Draft Meeting Minutes

Motion made by Marilyn Oertle, seconded by Jessica Stickles to approve the minutes of the January 26, 2017 meeting. **Motion** passed unanimously.

Review Fire District Financial Models

Marysville Fire District Chief Martin McFalls introduced new District 12 Fire Commissioner Tonya Christofferson and recognized Councilmember Donna Wright who was present and also a member of the Fire Board. He noted that they would be discussing potential funding and service levels. He thanked everyone for their assistance. Using a PowerPoint presentation, he reviewed three different scenarios including the service impacts of each scenario.

Scenario A (\$1.48 RFA Proposal) – Reduce Operations to Meet Current Revenues: Chief McFalls reviewed the service impacts of this scenario.

Arlington Councilmember Raezer asked how the operations would change under Scenario A to compensate for the cuts. Chief McFalls stated they would collect the remaining personnel and put them in the biggest demand stations. He also explained how other entities would be utilized as needed.

Finance Director Langdon discussed the financial outlook comparison for Scenario A.

Scenario B (\$1.80 Proposal): Finance Manager Chelsie McInnis reviewed the service impacts of Scenario B and discussed the financial outlook.

Scenario C (\$1.90 RFA Proposal): Chief McFalls discussed the service impacts of this scenario. Finance Director Langdon reviewed the financial outlook for this scenario.

Chelsie McInnis made a summary comparison of all three scenarios and discussed the annual taxpayer liability on \$230,000 property. Chief McFalls reviewed agency comparables.

Councilmember Raezer asked about characteristics of successful and unsuccessful RFAs. Chief McFalls stated the RFAs that fail generally fail at the committee level. He commented that they generally are successful if they get past that phase.

Mayor Nehring thanked Chief McFalls, Finance Director Langdon, and Finance Manager McInnis for their presentation.

Marysville Councilmember Seibert asked what would happen if the people say no to the increase, but say yes to the RFA. Financial Manager McInnis explained that the funding mechanism would be part of the ballot measure as one vote. Chief McFalls added that per RCW this can be put the voters three times before it is final.

Marysville Councilmember Vaughan asked why something in between \$1.48 and \$1.80 wasn't considered and why they are putting a debt on the bare bones scenario rather than leaving it out of there. Finance Manager McInnis explained they were looking at Scenario A as meeting current operations with current revenues projected out into future years. Scenario B was the most sustainable of the models including the debt. Scenario C was the \$1.80 amount and seen as a combination. Every model is variable, but they were just trying to pinpoint certain aspects by combining worst case and best case scenarios. Councilmember Vaughan commented that Scenario A would look much differently if they weren't carrying the debt of \$700,000 a year. Finance Manager McInnis explained that was because they wanted to maintain current operations with that scenario.

Mayor Nehring asked if anyone needed any additional information.

MFD Commissioner Cook asked for a comparison of the current monthly taxpayer liability versus the proposed taxpayer liability. Finance Manager McInnis discussed different scenarios. Mayor Tolbert requested an example table of what it would look like for the different cities. Finance Director Langdon indicated they would try to give a snapshot as an example, but noted that there are many different variables.

Councilmember Oertle asked where the money would come from if it was a negative balance. Finance Manager McInnis indicated it would be coming from the individual cities' general fund. There was discussion about different scenarios and where the beginning fund balance would come from. Finance Director Langdon clarified that the negative balances reflected in the scenarios are from comparing each year's revenues to the expenditures. The beginning fund balance are from the combined cash balances and reserves of FD12 and Arlington Fire operations.

CAO Hirashima commented that these scenarios are really a menu of options because there are a variety of decisions to be made for each one. Mayor Tolbert requested a list of those menu options for the next meeting to get a better idea of what was assumed with each scenario and the options available to the committee.

Councilmember Muller agreed that assuming the \$700,000 debt is damaging to the cash balance of all three scenarios. He thought that there should be a way to have a scenario which doesn't include the debt. Chief McFalls commented that the \$1.90 is the funding model needed to get the RFA started. Councilmember Muller commented that call volumes are only going to grow. He asked about more efficient operations that might enable fewer staffing reductions. Chief McFalls agreed that call volumes are increasing. He added that ideas for efficiency are being reviewed. He doesn't see staffing levels changing, but noted that one idea which would increase efficiency is a community resource paramedic that goes out and handles a lot of the calls which currently use EMS transport units or fire suppression units. There are current models out there that could be more efficient.

Commissioner Bontrager explained that the funding models they looked at are to maintain the basic services currently provided by District 12 and bring that forward to

the RFA. He stressed that the RFA should start with adequate funding to maintain the current levels. They will be making changes in the future with fire service toward providing more preventive service with medical calls. He spoke in support of allowing the program in Snohomish County to come together first and then they can model a program after that one in a more cost effective way. He spoke in support of adequate funding for an RFA without cutting positions in order to not diminish the service levels for the taxpayers.

Mayor Tolbert asked if there is an estimate of what the cost savings would be of combining the stations. Mr. Bontrager said it will be beneficial cost savings to both entities, but they don't have numbers yet.

Councilmember Raezer asked if there are things they can already start doing to increase efficiencies with or without an RFA. Chief McFalls stated that there are things that they have done and could continue to do.

Councilmember Seibert pointed to the consolidation of stations in scenario B and asked about the potential cost savings included in that model. Chief McFalls thought it would be basically just be the lease costs. Councilmember Seibert asked for more information about cost savings as a result of consolidation. He recommended working out the details now before they go to the taxpayers.

Councilmember Raezer asked if capital projects are included in the financial model. Staff indicated that they are not. Councilmember Raezer asked how that would be dealt with. Chelsie McInnis indicated a large debt would most likely have to be addressed with a voted measure.

Discussion of March 23 Meeting Agenda, Arlington Council Chambers

Mayor Nehring summarized that he heard the group would like the following for the March 23 meeting:

- Menu of options
- Levy table/projections
- Station consolidation numbers

He solicited any other items the committee would like to see at the meeting.

Councilmember Raezer indicated he would like to see costs for equipment replacement, capital outlays, planning for future growth, and plans for shifting resources.

Mayor Tolbert requested cost savings or increases associated with the menu items.

Roundtable

Councilmember Muller said he would like to see operational changes for each station for the different levels.

Councilmember Raezer thanked staff for putting all this information together.

Councilmember Stickles also thanked everyone.

Chief McFalls stated that they want to continue to provide the highest level of service to the citizens as they possibly can. He thanked the committee for helping them get there.

Commissioner Cook thanked staff for all the information.

Mayor Tolbert and Mayor Nehring thanked staff.

Adjournment

The meeting was adjourned at 6:22 p.m.