

City of Marysville, City of Arlington and Fire District 12

RFA Planning Committee Meeting

June 29, 2017

5:00 – 7:00 PM

Marysville City Hall

Meeting objectives: Review information from consultant and staff; determine next steps

DRAFT Agenda

1. Welcome and Introductions (*5 min.*) Mayor Nehring and Mayor Tolbert
2. Review of Agenda and Goals for meeting (*3 min.*) Mayors
3. Interview Results and discussion (*1 hour*) Karen Reed
4. Review of Current Fire & EMS Cost and Fund Information (*20 min.*) Karen and Finance Staff
5. What have other RFA's done? (*10 min.*) Karen
6. Time permitting: Side-by-Side Current Operations Data Chiefs
7. Discussion and direction to staff: (*10 min.*) Karen, Mayors
 - a. What work should jurisdictions undertake prior to next meeting?
 - b. What should be on the agenda for the committee in July?
8. Adjourn

City of Marysville, City of Arlington and Fire District 12 – Regional Fire Authority Discussions
Summary of Themes from Interviews/Surveys of Councilmembers, Commissioners and Lead Staff

June 21, 2017

Prepared by Karen Reed

Introduction

In May, 2017, the Regional Fire Authority (RFA) Planning Committee composed of elected officials from the City of Marysville, the City of Arlington and Fire District 12 hired facilitator/consultant Karen Reed to explore the next steps in the RFA discussions that have been ongoing for the last several months. Karen recommended that this exploration begin with surveying all members of the Planning Committee, all other Councilmembers, and lead staff from each jurisdiction. All Councilmembers, Commissioners, the two Fire Chiefs and two City Chief Administrators were invited to complete a short survey and forward it to Karen, or to speak with her by phone.

Of those invited to complete the survey, all responded. The Deputy Chief from Arlington also submitted a response. There were a total of 24 respondents.

The survey results were designed to identify priorities and concerns of the respondents with respect to the RFA, and assist in developing recommendations for whether and how to move forward. To promote frankness in responses, the commitment was made that responses will not be published and no statements or specific positions will be attributed to any individual. The exception to the non-attribution rule is a summary statement from the Chiefs developed after discussion with Karen, and presented in this document: the Chiefs opinions cannot effectively be hidden by the “non-attribution” rule.

A couple of important caveats: this summary subjective to the extent it is dependent on Karen’s interpretation of what respondents say to her and/or write in responses. Most of the respondents chose to respond in writing rather than by telephone interview (the latter tends to give a richer sense of priorities and concerns). A few respondents did not answer all questions.

Points of Agreement between the Three Jurisdictions

Nearly all respondents observed that there is **strong public support for the level of fire and EMS services in their respective jurisdictions**. Several noted, however, that the public probably does not have information to judge where there may be weaknesses in existing services, or to know about the risks to longer-term sustainability of the operations. Most expressed that they have no knowledge about the fire and EMS service levels provided by the other operational group.

Nearly all respondents also place a very high value on the importance of securing a **sustainable model for affordable fire and EMS service delivery**. This was the highest rated item of eight different goals/issues surveyed.

All but one respondent placed importance on the idea of **securing opportunities for efficiency in Fire and EMS advice delivery over time through regionalization**.

Most of the City elected officials expressed concern that **neither efficiencies nor cost savings have been demonstrated through the staff presentations to date.**

Motivations: What is Important to Each Group?

The survey included a section to rank the importance of eight different issues. While this was the last question in the survey, discussing it first can potentially illuminate the reasons for why people responded as they did on other questions—or raise interesting questions for further exploration.

For these eight issues, force ranking was not required. Rather, each respondent was asked to rate each issue as to its importance from 1-10, with 10 being the most important.

As noted above, the issue of “**developing a sustainable model for affordable service delivery**” was the most highly rated issue: nearly all respondents gave it a “10.” On all other seven issues, there was an extremely wide range of ratings amongst each jurisdictions’ respondents. There were also some interesting differences in how each group elected officials rated the eight items. An overview is provided below:

1. **Improving service levels.** This is an important motivator for all three groups. A strong majority of respondents from all three agencies rated this a 7 or higher.
2. **Stabilizing service levels through more funding that is stable over time.** Again, a strong majority of respondent from all 3 agencies rated this a 7 or higher.
3. **Relieving pressure on my City’s general fund.** This was a significantly more important issue for Arlington elected officials than for Marysville respondents. Several Marysville elected officials noted that their budget is not under much pressure, and/or referenced the possibility of creating a City fire department (interestingly, some Marysville elected officials noted that an earlier study on this subject had indicated a City fire department was not feasible, but others felt the study concluded the opposite.)
4. **A cost neutral outcome (or savings) for taxpayers in my jurisdiction overall.** There was basically no consensus on this issue in any jurisdiction. A handful felt it was extremely important, some said it was generally important, some noted it was impossible, some rated it as a neutral “5”, and some gave it the lowest possible rating.
5. **Securing opportunities for efficiency in service delivery over time through regionalization.** The vast majority of respondents in all three jurisdictions rated this a 7 or higher.
6. **Securing an equitable structure for the RFA governance board.** The word “equitable” is purposely vague, since different people define equity differently. So, without more discussion, one cannot determine what the preferred outcome is. A majority of elected officials from all three jurisdictions rated this issue an 8 or higher.

7. **Maintaining local control over fire and EMS service delivery.** There was basically no consensus on this issue in any jurisdiction: elected officials were widely divided on the issue. Those that supported the idea of an RFA tended to place a lower importance on this issue, and *vice versa*.
8. **Developing a sustainable model for affordable service delivery.** As noted above, this was the most highly rated item. All but five respondents gave this a “10” and the other five rated it an 8 or 9. As yet unanswered, however, is whether the group can reach agreement on how to define “sustainable” or “affordable.”

Overall Level of Support for Creating a Marysville-Arlington-FD 12 RFA

Individual respondents have widely varying opinions on the importance of creating an RFA. A very few respondents offered the alternative of simply doing specific interlocal service agreements—to recover costs of mutual aid responses, or provide certain administrative services. There is some concern about the three agencies wanting different things from an RFA, but there is no groundswell of opinion that any one party should go its own way or that the effort should be disbanded. The focus in the survey responses is on figuring out whether the various goals and priorities of the respondents can in fact be addressed by an RFA. Most feel they don’t know the answer to this yet.

Marysville Mayor and Council: A minority of the Marysville elected officials are strong supporters of trying to secure agreement on an RFA between the three jurisdictions. Most of the elected officials are open to the possibility but feel there may be better options and/or have a variety of concerns about the concept. A minority appear to be basically opposed to an RFA

Arlington Mayor and Council: Similar to Marysville, a minority of the elected official group are strong supporters of the RFA, at least conceptually. A majority of the elected official group are not convinced that an RFA is the best solution. Overall, their views were somewhat more skeptical of the idea of an RFA than those expressed by Marysville. A minority appear to be basically opposed to an RFA.

Fire District 12 Commissioners: The Fire District 12 commissioners are strong supporters of the RFA concept. They raised concerns about the process and/or some potential outcomes.

Fire Chiefs: Both Chiefs strongly support the concept of an RFA as the preferred means to secure sufficient and sustainable funding for a combined operation over time. They believe that an RFA can deliver immediate improvements in service levels, and over time can secure substantial cost avoidance and efficiencies in operations. Both Chiefs believe that adequate funding of an RFA, based on current expenses, facilities/equipment needs and reserve levels, will require a full \$2.00 property tax funding level (EMS levy and fire levy combined). (Note: this statement has been reviewed and approved by Chief Stedman and Chief McFall as an accurate reflection of their views).

Process Concerns

Three points stand out on this topic:

- An observation that the relationship between City of Marysville elected officials and Fire District 12 elected officials has been strained by the last round of RFA discussions.

- A general sense that full and frank dialogue has not been forthcoming at the table between the three organizations—for a variety of reasons-- and that is a barrier to reaching agreement.
- An overall view by the elected officials and administrators that the Chiefs have not effectively “made the case” for why an RFA is the best outcome moving forward. The components of that “case” differ for different members.

In terms of communicating the work of the planning committee out to others, most elected officials observed that periodic email summaries or short briefings at council meeting would be an appropriate way to ensure elected officials remain up to date on the deliberations.

Governance

City elected officials were quite divided on the importance of maintaining local control over fire and EMS services. As noted above, those who are more skeptical about an RFA tended to give a higher rating to the importance of local control. A majority of elected officials from all three jurisdictions gave a rating of 8 or higher to the issue of “securing an equitable structure for the RFA governance Board.”

Proportional Board Representation based on population of the three jurisdictions: A strong majority of the Marysville and Fire District 12 elected officials support a consolidated board structured based on proportional representation—at least if this remains a three-way discussion. In contrast, a majority of Arlington elected officials are more concerned about having “equal representation” for the two cities, or to ensure Arlington is “not overpowered by Marysville.”

City Council Members Serving on Governance Board: A majority of Marysville elected officials stated that they want city councilmembers to serve on the RFA board. This position was expressly stated by only one Arlington elected official, but several councilmembers from both cities expressed the importance of RFA board members understanding the full context of how taxing decisions by an RFA will impact the local communities.

Funding an RFA

As noted above, sustainable, affordable funding is a high priority for all respondents. However, “sustainable” and “affordable” are not yet defined. A small number of respondents expressed concern about the sustainability of the RFA financial model—noting the need for recurring levy lid lifts or questioning whether \$2.00 would be sufficient funding over time.

Cost savings and Efficiencies. A very small number of City elected officials expressed that immediate cost savings are a necessary component of an RFA solution. In contrast, the majority of elected officials see this as a longer-term proposition; they expressed an interest in ensuring an improvement of service levels under RFA and being able to demonstrate that an RFA will enable administrative and operational efficiencies over time. Several expressed the position that whatever the funding level is, the group must be able to justify the cost to the public in terms of demonstrated service level improvements.

Funding Levels. A majority of Marysville elected officials view a \$2.00 funding level as problematic, and expressed that it is important to them that an RFA be funded below that amount. Arlington elected officials were focused more on the challenge of funding sustainable service levels. One elected official from Arlington and one from Fire District 12 explicitly supported the \$2.00 funding level.

Funding Options. There was no interest expressed in pursuing a fire benefit charge as part of the initial funding for an RFA. A couple of individuals thought a fire benefit charge might be helpful in the future.

RFA Services and Facilities

Many ideas, not enough data. Elected officials offered many ideas for how services could be improved or made more efficient through an RFA. However, many noted that their ideas had not been reflected in the presentations from the Chiefs, and/or they would want to see if their ideas were borne out by actual data. As noted above, improving service levels was an important issue for most—but not all -- respondents.

Among the ideas and questions most frequently mentioned in terms of services and facilities:

- We must show an increase in service levels in order to justify an increase in cost
- What specific improvement in service levels can be secured?
- Combine the two stations currently serving Smokey Point
- Administrative consolidation, for example, an RFA will not need 2 chiefs
- What is the future of Station 61 (a leased facility)?
- Ability for the RFA to provide fire marshal services to Arlington
- What efficiencies or economies of scale can be demonstrated?

Conclusions

The path forward on an RFA including the three jurisdictions will not be easy, but it is not impossible. While there are tensions between the three agencies, and frustration about the lack of progress made in discussions over the last six to seven months, the surveys do not suggest a strong desire for any one party to leave the table, or to end the discussions. There is a lot of skepticism and many unanswered questions, particularly on the part of the city elected officials. That said, all three agencies share some important values and priorities--a necessary foundation for a lasting agreement.

It would be helpful to do some work to expand upon that foundation of shared values and priorities through further discussion to help develop a consensus around the goals of an RFA and reaffirm whether each agency still wants to proceed. In particular, there is strong consensus as to the importance of developing a sustainable model for affordable service delivery. As yet unanswered, however, is whether the group can reach agreement on how to define “sustainable” or “affordable.”

There are some important points on which the agencies diverge internally, key among these being the openness to cost increases in exchange for other benefits. For cities in particular this is a multi-dimensional question: What is the cost taxpayers will be asked to pay for fire and EMS service with an

RFA, as compared to the current operational model? What is the net impact on city taxpayers after an RFA levy is added but the city is no longer responsible for funding fire & EMS service?

As between the agencies, the issue of proportional governance seems fairly settled with Marysville and Fire District 12—at least if this remains a three-way discussion-- but less so with Arlington.

Progress from here will require that the Chiefs provide further explanation and detail as to the service level improvements, efficiencies, economies of scale, and cost avoidance that they believe can be secured through an RFA -- and when those benefits would be realized. It will also require each jurisdiction to evaluate the trade-offs of the cost and service levels provided under current operations as compared to the cost and service levels potentially offered by an RFA.

Discussion guide

June 29, 2017

1. What are your top-of-mind thoughts about the interview summaries? Do the themes ring true to you? Are there any surprises?
2. Are there points of agreement expressed between the respondents are particularly important to you?
3. What points—of agreement or otherwise -- do you think are most important to consider or address, if the RFA discussions are to proceed productively?

Marysville Fire District – FD 12 – Marysville – Arlington: Comparative 2017 Expenditures/Levies

v.6.21.17

#	Item	Marysville Fire Dept.		Arlington Fire Dept.
1	2017 Operating Expense budget for fire service operations w/in jurisdictional boundaries. Defined as the Total 2017 Ops. Budget... <ul style="list-style-type: none"> • Excluding <ul style="list-style-type: none"> ○ debt service ○ 2017 capital acquisitions 	\$ 18,353,501		\$ 5,695,952
		FD 12	Marysville	
2	General Operations Budget support expressed as a property tax levy rate	\$1.18	\$1.18	\$1.05
3	EMS levy rate	\$0.39	\$0.39	\$0.42
4	Reserves contribution in 2017 Budget <i>expressed as levy rate</i> if it were paid for by the member agencies	\$0.29	\$0.29	\$0.10
5	Total levy rate equivalent supporting Net 2017 Operating Budget (defined as operating levy rate + EMS levy + reserves spending equivalent)	\$1.86	\$1.86	\$1.57
6	Transport Revenues, expressed as levy rate	\$0.29	\$0.29	\$0.44
7	Contract Revenues, expressed as levy rate	\$0.07	\$0.07	\$0.44
8	Other revenues (investment interest, rents, misc svc fees, etc.) expressed as a levy rate	\$0.02	\$0.02	\$0.06
9	Total Net 2017 Operating Budget as a levy rate for the jurisdiction	\$2.24	\$2.24	\$2.51
10	Total Levy Rate Equivalent in Row 5 expressed in Dollars	\$ 3,309,997	\$11,946,842	\$3,557,146
11	Total Levy Rate Equivalent in Row 5 expressed as a percentage of City 2017 General Fund	N/A	24.9%	23%
12	2017 fire-related debt service obligation	N/A	N/A	\$691,650

#	Item	Marysville Fire Dept.		Arlington Fire Dept.
13	Brief description of fire-related debt service: applied to fund what Equipment/facilities? Year debt scheduled to retired?	N/A	N/A	Fire Station 46 Maturity – 2030 Outstanding Balance - \$2,755,000 Apparatus – Engine/Ladder Maturity – 2025 Outstanding Balance - \$1,422,220
		FD 12	Marysville	
14	Annual debt service expense expressed as property tax rate within the jurisdiction.	N/A	N/A	\$0.31
15	2017 estimated ending Fund Balances dedicated for Fire& EMS	\$12,195,000 (MFD & FD12 Funds Combined)		\$273,000
16	Average residential home value	\$281,129	\$248,700	\$245,400
17	2016 Population (1)	14,512	64,940	18,620
18	Assessed Value	MFD Combined Value \$8,210,322,220 ⁱ		\$2,265,698,000
		\$1,785,173,123 ⁱⁱ	\$6,425,149,097	

Both Net 2017 Budgets combined (Row 5), expressed as a tax rate across all 3 jurisdictions: **\$1.80/ \$1,000 A.V.**

If Arlington debt service is added: **\$1.86/\$1,000 A.V.**

ⁱ FD 12 EMS Levy Assessed Valued Used in calculating combined MFD Value

ⁱⁱ Regular Levy amount (slightly less than EMS levy amount)

(1) 2016 Population Data obtained from the Office of Financial Management

	Renton Region Fire Authority	West Benton Fire & Rescue	North Mason Regional Fire Authority	Puget Sound Regional Fire Authority (formerly Kent RFA)	Southeast Thurston Fire Authority
Member Agencies	City of Renton, King County FPD #25	City of Prosser, Benton County FD#3	Mason County FD #2 & FD #8	City of Kent, King County FPD #37	City of Yelm, Thurston County FPD #2 & #4
Year Est.	2015	2015	2014	2010	2010
Board Composition	Total: 6 + 1 nonvoting 3 Renton City Councilmembers 3 FD 25 Commissioners 1 non-voting member from KCFD #40.	Total: 5 (4 districted seats + 1 at-large) 2 districted seats from within Prosser city limits 2 districted seats from FD #3 territory 1 at large.	Initially 8 appointed members, reducing to 5 over 18 months. All 3 FD #8 commissions All 5 FD#2 commissioners. Planned reduction to 5 members accomplished through vacancies, & thereafter commissioners to be elected at large.	Total: 6 + 2 non-voting 3 Kent City Councilmembers 3 Fire District 37 Commissioners 1 non-voting from Covington 1 non-voting from SeaTac	Total: 6 2 from Yelm 2 from FD#2 2 From FD #4
Terms of Office	Unspecified in the plan.	2 6-year (1 from each area), 1 4-year (at-large), 2 2-year (1 from each area).	6-year	Kent members are appointed annually; FD 37 members are elected to staggered 6-year terms.	6-year
Latecomer Provisions In Plan	None.		Yes.	None.	None.
Contract Cities or Districts also served that are not RFA members	Fire District 40	None.	None.	Covington and Sea-Tac	None.

	Renton Region Fire Authority	West Benton Fire & Rescue	North Mason Regional Fire Authority	Puget Sound Regional Fire Authority (formerly Kent RFA)	Southeast Thurston Fire Authority
Population Served (including contract cities/districts)	134,439	13,095	11,911	175,397	24,862
Number of Fire Stations	6 Fire Stations 1 to be constructed 2017	2 Fire Stations	2 Fire Stations, 1 Part-time Fire Station	2 Fire Stations	3 Fire Stations, 1 Main Operations/Admin Building
Staff	1 Fire Chief, 2 Deputy Chiefs, 6 Battalion Chiefs, 6 Fire Captains, 15 Fire Lieutenants, 126 Fire Fighters	1 Fire Chief 2 Captains, 1 Lieutenant, 24 Volunteer Fire Fighters	1 Fire Chief, 1 Assistant Fire Chief, 2 Assistants, 4 Captains 18 Fire Fighters 105 Volunteer Fire Fighters	10 Battalion Chiefs, 11 Admin, 4 Fire IT, 4 Emergency Management, 9 Support Services	1 Chief, 3 Captains, 6 Career Fire Fighters
Fire Benefit Charge	Yes	No	No	Yes	No
If yes, was it included in the original plan?	Yes			Yes	
Additional comments		Has been/is being considered by Board	Had FBC when a Fire District (expired in 2008), but did not include in Plan for RFA		

	West Thurston Regional Fire Authority	South Whatcom Fire Authority	Riverside Fire Authority	Valley Regional Fire Authority	North County Regional Fire Authority
Member Agencies	Thurston County FPD #1 & FPD #11	Whatcom County FPD #2, #6, #9, & #10	Cities of Centralia, Lewis County FD #12	Cities of Algona, Auburn, Pacific	Snohomish County FPD #14 & #18
Year Est.	2009	2009	2008	2007	2007
Board Composition	Total: 6 3 from FPD#1 3 from FPD #11 Has a mechanism to reduce to 5 elected (not appointed) positions: - 2 districted from each former FD service area + 1 at large from the RFA area. This has not been implemented.	Total: 5 1 member each elected from 5 distinct districts	Total: 6 Members elected at large.	Total: 9 Auburn Mayor + 2 Auburn Councilmembers Algona Mayor + 2 Algona Councilmembers Pacific Mayor + 2 Pacific Councilmembers	Total: 6 All 3 FD #14 commissioners and All 3 FD #18 Commissioners are appointed to serve on the RFA Board. 3 (The Fire Districts were not dissolved.)
Terms of Office	Unspecified in the plan.	6-year	Unspecified in the plan.	Unspecified in the plan.	Unspecified in the plan.
Latecomer Provisions In Plan	Yes.	None.	None.	None.	
Contract Cities or Districts also served that are not RFA members	None.	None.	Chehalis pays for Fire Marshall Services	South King Fire and Rescue	None.
Population Served (including contract cities/districts)	22,156	12,851	22,954	85,776	

	West Thurston Regional Fire Authority	South Whatcom Fire Authority	Riverside Fire Authority	Valley Regional Fire Authority	North County Regional Fire Authority
Number of Fire Stations	6 Fire Stations	6 Fire Stations	8 Fire Stations	6 Fire Stations	5 Fire Stations
Staff	1 Fire Chief, 1 Operations Chief, 18 Career Fire Fighters, 2 Administrative, 20 Volunteer Fire Fighters	1 Fire Chief, 1 Assistant Fire Chief, 6 Career Firefighters, ~70 Volunteers	1 Fire Chief, 1 Assistant Chief, 28 Career Fire Fighters, ~50 Volunteers	2 Deputy Chiefs, 4 Battalion Chiefs, 97 Career Fire Fighters	1 Fire Chief, 23 Career Firefighters, ~50 Volunteer Firefighters
Fire Benefit Charge	No	No	No	Yes	No
If yes, was it included in the original plan?				Yes, since its inception	
Additional comments					

Data sourced from websites, phone calls, and Washington State Fire Service Directory

Proposed South Snohomish County RFA*	<i>Will be before the voters on August 1, 2017</i>
Member Agencies	City of Lynnwood and Fire District 1
Year Est.	If approved, will be created effective October 1, 2017
Board Composition	Initial transition board: 5 Fire District Commissioners, 2 City Councilmembers (or Mayor). This reflects the proportional population of the 2 agencies. Permanent board: 5 districted positions (elected in primary by persons living in those districts. 2 districts encompassing Lynnwood; 2 at-large positions. Districted positions will be elected in 2019; at-large positions in 2021.
Terms of Office	4 year terms.
Latecomer Provisions In Plan	None. But plan does speak to allowing future new city members to have non-voting board seats pending election of new districted positions.
Contract Cities or Districts also served that are not RFA members	Edmonds, Brier, Montlake Terrace
Population Served (including contract cities/districts)	Lynnwood and FD 1 combined population: 182,096 Including all Contract Cities: 250,641
Number of Fire Stations	14
Staff	258
Fire Benefit Charge <ul style="list-style-type: none"> • If yes, was it included in the original plan? • Additional comments 	No.

*Information on this table prepared by Karen Reed, June 2017