

City of Marysville and Fire District 12

RFA Planning Committee Meeting

March 22, 2018 5:00 – 7:00 PM
Marysville Council Chambers

Proposed Agenda

1. Welcome and Introductions (*5 min.*) Mayor Nehring
2. Review of Agenda and Goals for meeting (*3 min.*) Mayor Nehring
3. Approval of February 7, 2018 Minutes (*5 min.*) Mayor Nehring
4. Review consultant scopes of work and proposal (*20 min.*)
 - a. Karen Reed Consulting -- RFA plan development scope of work Staff
 - b. Interface Systems -- Fire Benefit charge analysis proposal
5. Review of Key Policy Issues and Work Plan (*20 min.*) Staff
 - a. Does committee want to adopt a charter/rules governing its decision making process?
6. Review: Current fire service levy rate equivalents & projected budget growth (*20 min.*) Staff
7. Issue discussion/possible action: Project timeline / Election Date (*30 min.*) Staff
8. Union Comment
9. Closing Roundtable comments
10. Next meeting
11. Adjourn

Marysville / FPD 12 *Regional Fire Authority Committee Meeting*

Marysville City Council Chambers

February 7, 2018

5:00 pm

Attendees:

Marysville Mayor:	Jon Nehring
Marysville City Council:	Steve Muller, Jeff Vaughan, Kamille Norton
Marysville CAO:	Gloria Hirashima
Marysville Finance Director:	Sandy Langdon
Fire District 12 Commissioners:	Tonya Christoffersen, Rick Ross, Pat Cook
Marysville Fire Chief:	Martin McFalls

Welcome and Introduction

Mayor Nehring welcomed everyone and called the meeting to order at 5:03 pm and asked for introductions around the table.

Review of Agenda and Goals

Mayor Nehring gave a brief overview of tonight's agenda explaining the goal for tonight is to get a general idea of where everyone is on the topics of governance and future meeting facilitation. All committee members agreed to the agenda as presented.

Governance

Mayor Nehring directed everyone to the governance briefing hand out outlining five initial appointed board structure options. Mayor explained that these are some logical primary options of governance based on past conversations between the City and District 12. CAO Gloria Hirashima shared that she took a previous memo Consultant Karen Reed had done, updated it with Fire District 12 population, and recalculated the formulas and percentages to create the current options presented. There was previous opposition expressed to the at large options so they were removed. Hirashima stated they could be worked back in if requested.

Mayor asked everyone to state which presented options they favor and state if there are options that they feel can be eliminated.

Agenda Item #3 continued

Commissioner Christoffersen: Liked option 1, preferred option 3 with the added advisory position. Felt we could drop option 4. She feels governance is going to come down to building a relationship and trust.

Commissioner Ross: Liked option 1 and is open to option 3. Drop option 4 and 5.

Commissioner Cook: Liked option 1, leaning towards option 3, he feels the advisory position will be beneficial. Felt we could eliminate both option 4 and 5. Cook stated he understands the percentage of population and assessed value in each jurisdiction. We will no longer be City and District; we are working towards building a new board as one organization providing the best service to our citizens.

Council member Vaughan: Agrees with many of the comments offered. Liked option 1 okay with option 3.

Council member Norton: Okay with option 1 or 3.

Council member Muller: Proportionately he likes options 1, also likes option 3. Feels the advisory position in option 3 allows for future expansion.

Mayor Nehring stated we seem to have a consensus on either option 1 or 3. Mayor asked if the Committee was ready to take a vote on the governance options presented.

Commissioner Cook stated he has a couple of pressing issues to discuss before a vote is taken.

Cook shared with the RFA Committee the concerns of the District surrounding:

1) Current funding - District 12/Marysville Fire District has always saved money for purchases of large ticket items and hiring of personnel. Due to lower levy rates and contributions over the last couple of years, the District has been spending out of the reserves just for the day-to-day operations of the District. District 12 is coming to the RFA table debt free and would like to request a 2018 MFD funding increase of \$0.10 per thousand of assessed value in both FD12 and City of Marysville boundaries, effectively increasing the MFD ILA Regular Levy funding rate from \$1.09 to \$1.19. This would help fund the day-to-day operations allowing us to utilize the reserves on improving our services.

2) Aging facilities and apparatus – The District is in dire need of aid cars, we have no backups. We are having to call neighboring Districts to borrow apparatus. We are in need of an additional BLS unit in the North end. Station 65 is regularly being pulled for transports leaving that station empty for an average of two hours. We have several Stations that need to be remodeled or rebuilt. We will need to build a new facility to house Station 61.

3) Staffing issues (both full-time and part-time) – Our lack of personnel directly affects the District's ability to meet growing service demands relying heavily on mutual aid.

Agenda Item #3 continued

Cook shared the following facts and figures:

- One of every fifteen Marysville Fire/FD12 calls is ran by a different Fire Department.
- Last year we received mutual aid on 1,222 calls due to rising call volume and not enough personnel. The number of mutual aid calls given by Marysville were 588. We are not able to give back to or match the help we are being given.

Marysville's call numbers are matching the City of Everett. We are running our crews ragged and because of this, we are seeing an increase in sick numbers, number of injuries and we have people leaving. Station 62 is now our busiest station. On average Station 62 is staffed with only three crewmembers, five is the minimum number of personnel that should ever be at station 62.

Council member Muller stated he believes everyone agrees our process here is to increase service levels. Muller shared that part of our process has been contracting with an independent group for a cost analysis of the services provided. Muller shared that he is still an advocate of the Fire Benefit Charge (FBC). He feels we have the time to look at the analysis and still get the voters involved by fall. Muller believes the FBC is the true benefit of this whole thing providing stability in a down market and the best way to adequately fund this organization.

Cook stated we need to stabilize our funding sooner than later, well before the RFA.

Mayor Nehring stated Commissioner Cook made some valid points. Mayor shared that it is his hope to simplify the talks to get to an RFA. We cannot mix Council issues with RFA issues. Ultimately, District 12 will need to have a separate conversation with the full City Council on raising the fire levy. Mayor asked if we could arrive on an agreement on governance then move towards facilitating a structure of a plan for the RFA.

Cook shared his concern that if we agree to a governance structure that the pressing issues of stabilizing the funding and adequate staffing will be lost.

Ross and Christoffersen stated they share Cook's concerns and feel they need to be a top priority.

Muller shared that these concerns are part of the overall plan. Having these issues passed by the full Council will affect what we go to the voter for in the fall. After governance, we will analyze what numbers we will go to the voters with so we will not have to ask for more later.

Mayor stated we seem to have some consensus around one governance option and opened the floor for a motion.

Motion made by Commissioner Ross seconded by Commissioner Cook, to accept option 3 as the initial RFA governance model, (4 Marysville, 1 Fire District 12 and 1 Fire District 12 Advisory). **Motion** passed unanimously.

Agenda Item #3 continued

Future Meeting Facilitation

After much discussion, it was agreed that staff will continue to work with Consultant Karen Reed behind the scenes on the RFA plan. All work completed will be presented to the RFA Committee at each monthly meeting for direction and or approval.

Motion made by Muller seconded by Ross to allow staff of both jurisdictions to work with Consultant Karen Reed on the RFA plan. **Motion** passed unanimously.

Hirashima will contact Reed and work with her on hours and the scope of the entire project not to exceed fifteen thousand dollars and report the total budget to the Committee in March.

Motion made by Muller seconded by Ross to direct Hirashima to contact Karen Reed on the scope of the work to be completed, not to exceed fifteen thousand dollars. **Motion** passed unanimously.

Roundtable

Councilmember Muller – Stated he would like to pursue the analysis on the FBC. All assessments and property information within the Marysville Fire District will be pulled from the Snohomish County Assessors database. That information can be input into a spreadsheet showing the variety of scenarios an FBC offers such as the amount to be collected, funding formulas, structure categories, the weighting of structures, discounts and exemptions. This information will be useful in the operation of the RFA and for informing the voters of how the FBC will benefit them. Muller again stated that he feels the FBC is best way to fund the RFA. We as an RFA Board would have the ability to set the amount to be collected from the FBC ensuring stability. It was agreed that a proposal on Fire Benefit Charge analysis will be brought to the next RFA meeting.

Union Comments

Cody Brooke introduced himself as the new Local 3219 Union President. Brooke thanked the Committee for moving forward and settling on governance. Brooke shared that the District's call volume continues to rise and our staffing has not changed since 2011. Brooke stated he is looking forward to progress that this Board is going to make.

Next Meeting

Mayor Nehring shared that all future meetings will be held on the fourth Thursday of every month. The next meeting is scheduled for March 22, 2018, 5:00 pm at Marysville City Council Chambers.

Agenda Item #3 continued

Adjourn

With no further business to discuss, the meeting adjourned at 5:57 pm.

Mayor Jon Nehring

Fire Chief Martin McFalls

Recording Secretary

DRAFT

Agenda Item #4a

Draft dated February 14, 2018

Scope of Services –Marysville –FD 12 RFA Project Support

Timeframe: February – August 2018, assuming November election date

Task 1: Draft RFA Plan.

25-40 hours. Assumes staff will provide all technical data required (equipment lists, real property lists, organizational charts, etc.) and City Attorney/District legal counsel provide legal review and sign-off.

Task 2: Participate staff team meetings twice each month, up to three in person, the remainder by conference call, to develop RFA Plan and prepare for RFA Committee agendas, materials, presentations

10 meetings plus preparation review time= 35-60 hours

Task 3: Prepare for and Support RFA Planning Committee Meetings to Review, Finalize and Forward Plan to City Council / Fire District Commissioners for Action

4 meetings @ 6-9 hours each = 24-36 hours

Task 4: Assist in preparation of documentation for Council / Commissioner briefings, action on RFA Plan and submittal for election, assuming legal counsel are primary drafters of resolutions/ordinances.

10-15 hrs

Task 5: Attend city council meeting for Marysville to participate in briefings on RFA Plan. (Assuming FD 12 will not need this assistance since all 3 commissioners are at each Planning Committee meeting).

6-9 hrs each x 2 = 12-18 hrs.

Task 6: Work with staff to outline general transition plan in ballot measure is approved (this would be followed in a later phase of work by more detailed transition planning).

10-15 hours

Total hours 116 – 184 hours

Contract not to exceed \$37,000. Billed monthly, at hourly rate of \$200, billed in quarter hour increments. Travel time billed in excess of 1 hour for each trip.

interface

Systems Management Consultants

March 15, 2018

Gloria Hirashima
Chief Administrative Officer
City of Marysville
360.363.8088

Ms. Hirashima,

This is a Proposal from *interface Systems* to the City of Marysville to create a database in order to analyze the Fire Benefit Charge.

Screens and data will resemble the Fire Benefit database of Snohomish Fire District 1. One screen has detailed information for each parcel that is searchable by Parcel#, Taxpayer Name, or Address. The database will be created and maintained using Microsoft Access. The data can be exported to Excel or analyzed directly in Access for budgetary purposes.

The following entities will be treated distinctly in the database and each have their own inquiry screen: City of Marysville and Snohomish Fire District 12.

I understand that you would like to be able to analyze either combination of these entities as part of your new Regional Fire Authority. To that end I will include check boxes next to each of the entities on the Factor Screen where you will specify if they are "In" or "Out" of the Authority. The Fire Benefit Charge computation would then only include entities that are "In." See screenshot below.

I propose to do the following in an effort to evaluate your FBC factors relative to the composition of your district (Residential, Commercial, Apartments, and Mobile Homes) based upon their weighted average square footage.

A Cost per Gallon study will be performed. It will be based upon the Fire Flow of your district, the revenue you expect to collect and the factors mentioned above. A Balancing Factor will be built into your FBC computations. This will be used to alter your Revenue Target from year to year, and allow the Cost per Gallon to remain static.

interface

Systems Management Consultants

Total fees for this project will be \$9,000. Half of this will be billed at the beginning, and the other half billed upon final database delivery. Target completion date is four to five weeks from the approval of this Agreement, depending on your schedule and requirements. I will rely on you to identify and agree on the Tax Code Areas for each district to ensure accuracy. At your request, a refresh of the data will be provided. Later in the year when new construction data has been updated might be a good time to do this.

Snohomish - All Fire Benefit Charge Factors and Totals for 2016

The screenshot shows a software application window titled "FACTOR". The main title bar says "Snohomish - All Fire Benefit Charge Factors and Totals for 2016". The interface includes several input fields for residential, mobile homes, multi-family, and apartment units, along with sprinkler, cost per gallon, and balancing factor settings. A list of districts is shown with checkboxes for selection, and a table at the bottom provides a breakdown of parcels, FBC \$, and square feet by category (Residential, Commercial, Mobile Home, Multi Unit) and a total for the entire district.

# Parcels	FBC \$	Square Feet
80,019 Residential	\$1,853,893.83	184,535,670
3,246 Commercial	\$4,2977.40	51,955,184
2,578 Mobile Home	\$2,65.06	4,069,706
646 Multi Unit	\$2,254.68	24,065,040
86,489 Total District	\$20,203,990.97	264,625,600

Sincerely,

Neil Blindheim
President, *interface Systems*

Agenda Item #5

Marysville-FD 12 RFA Plan Development

Proposed Work Plan

Draft dated 3.14.18

List of policy issues

Major	Other
<ul style="list-style-type: none">• RFA Levy Rate: Funding requirement for current services and anticipated needs: implications for ballot measure• Election date• Will an FBC be part of the initial ballot? If so, what is the FBC formula to be used?• Treatment of Station 61• Development of public outreach/communication plan	<ul style="list-style-type: none">• Name of RFA• Start date of RFA• Start date of RFA levy• Continuation of FD 12 as separate entity: budget implications• Staggering of initial RFA Governance Board terms• Should plan address governance changes if other agencies annex into RFA?• Confirm assets to be transferred• Confirm employees to be transferred• Standard of Cover• Fund transfers• Assumption of LEOFF liabilities by RFA• Handling of City's SERS debt• Org Chart• Continued provision of IT services by City—cost• Fire Marshal services—who will provide to City and if it's the RFA, cost estimate• City Emergency Management services—who will provide going forward?

Proposed RFA Committee Agendas

Note: This schedule is premised on an April 2019 election date.

March Meeting

Review and approval of consultant scopes of work

Review of key policy issues and work plan, public engagement

Review of current budgets and levy rate equivalent

Election date/Project schedule

Decide whether Committee wants to adopt rules/charter to confirm decision-making process

Agenda Item #5 continued

May Meeting

Fire Benefit Charge Consultant report

Communications plan

Committee charter/rules (if desired)

Standard of cover

Certification study results

Station 61—issues and options

RFA Name—process for making decision

Governance issues

Staggering of terms

Address potential future adjustments to board upon annexation of additional jurisdictions?

LEOFF liability

SERS Debt

June Meeting

Proposed organization chart, overview of service issues to be determined.

City services retained, provided to RFA

Asset transfer lists

Fund transfer plan

Levy rate options

Review Draft RFA Plan

September

Levy rate proposal

Finalize draft RFA plan

Public outreach

October

Submit plan to Council/Commission for Action

Agenda Item #5 continued

Communications Issues

Statute requires the RFA Committee to “create opportunities for public input in the development of the plan.” Staff recommend at least two open-houses or other public meeting presentations at some point during early and later parts of the process, in addition to providing online education about the RFA proposal and an ability to submit comments and questions online. To be discussed further at May meeting.

RFA Planning Committee agendas and materials will be posted on line.

Agenda Item #6

Marysville-FD12: Comparative 2018 Expenditures/Levies

v.03.15.18

#	Item	Marysville Fire District	
1	2018 Operating Expense budget for fire service operations w/in jurisdictional boundaries. Defined as the Total 2018 Ops. Budget... • Excluding ○ Debt Service (MFD has not debt) ○ 2018 capital acquisitions	\$ 19,209,265	
		Marysville	FD12
2	General Operations Budget support expressed as a property tax levy rate	\$1.09	\$1.09
3	EMS levy rate	\$0.50	\$0.50
4	Reserves contribution in 2018 Budget <i>expressed as levy rate</i> if it were paid for by the member agencies current levies	\$0.15	\$0.15
5	Total levy rate equivalent supporting Net 2018 Operating Budget (defined as operating levy rate + EMS levy + reserves spending equivalent)	\$1.74	\$1.74
6	Transport Revenues, expressed as levy rate	\$0.29	\$0.29
7	Contract Revenues, expressed as levy rate	\$0.06	\$0.06
8	Other revenues (investment interest, rents, misc. svc fees, etc.) expressed as a levy rate	\$0.02	\$0.02
9	Total Net 2018 Operating Budget as a levy rate for the jurisdiction	\$2.11	\$2.11
10	Total Levy Rate Equivalent in Row 5 expressed in Dollars	\$12,414,743	\$3,391,036
11	Total Levy Rate Equivalent in Row 5 expressed as a percentage of City 2018 General Fund	25.06%	N/A
12	2018 fire-related debt service obligation	N/A	N/A
13	Brief description of fire-related debt service: applied to fund what Equipment/facilities? Year debt scheduled to retired?	N/A	N/A
14	Annual debt service expense expressed as property tax rate within the jurisdiction.	N/A	N/A
15	2018 estimated <i>ending</i> Fund Balances dedicated for Fire& EMS	MFD - \$9,815,000 FD12 - \$1,950,000 (MFD & FD12 Funds Combined) - \$ 11,765,000	

Agenda Item #6 continued

#	Item	Marysville Fire District	
		Marysville	FD12
16	2018 Average residential home value (1)	\$276,300	\$308,715
17	2016 Population (2)	64,940	14,512
18	2018 Assessed Value	MFD Combined Value \$9,095,468,337 ⁱ \$7,144,089,843 ⁱⁱ	\$1,951,378,494

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

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

(1) 2018 Average residential home value obtained from the Snohomish County Assessor

(2) 2016 Population Data obtained from the Office of Financial Management

Agenda Item #7

City of Marysville – Fire District 12 RFA Planning Committee

Issue Paper #1

Prepared by: Karen Reed

Date: March 15, 2018

Title: Election date, RFA formation date, and levy start date

Summary Description of issue:

The Planning Committee will need to determine the election date for submitting the RFA proposal to the voters. The choice of election date will impact the date on which the RFA is created and becomes responsible for service delivery. The election date also impacts the date on which the levy will start.

RFA Formation Date: RCW 52.26.070 states an RFA is formed on the next January 1st or July 1st following the approval by voters, whichever comes first. Thus, if the vote is at either the primary or general election in 2018, the RFA service start date would be January 1st 2019. If the vote takes place at the February or April special elections in 2019, the start date for the RFA would be July 1, 2019.

RFA Levy start date (fire levy and Fire Benefit charge, if any): Below are the start dates for RFA levies based on various election dates:

Election Date	Levy start date	Last date to submit ballot to County elections
August 2018	January 1, 2019	May 11, 2018
November 2018	January 1, 2020	August 7, 2018
February 2019	January 1, 2020	December 14, 2018*
April 2019	January 1, 2020	February 22, 2019*

*Estimated—2019 election dates haven't been published yet.

Voter Approval Requirements: If the RFA funding proposal only includes a fire levy, a simple majority approval (50% +1) must be secured. There is no voter turnout requirement.

If the ballot measure includes a Fire Benefit Charge, there must be both a 60% minimum "yes" vote and a minimum voter turnout threshold must also be met. Through the November 2018 election, that minimum voter turnout threshold is based on the 2016 Presidential election turnout. The upcoming November 2018 election date will set the validation turnout required for elections starting in 2019.

Agenda Item #7 continued

Staff Recommendation and Rationale:

Staff is recommending the Committee target an **April 2019** election date for the ballot measure. The rationale for this is as follows:

1. Whether the election is in November or April, it makes no difference in terms of when the RFA levy starts. The City and District will still need to cover funding for all of 2019 in one way or another.
2. The City of Marysville is planning to have a public safety ballot measure on the ballot in August 2018.
3. To make a November 2018 ballot, the City would need to be acting on the RFA plan no later than the date of the August 2018 primary. With two ballot measures being actively discussed by the City at the same time, there may be voter confusion or fatigue. A 2019 election date could potentially avoid this problem.
4. The November 2018 ballot is also expected to have a countywide tax measure for replacing the 911 emergency radio system. That may be unwanted competition for an RFA measure.
5. There is a lot of push back on property taxes this year. That may recede somewhat with the legislature's action to slightly rollback some taxes in 2019.
6. If a Fire Benefit Charge is included in the proposal, a 2019 election may be easier to validate, as one could anticipate a slightly lower voter turnout requirement.
7. A public information effort regarding the ballot may be more successful if the measure is held later in the spring, rather than in mid-winter (February). And it places more time between the August 2018 ballot measure and the RFA measure.

There are a couple potential downsides to this recommendation worth noting:

- Wrapping up/starting up a government entity in mid-year (a July 1 RFA start date) can be very time consuming—more so than if the start-up date is January 1.
- The start-up of the new RFA would need to be accomplished by July 1, which is a very short transition time following certification of the April election results.

Direction from Planning Committee: