

City of Marysville and Fire District 12

RFA Planning Committee Meeting

Thursday, Sept. 27, 2018, 5:00 – 6:30 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 Meeting Summary from July 17, 2018 (*3 min.*) Mayor Nehring
4. Presentation of Financial Scenario Revenue Sources (*30 min.*) Finance
5. Communications Plan - Community Forum (*10 min.*) Communications
 - a. Sept. 27, 2018, 6:30-7:30 p.m., Marysville City Hall, following RFA planning committee meeting
 - b. Oct. 17, 2018, 4:00-5:30 p.m., Fire Station 62
6. Union Comment
7. Closing Roundtable comments
8. Next meeting
9. Adjourn

NOTE: First Community Forum scheduled following the Sept. 27 RFA meeting beginning at 6:30 p.m. in Marysville City Hall Council Chambers.

Next meeting: Date to be determined, current date falls on Thanksgiving holiday.

- Proposed agenda: continue review of draft plan as needed; levy rate options

Marysville / FPD 12 Regional Fire Authority Committee

Meeting

Marysville City Council Chambers

July 17, 2018

5:00 p.m.

Welcome and Introductions

Mayor Nehring called the meeting to order at 5:00 p.m.

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

Review of Agenda and Goals

Mayor Nehring asked for approval of tonight's agenda and goals.

Motion made by Commissioner Christoffersen, seconded by Councilmember Norton, to approve the agenda and goals. **Motion** passed unanimously.

Approval of Meeting Summary

Mayor Nehring asked for approval, comments and or corrections to the meeting summary and the May 24, 2018 meeting minutes.

Motion made by Commissioner Ross, seconded by Councilmember Muller, to approve the Meeting Summary and the May 24, 2018 meeting minutes. **Motion** passed unanimously.

Review Potential Name for the RFA Entity

Chief McFalls shared that after a District wide vote there was a strong consensus to keep Marysville in the future name of the RFA entity. The following are the top four chosen by District employees.

- Central County Fire and Rescue
- Marysville Fire Authority
- Cascade Fire Authority
- Marysville Fire District

After a short discussion the following motion was made.

Motion made by Commissioner Christoffersen, seconded by Councilmember Norton, to approve Marysville Fire District as the name of the RFA entity. **Motion** passed unanimously.

Presentation of RFA Fire Benefit Charge Impact and Issue List

Finance Manager Chelsie McInnis shared the Fire Benefit Charge (FBC) Impact Summary comparing the financial impact of the FBC to the tax payers versus levying the traditional \$1.50. For comparison purposes, data presented was based upon 2018 property data. The FBC formula is based on the square footage of the structures on a taxable parcel, not the assessed value of the land and structure combined. Of the 27,501 taxable parcels within the RFA boundary 83% are residential, 11% are commercial, 6% are apartment/multi-family, and 14% are exempt, discounted, or do not qualify to pay the FBC due to absence of structures. Analysis of the available data concluded that 81% of the single family residential structures increased under an FBC vs. the traditional levy method. On average, parcels with structures between 500-3,500 square feet (92% of residential) increased, while the over 3,500 square foot group (8% of residential) decreased. To produce the same amount of money as the \$.50 levy, plus the additional costs of administering an FBC, a \$4.7 million FBC would need to be collected. This would result in an average increase of the three payer groups by the following percentages: single family residential 3%, commercial 21%, and apartment/multi-family 5%. Additionally, the FBC calculation model accounts for some, but not the majority of the available exemptions. To get a more thorough examination of the exempt/discounted properties within the RFA, our agency would need to do extensive research collecting physical and circumstantial data throughout the RFA boundaries such as: the number of alarm systems, sprinkler systems, low income qualifiers, and other data metrics not maintained within the Snohomish County property assessment database.

McInnis shared that on average (for our property demographic), the FBC had an inverse relationship to structure size; as the square footage increased the FBC liability decreased vs. the traditional \$1.50 regular levy. Currently, we do not have enough of the larger footprint properties in all three category groups to distribute the cost equitably in a way that is fair to the benefit being derived from the service provided.

McInnis shared that neighboring RFA's expressed that the key in successful FBC implementation is allowing adequate time for community education, proper formula development, and refinement of physical property data not maintained by the County. The FBC is always your RCW right as an RFA and can be written into the plan to be used later on as our property demographic shifts.

After a brief discussion the following motion was made.

Motion made by Commissioner Ross, seconded by Councilmember Muller, to approve Fire Benefit Charge be written into the RFA plan as a future funding option. **Motion** passed unanimously.

Presentation of Financial Scenario Revenue Sources

Finance Manager Chelsie McInnis reviewed the Financial Scenario Revenue Sources as prepared by herself and Finance Director Sandy Langdon. This scenario is for the funding of the RFA starting in 2020 using the same model with the necessary updates to the current assessed values leaving all assumptions the same to be consistent. First is the EMS levy, both agencies would maintain their current EMS levy in the background for funding and that would stay local with each agency until 2024. The next EMS levy would run in 2023 for the 2024 funding of the RFA. Second is the Regular Fire levy, which would be assigned in the ballot language along with the vote of the adoption of the RFA plan. The maximum fire levy is \$1.50, without the inclusion of an FBC. Scenarios were ran at both \$1.40 and \$1.50 to provide a range for visual purposes. Each scenario includes transport fees, contract service revenues, and reserves from the two operations to provide a start-up fund balance which includes four months of operating expenditures plus a 10% operating reserve. The challenge will be the timing of the lid lifts on two separate levies in a way that preserves the year-end minimum fund balance as defined by RFA policy. Both scenarios will need at least one lid lift over seven years to maintain a 4 month operating expenditure minimum fund balance. Regardless of fund balance, the RFA replacement EMS levy would need to be done no later than 2023 for 2024 funding. Applying a 5% annual assessed value increase assumption, the Fire levy does not need to be raised before 2025 but will erode to \$1.24 under the \$1.50 levy and to \$1.15 under the \$1.40 levy. In 2020, the average taxpayer liability varies by \$30 annually between the two rates. McInnis explained both Exhibit A - \$2.00 scenario and Exhibit B - \$1.90 scenario with a graph showing the minimum fund balance target and what the actual ending fund balance is estimated to be with a levy erosion table by year through 2025.

There was much discussion on the two scenarios expressing the need of the combined levies of \$2.00 to properly fund the RFA considering staffing and facilities and the concern of the increase to the taxpayer's while still preserving the ability to provide all of our services in the community.

Councilmember Norton stated she would like to hear the information from the Center for Public Safety Management (CPSM) report and recommended that the discussion be tabled until the September RFA meeting. Everyone was in agreement to revisit the levy rate discussion at the September RFA meeting.

Councilmember Muller asked for a model showing a \$1.95 levy rate run incrementally. CAO Hirashima stated that finance will bring back more information on the minimum fund balance levels as well.

Communications Plan – Community Forum

PIO Christie Veley and Communications Officer Connie Mennie shared that they will be meeting the Cocker Fennessy Firm to formulate our communications plan to inform and educate the public on the RFA. Veley confirmed the two dates set for the community forum on September 27th 6:30 to 7:30 pm at Marysville City Hall and October 17th 4 to 5:30 pm at Fire Station 62.

Union Comment

Local 3219 Vice President Matt Campbell shared that the Union fully supports the \$2.00 levy. The CPSM study clearly shows that our organization is running bare bones and going with a lower rate will not allow us to grow. The growth in our area has quadrupled, our call volume has as well but the Fire Department has stayed the same. This has had a tremendous impact on our Department and our level of service. We need to have the \$2.00 to allow for expanded growth to provide the level of service this community deserves and to offer Chief McFalls the internal support that he needs to be able to properly service this community. To have a properly staffed Fire Marshal's Office and Training Division. Campbell assured the Committee that 100 plus Local 3219 members will have boots on the street educating and pushing this measure to get the votes needed to pass the \$2.00 levy.

Closing Roundtable Comments

Councilmember Vaughan had no further comments.

Councilmember Norton had no further comments.

Councilmember Muller thanked Chelsie and Sandy for tonight's financial presentation.

Commissioner Ross had no further comments.

Commissioner Christoffersen had no further comments.

Commissioner Cook had no further comments.

Chelsie McInnis had no further comments.

Chief McFalls had no further comments.

Sandy Langdon had no further comments.

Gloria Hirashima had no further comments.

Mayor Nehring had no further comments.

Next Meeting

September 27, 2018, 5 p.m. at Marysville City Hall.

Mayor Nehring called for a 5 minute break at 6:20 before the CPSM Study presentation.

The meeting reconvened at 6:30 pm. Councilmember King, Councilmember James, and Councilmember Stevens joined the meeting for the CPSM Study presentation.

CPSM Study

CAO Hirashima shared that earlier in the year the City hired Center for Public Safety Management (CPSM) to do an operational and administrative analysis of our fire service. The objective was to get a non-bias third party analysis of current operations and insight into areas that we should be looking at. The firm spent two days meeting with and interviewing Fire District staff at both management level and crews. An in-depth detailed report was generated from the information collected prioritizing the suggested recommendations.

The following are the points of consideration and commendation based on the results of the CPSM report in order of priority shared by Chief McFalls and CAO Hirashima:

**Top eight recommendations*

Points for Considerations:

- *Form the RFA –
CPSM top recommendation.
- *Examine the current work schedule –
Evaluate cost vs benefit of the current 4-platoon schedule.
- *Future planning processes –
Concrete data based tools to measure performance.
- *Improve response times –
Ensure time stamping to drive improvement towards NFPA Standards.
- *Evaluate part-time program –
Long term viability of the part-time program.
- Pre-plan high and medium hazard occupancies –
Matches the District's current goal.
- *Increase daily staff levels –
As funding allows increase staff from 22 to 24.
- *Provide additional North end EMS Unit
Use "Power Shift" for Aid 63, staff an additional dedicated EMS unit during peak time activity.

- Ladder 62 on all fire type responses -
Improve effective response force.
- *Upgrade Training Division (Dedicated Safety Officer) –
Identify resource issues, create opportunities for training.
- Deploy multi-purpose units at Station 65 and 66 -
Research multi-purpose units for cross staffed stations.
- Increase number of paramedics –
Two dual medic units, minimum four per day.
- Develop Internal Risk Management Plan -
NFPA 1500 internal occupational safety, health and wellness for the fire service.
- Consider a non-transport fee for service -
Research collection options.

Points of Commendation:

- Optimum use of available personnel –
MFD is a motivated and skilled organization focused on managing all aspects of service delivery to the best of their ability.
- GSP and AVL technology use –
Uses best practices improving services region wide for all citizens.
- Follow OSHA Two In-Two-Out provisions –
High priority for MFD, it is evident that crew and public safety is the main focus.
- Sno Co FTA and Training Division partnering –
Partnering and training locally has proven to be a good move.
- Pro-Active prevention activities –
The Fire Prevention Division is an effective, efficient and high performing component of the Marysville Fire District.

Chief McFalls praised Fire Marshal Maloney and the rest of the Fire Prevention staff for a job well done. McFalls thanked PIO Christie Veley for her outreach in public education and senior citizens throughout the community.

Chief McFalls shared that the overall report helps us to look at our organization, how it is running and how to raise that professional bar to be the best stewards of public funds.

CAO Hirashima stated it is important to look at the report in total. The top recommendations will be implemented in a timelier manner but we need to examine all

areas to better our organization. Hirashima suggested possibly incorporating multiple tasks in an effort to accomplish our end goals.

Chief McFalls gave a special thank you to the Marysville City Council for including the Marysville Fire District in the CPSM Study with the Marysville Police. McFalls stated the study has been an outstanding process and has already proven to be very valuable in moving the organization forward.

CAO Hirashima stated that the full report has been sent electronically to the full Council and Commissioners, a hard copy is available upon request.

Adjournment

The meeting was adjourned at 8:00 p.m.

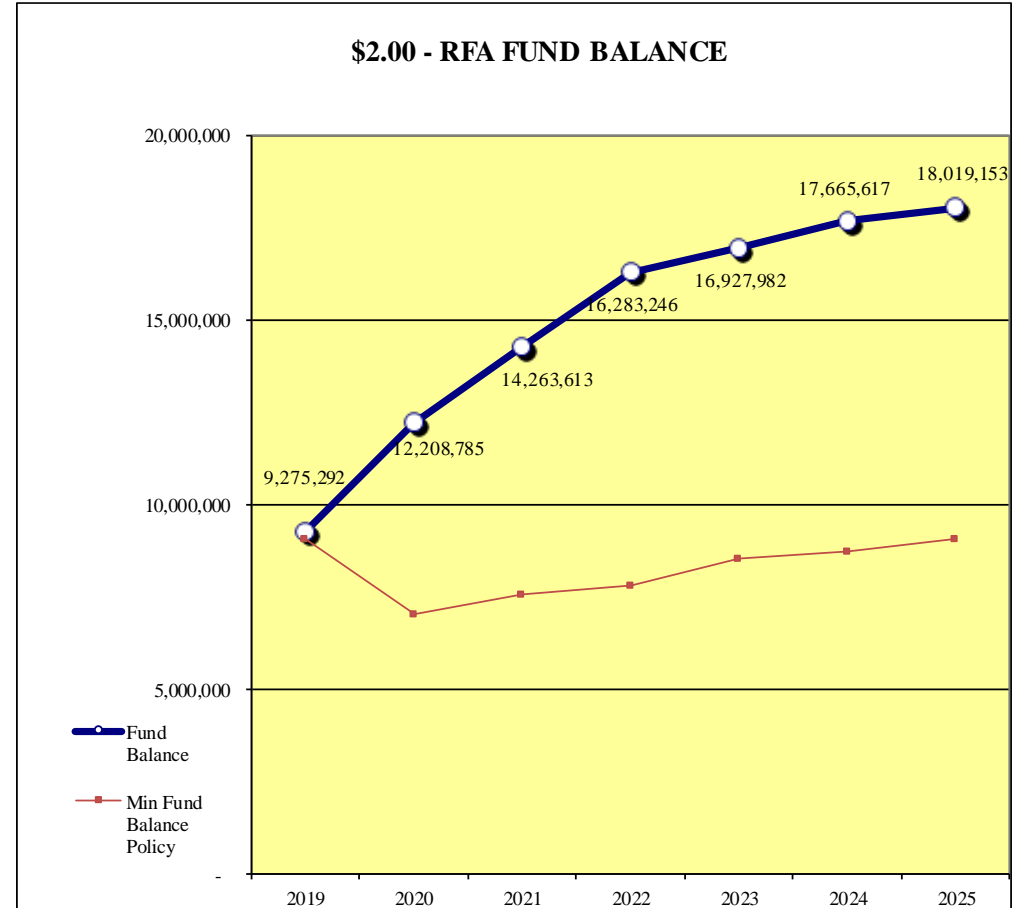
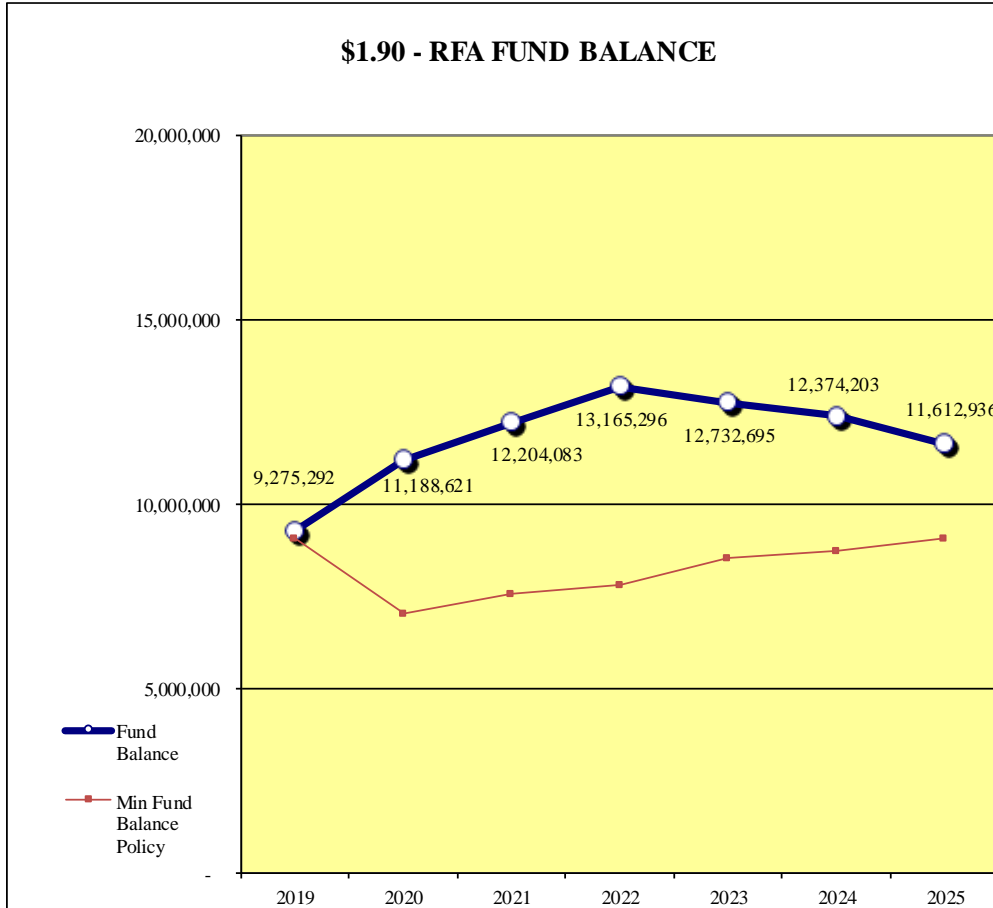
Mayor Jon Nehring

Fire Chief Martin McFalls

RFA LEVY FUNDING SCENARIOS

Prepared By: Chelsie McInnis & Sandy Langdon

Date: 09/27/2018



Reg LL EMS

	2019	2020	2021	2022	2023	2024	2025
Revenues	18,446,977	23,047,783	23,726,593	24,421,638	25,133,925	25,864,495	26,363,411
Expenditures	20,935,049	21,134,454	22,711,130	23,460,425	25,566,525	26,222,988	27,124,678
ENDING FUND BALANCE	9,275,292	11,188,621	12,204,083	13,165,296	12,732,695	12,374,203	11,612,936
Incr/(Decr) Fund Balance	(2,488,072)	1,913,328	1,015,463	961,213	(432,600)	(358,492)	(761,267)

Regular Fire Levy	1.05	1.40	1.35	1.30	1.25	1.20	1.15
EMS Levy	0.50	0.50	0.50	0.50	0.50	0.50	0.48
Combined Levy	1.55	1.90	1.85	1.80	1.75	1.70	1.64

EMS

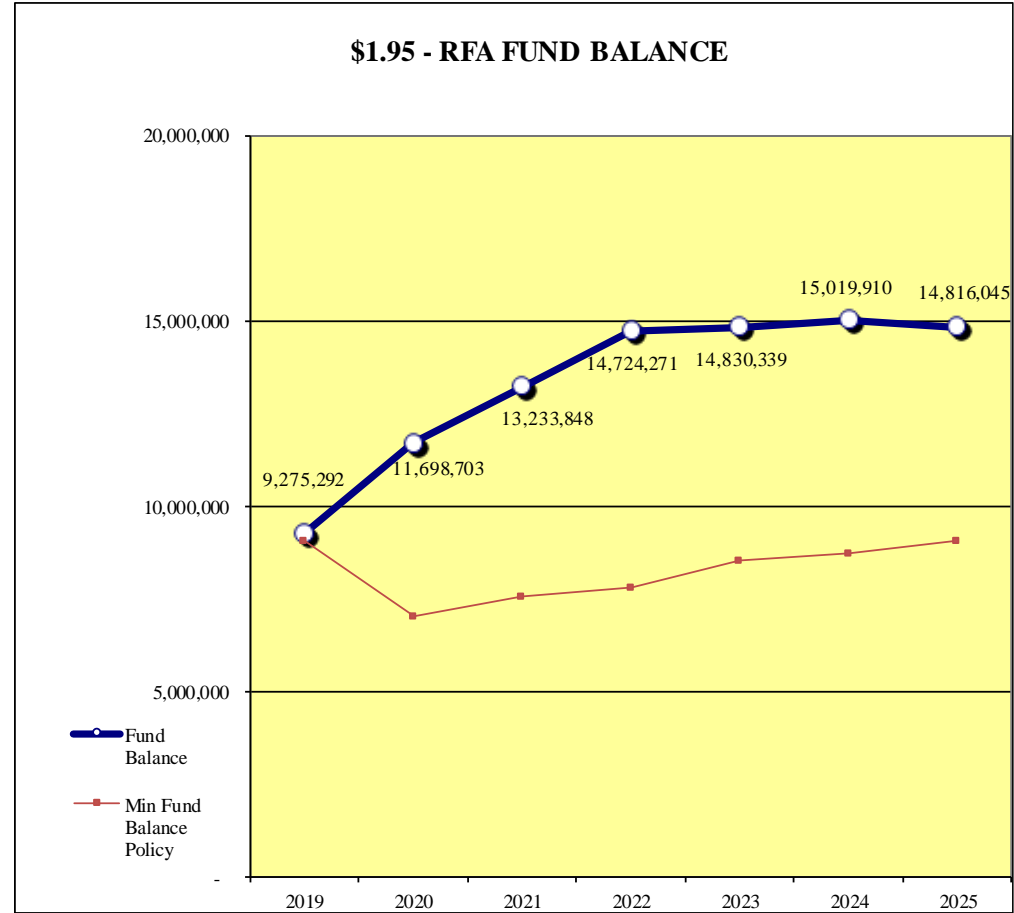
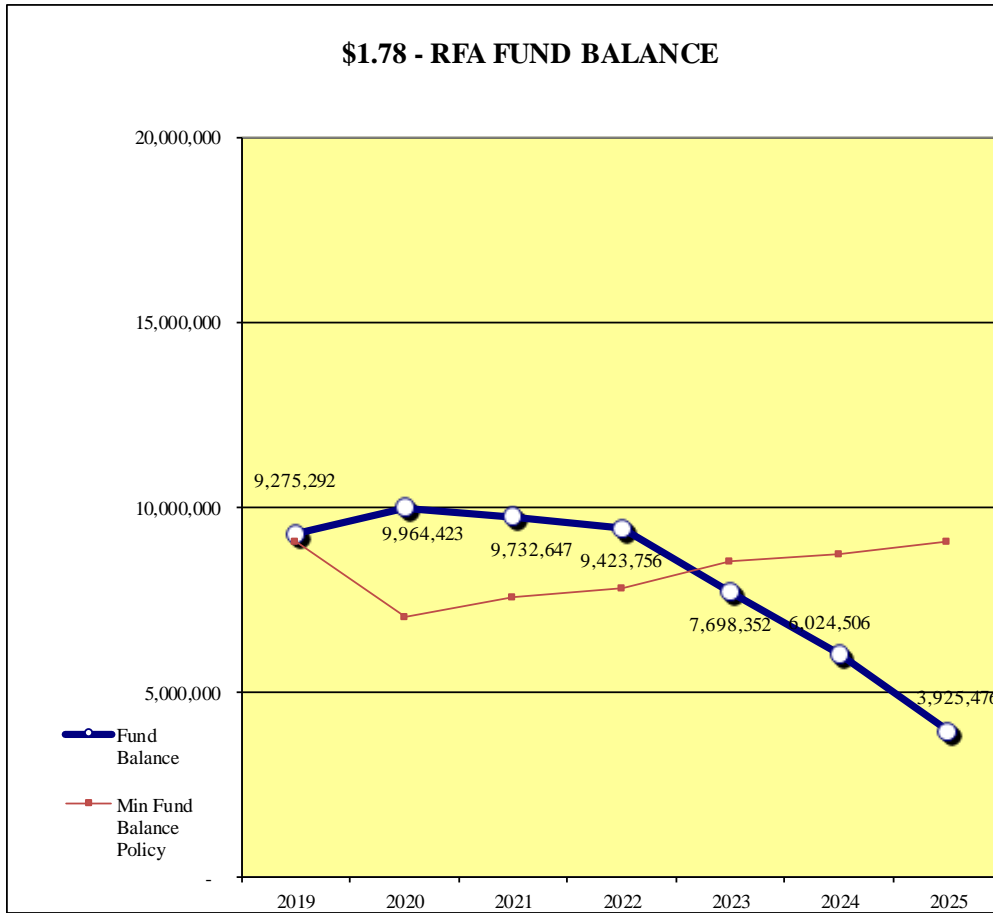
	2019	2020	2021	2022	2023	2024	2025
Revenues	18,446,977	24,067,947	24,765,959	25,480,057	26,211,261	26,960,623	27,478,214
Expenditures	20,935,049	21,134,454	22,711,130	23,460,425	25,566,525	26,222,988	27,124,678
ENDING FUND BALANCE	9,275,292	12,208,785	14,263,613	16,283,246	16,927,982	17,665,617	18,019,153
Incr/(Decr) Fund Balance	(2,488,072)	2,933,493	2,054,829	2,019,632	644,736	737,635	353,536

Regular Fire Levy	1.05	1.50	1.44	1.39	1.34	1.29	1.24
EMS Levy	0.50	0.50	0.50	0.50	0.50	0.50	0.48
Combined Levy	1.55	2.00	1.94	1.89	1.84	1.79	1.72

RFA LEVY FUNDING SCENARIOS

Prepared By: Chelsie McInnis & Sandy Langdon

Date: 09/27/2018



	Reg LL				EMS		
	2019	2020	2021	2022	2023	2024	2025
Revenues	18,446,977	21,823,585	22,479,353	23,151,534	23,841,121	24,549,142	25,025,647
Expenditures	20,935,049	21,134,454	22,711,130	23,460,425	25,566,525	26,222,988	27,124,678
ENDING FUND BALANCE	9,275,292	9,964,423	9,732,647	9,423,756	7,698,352	6,024,506	3,925,476
Incr/(Decr) Fund Balance	(2,488,072)	689,131	(231,777)	(308,891)	(1,725,404)	(1,673,845)	(2,099,031)

	EMS				Reg LL		
	2019	2020	2021	2022	2023	2024	2025
Revenues	18,446,977	23,557,865	24,246,276	24,950,848	25,672,593	26,412,559	26,920,812
Expenditures	20,935,049	21,134,454	22,711,130	23,460,425	25,566,525	26,222,988	27,124,678
ENDING FUND BALANCE	9,275,292	11,698,703	13,233,848	14,724,271	14,830,339	15,019,910	14,816,045
Incr/(Decr) Fund Balance	(2,488,072)	2,423,410	1,535,146	1,490,422	106,068	189,572	(203,865)

Regular Fire Levy	1.05	1.28	1.23	1.19	1.14	1.10	1.06
EMS Levy	0.50	0.50	0.50	0.50	0.50	0.50	0.48
Combined Levy	1.55	1.78	1.73	1.69	1.64	1.60	1.54

Regular Fire Levy	1.05	1.45	1.40	1.34	1.29	1.24	1.20
EMS Levy	0.50	0.50	0.50	0.50	0.50	0.50	0.48
Combined Levy	1.55	1.95	1.90	1.84	1.79	1.74	1.68

RFA LEVY FUNDING SCENARIOS

Prepared By: Chelsie McInnis & Sandy Langdon

Date: 09/27/2018

2020 RFA TAXPAYER LIABILITY					
\$300,000 Home Value					
	2019 Est	2020 Example Levy Rates			
Levy	\$1.55	\$ 1.78	\$ 1.90	\$ 1.95	\$ 2.00
Annual Cost	\$ 465.00	\$ 534.00	\$ 570.00	\$ 585.00	\$ 600.00
VARIANCE FROM 2019					
Annual Increase		\$ 69.00	\$ 105.00	\$ 120.00	\$ 135.00
Monthly Increase		\$ 5.75	\$ 8.75	\$ 10.00	\$ 11.25

The annual value of each \$0.01 Levy Increment	
RFA Revenues	\$ 101,450
Taxpayer Liability*	\$ 3.00
* \$0.01 Levy applied to \$300,000 home value	

FACTORS FOR CONSIDERATION

- (1) The 2019 service level levy is estimated at approximately \$1.78/\$1,000; the 2019 actual levy is estimated at \$1.55/\$1,000. The gap between the two levies is currently being funded through the use of fund balance.
- (2) EMS levy vote required in 2023 to replace existing separate EMS Levies.
- (3) REGULAR levy lid lift vote recommended in cycle previous to when current revenues no longer meet current expenditures.
- (4) Future capital facility improvements/acquisition costs are not included.

ASSUMPTIONS

- (1) Annual expenditure projections are identical across all levy funding scenarios presented.
- (2) Minimum fund balance policy line displayed in charts above is based upon 4 months (33.32% or 1/3) of estimated RFA expenditures in each year.
- (3) Annual Inflation Factors: 5% Assessed Value, 3% General Revenue, 4% Wages/Benefits, 1% M&O Expenses.