

# Future of Fire/EMS Community Advisory Committee *Presentation of Committee Report and Recommendations*

**Presentation to Tukwila City Council**

May 23, 2022

Presenters:

Verna Seal, Committee Chairperson

Hien Kieu, Committee Vice-Chair

Karen Reed, Facilitator

# Committee Mission – *per City Council direction*

Provide findings and recommendations to the Mayor and City Council on the following items:

1. *Sustainability* of the Fire Department service levels within existing City revenues
2. Any additional Fire Department programs and staffing services that should be priorities to fund in the near-term (0-6 years) “*Enhanced Services*”
3. *Criteria* for evaluating the City’s options for future fire/EMS service delivery
4. *Recommendation as to the preferred option or options for ensuring future provision of high-quality fire/EMS service in the City at a sustainable cost*
5. *Public engagement strategies* for the City to consider as part of deliberations following delivery of the Advisory Committee’s report

# Committee Members, Timeline

## MEMBERS

Verna Seal, Chair

Hien Kieu, Vice-Chair

Sally Blake

Jim Davis

Katrina Dohn

Ramona Grove

Peggy McCarthy

Jovita McConnell

Ben Oliver

Andy Reiswig

Dennis Robertson

Abdullahi Shakul

- **Committee met 10 times, from November 2021 through May 2022**
- **Supported by Staff Team, independent facilitator and financial consultant**
- **Provided a status report to Council in March**

# The Committee Explored Nine Different Options for Future Fire/EMS Service Delivery

- Four options involved remaining as a stand-alone Tukwila Fire agency
  - remaining part of the City, with the same or enhanced services, or
  - Creating a new, independent Tukwila-based municipal agency
- Five options involve joining with another fire agency
  - Creating a new regional fire authority in partnership with an adjacent fire district
  - Joining an existing regional fire authority -- by contract or annexation
    - Puget Sound Regional Fire Authority (PSRFA)
    - Renton Regional Fire Authority

# Options 1-9

- The Staff Team identified these as potentially workable options

**Blue cells are “Tukwila Only” options**

**Green Cells are options in which Tukwila partners with other agencies**

**Option 1: Status Quo**

**Option 2: Status Quo “Plus” – Funding for enhanced services**

**Option 3: Create a Tukwila Fire District, funded solely by property taxes (no Fire Benefit Charge)**

**Option 4: Create a Tukwila Fire District, funded by both property taxes and a Fire Benefit Charge**

**Option 5: Partner with another fire service provider to create a Tukwila Regional Fire Authority—with a Fire Benefit Charge**

**Option 6: Contract for Service with Renton Regional Fire Authority (RRFA)**

**Option 7: Contract for Service with Puget Sound Regional Fire Authority (PSRFA)**

**Option 8: Annexation into Renton RFA, after contract**

**Option 9: Annex into PSRFA, after contract**

The Committee evaluated all nine options in terms of how well each addresses the eight criteria selected by the Committee

**Cost, Service Quality, and Funding Sustainability** are the Committee’s top 3 criteria

Table 4: The Committee’s Eight Criteria for Evaluating Fire/EMS Service Options (not presented in priority order)
<ul style="list-style-type: none"><li>• Ability of provider to meet needs of a diverse community</li><li>• Ability of provider to meet needs of a larger business community</li><li>• Total costs, considering both costs to residents and businesses</li><li>• Impact on the fire department labor force, recruitment, and retention</li><li>• Control over operational and financial decisions</li><li>• Overall quality of services (response times and more)</li><li>• Accountability for outcomes/ability to measure outcomes</li><li>• Sustainability of funding</li></ul>

Key Recommendation: Begin work as soon as possible to negotiate a service contract with Puget Sound Regional Fire Authority (PSRFA) as a bridge to near-term annexation

- Combination of Options 7 & 9
- This is the Committee's consensus (supported by 11 of 12 members\*)
- The timeframe requested by PSRFA is very short
  - Council direction by **July 15**
  - Negotiated contract by **September 1**
  - Contract would begin January 1, 2023

\*Minority statement appended at back of report

# Benefits of a short-term contract with PSRFA that includes a clear, fast schedule to annex

- Immediately secure important service enhancements for residents and businesses at a lower cost than these enhancements can be provided by the City
  - CARES unit (non-emergent call response and follow up)
  - Enhanced fire marshal office services
  - Public education program
- A contract is a necessary step in moving to the Committee's preferred outcome of annexing to PSRFA
  - PSRFA Board will not entertain directly moving to an annexation vote
  - Renton Regional Fire Authority (RRFA) Board has adopted the same policy position
- IAFF Local 2088 strongly prefers moving to combine with PSRFA
  - Under a contract, they immediately become PSRFA employees
- Response times will not change
  - 4 Tukwila fire stations, current staffing in those stations, will continue
- Secures the benefits of further regionalization of fire/EMS service



# There are downsides to a contract, which is why a near-term annexation schedule is very important to the Committee

- The City can determine service levels but loses control over costs
- The cost is expected to be slightly more than the *status quo* (but includes the enhanced services)
- The City will not have a vote on the PSRFA board (it will have a nonvoting seat)
- The City residents and business's will not have benefit of Fire Benefit Charge
- If the City later decides to get out of the contract, it will be extremely difficult to reconstitute a city fire department or move to another service provider
  - The employees, apparatus, equipment, and fire stations (if transfer of ownership negotiated) will have moved to PSRFA

# Annexation is Committee's ultimate goal

- The City would have a voice and a vote on the PSRFA Board
- The cost of the Fire Department would be shifted off the City's budget—more room for other services--but the City tax burden would need to be reduced if annexation is approved by voters
- Voters in Tukwila must approve annexation
- Once annexed, Tukwila voters will have a say in how their fire service is funded (approve future Property Tax and Fire Benefit Charge.)
- Annexation enables further efficiencies, regionalization of fire/EMS
  - Direct annexation to PSRFA, without first contracting, was the Committee's initial consensus preference
  - Direct annexation is not possible due to the policy position of both the PSRFA and RRFA Governing Boards
  - As a result, contracting as a bridge to annexation is the Committee's final consensus recommendation

# Annexation is not a guaranteed outcome of a short-term service contract

- Annexation requires later agreement by both the City Council and the PSRFA Board on an annexation plan
  - Annexation timeline
  - Treatment of fire stations (if not already addressed in service contract)
  - Governance Board representation
  - Other financial issues (reserve funding)
- Then, the voters of Tukwila need to weigh in: a simple majority vote is required for annexation

# Option Cost comparison—all costs are estimates

Table 7: Comparing How Options 1-9 Address the Eight Criteria (2022 Cost Estimates) -- excerpts --

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9
	Status Quo	Status Quo + Enhanced Services <sup>1</sup>	Tukwila Fire District—funded only with property taxes; <i>City Council as governing board</i>	Tukwila Fire District—prop. tax & Fire Benefit Charge(FBC) <i>City Council as governing board</i>	Tukwila RFA – property tax & FBC; <i>Shared governing board, City majority</i>	Contract for Service with Renton RFA	Contract for Service with Puget Sound RFA	Annexation into Renton RFA	Annexation into Puget Sound RFA
2022 Est. Fire/EMS Service Costs (excluding City retained costs)	\$14.2M	\$15M	\$17.9M <sup>3</sup>	\$17.9M <sup>3</sup>	\$17.9M <sup>3</sup>	\$14.56M (based on bid estimate submitted by RRFA)	\$14.9M (based on bid estimate submitted by PSRFA)	\$14.4M (assuming \$0.90 fire levy; FBC data needs additional review)	\$14.2M (assuming \$0.90 fire levy; FBC data needs additional review)
City retained costs under this option	\$2.13M	\$2.13M	\$3.03M	\$3.03M	\$3.03M	\$2.13M	\$2.13M	\$2.74M	\$2.97M

LEOFF, debt service, cost to purchase fire marshal services

# Notes on Costs

- All are estimates—final numbers will be different
- Options 3, 4 and 5 are the most expensive because they involve standing up a new, relatively small government agency:
  - Administrative staffing and cost
  - Cash flow
  - Reserves
- By law, the City cannot transfer its fire marshal office service responsibility: it must always either provide this service itself, or contract for it. The cost of the service depends on the provider (Contracts in Options 3,4,5,8,9). Impacts City retained costs

# Notes on Regional Fire Authorities

- A regional fire authority has the same powers, duties and funding sources as a fire district
- The main difference is that a fire authority has great flexibility in how it can structure its governing board

	Tukwila Fire	Puget Sound RFA (PSRFA) – created in 2010	Renton RFA (RRFA)—created in 2016
<b>Population Served</b>	21,798 (residents)	225,693	130,359
<b>Included Jurisdictions</b>	Tukwila	Kent, FD 37 (includes City of Covington), <i>FD 43 and SeaTac by contract</i>	Renton, FD 25; <i>FD 40 by contract</i>
<b>Governance Structure</b>	The Mayor and City Council of Tukwila	<ul style="list-style-type: none"> <li>• 3 elected officials from the City of Kent</li> <li>• 3 commissioners from FD 37</li> <li>• 3 nonvoting members: one each from the two contract agencies, and one from the City of Covington</li> </ul>	<ul style="list-style-type: none"> <li>• 3 elected officials from the City of Renton</li> <li>• 3 commissioners from FD 25.</li> <li>• 1 nonvoting member from FD 40</li> </ul>
<b>Square Miles</b>	9.6	108	33.29
<b>2022 Operating Budget</b>	\$14.3M	\$68.3M	\$43.4M

# Notes on funding sources

City of Tukwila	PSRFA and RRFA
<p>The City uses <b>General Fund revenues</b> to pay for the Fire Department operations.</p> <p>2 fire station replacements funded with voter approved bonds; <b>2 more stations</b> will need to be replaced in next decade (+/- \$30M).</p> <p>Apparatus, equipment funded through Public Safety Plan.</p> <p>Firefighters get an inflation-based COLA each year. Staff costs are about 80% of the total department annual cost.</p> <p>The Fire Department generates some fees for service (fire marshal office).</p> <p>Fire Department budget in 2022 equates to 79.6% of all City property tax revenues. This will grow over time.</p>	<p>Both have two major funding sources:</p> <ol style="list-style-type: none"><li><b>1. Fire Levy</b> of up to \$1.00 per \$1,000 Assessed Value.</li><li><b>2. Fire Benefit Charge (FBC)</b> – a fee, not a tax<ul style="list-style-type: none"><li>FBC is a risk-based fee: structures that will need more fire resources to put out a fire will pay more. Tends to reduce costs for single-family residential structures.</li><li>FBC is not subject to +1% collections cap that is in place for property taxes.</li><li>FBC provides great <b>financial stability</b>—in times of inflation or recession, service levels can be sustained.</li></ul></li></ol>

# Service Levels, Staffing, Fire Assets

- **Service levels (response times) do not change under any option**, because fire/EMS response is dispatched in an integrated way across South King County--so long as the same number of fire stations and apparatus are in service
- **Enhanced services can be provided under any option.** PSRFA and RRFA currently provide the three enhanced services the City Fire Department has prioritized
- **Under any option with a new service provider, all Fire Department employees become employees of the new service provider \***– without a loss of salary, rank, benefits (\*except Chief, Dep. Chief)
- **Fire apparatus and equipment also transfer** to the new provider, typically at no cost (taxpayers have already paid once). Fire station ownership/maintenance is negotiated



# Summary of the Committee's Other Recommendations

- Is the City's fire/EMS service sustainable?
- Service enhancements?
- Engaging with the community on this challenge.

# Fiscal Sustainability

- The Committee observes that the City has a fiscal sustainability challenge broader than any single City Department: it is a challenge for the entire City General Fund
- The Fire Department can be a big part of the solution to this challenge
  - 2<sup>nd</sup> largest department
  - Critical public safety service, popular with voters
  - Many options in how service can be provided and funded in the City

# Service Enhancements

- Fire Department suggested 3 service enhancements (in priority order):
  - CARES Unit
  - Public Education Program
  - Increased Fire Marshal Office Staffing
- Committee supports adding these services if the Council can find the necessary revenue to fund them
- These service are currently provided by PRSFA and RRFA, at a lower cost than the City could provide them (shared costs in larger revenue base, different service delivery models)

# Engaging with the Community

- The Tukwila community will be interested in learning about any change to be implemented for provision of fire/EMS service
- Key items will be cost, who's paying, what's changing, service level impacts, why the change.
  - Background on the current situation will also be needed
- Use a variety of strategies to engage
- Time is short to implement the Committee's recommendation

# In closing

- This was a challenging task -- a lot of financial and operational detail
- The Committee membership was diverse, a good cross section of the City
- The staff team provided excellent support for our work
- After reviewing all the information, we reached a strong consensus recommendation (not unanimous)
- The timeline ahead is short
- ***Thank you*** for the opportunity to serve the community, and to share our recommendations with you

Questions? Comments?

*Thank you!*