

REPORT of the FUTURE of FIRE/EMS COMMUNITY ADVISORY COMMITTEE

May 2022

Executive Summary

Over the last 15 years, the Puget Sound region has seen increasing regionalization of fire and emergency medical services (EMS) in response to cost pressures on cities and smaller fire districts. This move to regionalization has been particularly significant in south King County. The primary motivations for regionalization of fire /EMS services have been a desire to capture potential economies of scale, unify administration and programs, facilitate sharing of resources, reduce the pace of cost escalation, secure voter-approved dedicated funding such as fire benefit charges and levy lid lifts, and improve the ability to offer additional services through cost-sharing. These same motivations have led the City of Tukwila (City) to explore regionalization of fire/EMS services since at least 2010.

The City faces a significantly worsening financial picture in the next biennium, with City administration officials anticipating a gap of as much as 10-15% between General Fund revenues and expenses by 2024. One of the major opportunities to address this funding gap is to implement changes in funding for, and potentially jurisdiction over, the City's second largest department—the Fire Department.

The Mayor and City Council appointed the Future of Fire/EMS Community Advisory Committee in October 2021. The Committee was tasked with recommending how fire/EMS services should be provided in Tukwila in the future. Over the course of ten meetings in a seven-month period, we explored the current situation and nine options for future fire/EMS service delivery. The main advantages and disadvantages of each of these nine options is outlined in the summary table below.

The consensus view of the Committee is that the best option for the City is to annex into Puget Sound Regional Fire Authority (PSRFA). However, the PSRFA board's current policy position is to require the City enter into a service contract with PSRFA prior to annexing. **While there are downsides to a service contract, on balance the Committee's consensus view is that the City should immediately engage in negotiations with PSRFA to secure a service contract as a bridge to near-term annexation.** We do not support a long-term service contract with PSRFA; annexation is the goal. Essentially, we are recommending Options 7 and 9 together, with an annexation vote taking place as soon as possible.

The cost of a service contract with PSRFA is subject to negotiation. Based on current information, a contract will be slightly more expensive than the current Fire Department cost but would offer important service enhancements to the Tukwila community. We understand the Fire Department union leadership strongly supports moving to a contract for service with PSRFA, with the ultimate objective of annexation.

The timeline is short: PSRFA is asking for City Council direction by July 15 to start negotiation on a service contract that would begin January 2023. Given work already accomplished over the last few months, and the alignment of the two labor unions, this should be feasible. Importantly, the Committee does not support a long-term service contract with PSRFA: annexation offers many benefits in terms of governance and revenues to pay for the fire/EMS service that a service contract does not offer. We strongly encourage the City to ensure that any service contract with PSRFA includes a commitment by both parties to work towards placing an annexation ballot measure before the City's voters as soon as practicable.

Benefits and Disadvantages of the Nine Options Reviewed, Summarized

Option	Advantages	Disadvantages
Option 1: Status Quo	<ul style="list-style-type: none"> Requires no changes to current operations, assuming revenues are made available 	<ul style="list-style-type: none"> Misses opportunity to benefit from further regionalization City financial challenges unaddressed, unless City secures additional revenue
Option 2: Status Quo “Plus” – Funding for enhanced services	<ul style="list-style-type: none"> Important service enhancements secured: CARES unit, public education program, and additional Fire Marshal Office staffing 	<ul style="list-style-type: none"> Misses opportunities to benefit from further regionalization Funding remains unaddressed, unless City secures additional revenue
Option 3: Create a Tukwila Fire District, funded solely by property taxes (no Fire Benefit Charge)	<ul style="list-style-type: none"> Fire department costs largely removed from City budget (some retained costs remain) City can retain control over the services and budgets if Council chooses to serve as the governing board. 	<ul style="list-style-type: none"> Misses opportunities to benefit from further regionalization Financially unstable as it would require voter support for repeat excess levies Adds expense of creating a new agency.
Option 4: Create a Tukwila Fire District, funded by both property taxes and a Fire Benefit Charge (FBC)	<ul style="list-style-type: none"> Fire department costs largely removed from City budget City can retain control FBC adds significant financial stability/sustainability 	<ul style="list-style-type: none"> Misses opportunities to benefit from further regionalization Adds expense of creating a new agency
Option 5: Partner with another fire service provider to create a Tukwila Regional Fire Authority (RFA) –with a fire benefit charge	<ul style="list-style-type: none"> Fire department costs largely removed from the City budget. City has significant control over operation, depending on how governance board structured 	<ul style="list-style-type: none"> Regionalization benefits depend on size of the partnering agency Adds expense of creating a new agency
Option 6: Contract for Service with Renton Regional Fire Authority (RRFA)	<ul style="list-style-type: none"> Cost is comparable to status quo but includes enhanced services. City no longer has management responsibility for Fire Department Firefighters become RRFA employees, their preferred outcome 	<ul style="list-style-type: none"> City remains responsible to fund funding; funding not addressed City loses control over costs City cannot reconstitute fire department if contract doesn’t work out Negotiation of agreements to combine labor force needed; outcome unclear
Option 7: Contract for Service with Puget Sound Regional Fire Authority (PSRFA)	<ul style="list-style-type: none"> Cost is comparable to status quo (and RRFA contract) but includes enhanced services City no longer has management responsibility for Fire Department. Firefighters become PSRFA employees, their preferred outcome 	<ul style="list-style-type: none"> City remains responsible to fund funding; funding not addressed City loses control over costs City cannot reconstitute fire department if contract doesn’t work out

Option	Advantages	Disadvantages
Option 8: Annex into RRFA, after initially contracting for service	<ul style="list-style-type: none"> • Fire department costs largely removed from City budget upon annexation • Preliminary costs comparable to other options • Firefighters prefer to remaining with City 	<ul style="list-style-type: none"> • Must contract first, with associated downsides • Little leverage in annexation negotiation • Voter support for annexation unknown
Option 9: Annex into PSRFA, after initially contracting for service	<ul style="list-style-type: none"> • Fire department costs removed from City budget • Preliminary costs comparable to other options • Firefighters prefer going to PSRFA 	<ul style="list-style-type: none"> • Must contract first, with associated downsides • Little leverage in annexation negotiation • Voter support for annexation unknown

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I. Introduction

Over the last 15 years, the Puget Sound region has seen increasing regionalization of fire and emergency medical service (EMS) in response to cost pressures on cities and smaller fire districts. This move to regionalization has been particularly significant in south King County. The primary motivations for regionalization of fire /EMS services have been a desire to capture potential economies of scale, unify administration and programs, facilitate sharing of resources, reduce the pace of cost escalation, and improve the ability to offer additional services through cost-sharing. The City of Tukwila has been exploring fire/EMS regionalization since at least 2010 but no agreement has been reached on a move away from the current City Fire Department operations. A 2015 effort to annex to the Puget Sound Regional Fire Authority ended when the City Council determined not to place the measure before the voters. The City instead focused on the significant capital investment needed for new fire stations, equipment and apparatus, and put this before the voters in 2016 as part of the Public Safety Plan. In November 2016, the City's voters supported this funding with 60% approval and since then, two new fire stations have been built and opened, and, through other City funding contributions, new fire apparatus and equipment purchased.

The City of Tukwila now faces a significantly worsening financial picture in the next biennium, with the City administration anticipating a gap of as much as 10-15% between General Fund revenues and expenses by 2024. One of the major opportunities to address this funding gap is to implement changes in funding for, and potentially jurisdiction over, the City's second largest department—the Fire Department.

The City Council appointed the Future of Fire/EMS Community Advisory Committee in October 2021 and tasked it with recommending how fire/EMS services should be provided in Tukwila in the future. Fire/EMS service is a critical public safety service, one that each of us on the Committee relies upon. We took our mission very seriously. The Committee considered nine different options for fire/EMS service delivery. These options were developed by the staff and consultant team supporting our work. There are many important considerations, and the interests of all parts of the city—administration, employees, residents and business community ---are not neatly aligned to favor any single option available to us. This report presents the findings and recommendations of the Committee.

II. The Committee's Mission, Membership, Timeline, and Process

The Committee's mission was to provide findings and recommendations on five issues:

- Is the Fire Department sustainable within existing City revenues?
- Are there any additional Fire Department programs, staffing or services that should be priorities to fund in the next six years?
- What criteria should be used to evaluate the City's options for future fire/EMS service delivery?
- What recommendations does the Committee have as to the preferred option or options for ensuring provision of high-quality fire/EMS service in the City at a sustainable cost?

- What public engagement strategies should the City consider as a part of its deliberations following delivery of this report?

Our report addresses each of these five issues in turn below. First, we provide a summary of the Committee and our process.

The Committee is comprised of twelve (12) Council-appointed members, including City residents, business leaders and nonprofit agency representatives representing the diversity of the Tukwila community: **Attachment A** to this report presents the names of the members. Members were identified through a process publicly soliciting interest from the community. The City Council appointed former Councilmember Verna Seal to serve as our Chair; the Committee selected Hien Kieu as our Vice-Chair. We were asked to report back by the end of April, but the work involved required additional time. We met ten times in the development of this report, for two-hours each meeting. The tenth meeting was added to our original nine-meeting schedule in order that we could complete our work. Our first meeting was November 9, 2021, and our last meeting was held May 3, 2022. Due to the pandemic, all our meetings were held remotely by Zoom. All our meetings were open to the public and all our agendas, meeting notes, and meeting materials were posted on the City's website.

We were supported by a team of City staff from the Fire Department and City administration, an independent facilitator and financial consultant. The staff and consultant team members are identified on **Attachment B**.

We note that while two of our members are former City Councilmembers, one is a retired City firefighter, and one is a former finance director for the City, Committee members otherwise did not come to this project with a deep knowledge of either City finances or fire/EMS service. This was a very intensive effort in terms of learning about fire operations and funding options—for every Committee member. The information provided in this report is based on the information presented to us by City staff and the consultant team, and our own varied experience and observations.

The major topics of discussion at our meetings are listed below, in the order in which we considered them:

- Review of operations, revenues and expenses of the Fire Department
- Review of City General Fund revenues and expenses
- Discussion of our observations about current levels of fire/EMS service in the City
- Review and discussion of a seven-year financial model for the Fire Department, prepared for us by a financial consultant, showing how costs of the Fire Department would grow over the next 7 years with the current staffing configuration
- Review of service enhancements that are a priority for the Fire Department to add in the next few years
- Discussion of financial sustainability for the Fire Department
- Identification of eight criteria for evaluating future Fire/EMS service options
- Review of information on nine different future Fire/EMS service options (list presented at **Figure 1**)
- Review and input on a status update to the City Council (presented mid-way through our work)
- Completion of a homework exercise on public engagement strategies

- Completion of a survey evaluating all nine options across all eight criteria we identified
- Discussion of survey results and development of a recommended future option.
- Additional consideration of recommendations when it became clear after our ninth meeting that our consensus preferred option – moving directly to seek annexation to Puget Sound Regional Fire Authority—is not acceptable to PSRFA at this time.

Per our Committee Charter, each Committee member had one vote. A Committee *recommendation* requires support of at least 60% of us present and voting, and a *consensus* recommendation requires support of at least 80% of us present and voting. Our Charter also allows for summary dissenting statements where Committee members are in strong disagreement with their fellow Committee members, and a minority statement from one Committee member is appended to this report

This report has been approved unanimously by all twelve Committee members as presenting an accurate documentation of our deliberations, findings and recommendations.

III. Tukwila’s Current Fire/EMS Services—An Overview

The Committee is unanimous in its assessment that the City currently enjoys high-quality fire/EMS service. Tukwila is a challenging City to serve, in that its daytime population – with employees and visitors to Westfield Mall and surrounding commercial enterprises – exceeds 150,000, but there are only 21,798 residents in the City. The Fire Department is well positioned to serve this varied population through four fire stations located in the City, two of them essentially brand new as a result of funding provided by the City’s 2016 voter-approved public safety bond measure. The concentration of four fire stations in an area less than 10 square miles exceeds what is typical of most urban areas and is the result of annexations of territory into the City over the past few decades.

The Fire Department has 65 staff, with at least three firefighters on duty at each fire station, 24-7-365. This staffing level enables one apparatus (fire truck, ladder truck) to respond out of each of the four stations. The Fire Department’s apparatus and equipment are relatively new and in good condition.

Because of the City’s concentration of fire stations, Tukwila has the fastest “first unit on scene” response time in Zone 3. Zone 3 is the south King County area in which all 911 calls are jointly dispatched through Valley Communications Center (“ValleyCom”). That said, nearly all fire incidents, and many EMS calls, require more than one fire engine and its crew. This is where the City – like all others in Zone 3—is reliant on its neighbors to support incident response. ValleyCom dispatches the nearest available units to any incident. Those units may be from Tukwila—but they may also be from North Highline Fire District, Renton Regional Fire Authority, Puget Sound Regional Fire Authority, or other agencies further away. A major fire may require more units than the entire City Fire Department staffs on any given day.

There are no City reserves established solely for support of the Fire Department. The Fire Department does not have a dedicated funding stream for either ongoing capital or operational reserves. The Fire Department does generate a modest amount of revenue from operation of the Fire Marshal Office, and the City receives a share of King County regional EMS levy money to support its basic life support operations. All other funding for the Department come from General Fund revenues, including an

allocation of resources each biennium through Council funding of the City's Public Safety Plan to support apparatus and equipment replacement.

The Fire Department's budget over the last ten years has grown at a rate of 3.2% per year on average, excluding fire station construction costs. Fire Department staffing over this time has been stable. Primary cost drivers for the Department are labor costs: cost of living adjustments and overtime expense. The Department's budget does not include a share of central overhead services (human resources, finance, information technology) that support all City departments. **Table 1** below summarizes some key facts about the Fire Department

Table 1: Tukwila Fire Department Facts		
2022 Fire Department Annual Budget (as amended)	\$14.22 Million	
Fire Dept. as % of General Fund	23%	
Fire Department Major Funding Sources	General Fund (93%), fees from Fire Marshal Office services (.5%), share of regional EMS levy (3.5%), and other (3%)	
Growth in Fire Department Budget, annualized, in last 10 years versus growth in City General Fund Budget over same period	2012-2022 Fire Dept budget increase, annual average: 3.2%	2012-2022 General Fund budget increase, annual avg.: 3%
Major budget expenditures <i>Note: reserves/overhead is a share of the Public Safety Plan funding allocated this year to the Fire Department</i>	Salaries	66%
	Benefits	22%
	Administrative overhead:	.04%
	Reserves/Overhead	.07%
	Other O&M	11%
Number of employees <i>*logistics, training, equipment management</i>	Administrative staffing:	3
	Support Services*:	3
	Fire Marshal's Office	5
	Operations (fire suppression/EMS)	54
	Total	65
Labor Affiliation <i>Note: All employees except the Fire Chief, Deputy Fire Chief, and assistant to the fire Chief are unionized</i>	IAFF- Local 2088 – all uniformed staff Teamsters Union – project manager, administrative assistant	
Fire Stations	Four; 2 stations are new, Stations 51 and 52 (Headquarters) 2 stations are older, Stations 53 and 54	
Annual calls for service (2021) <i>Note: COVID caused a drop in call volume over 2019 and 2020. In 2021 the calls for service increased and are close to 2018 call volumes.</i>	Total: 6,869 EMS calls: 4,592 Fire calls: 1,974 (including automatic fire alarms) Other: 303	
# of fire apparatus fully staffed from each fire station	One. A Battalion Chief command vehicle, in addition to the fire engine, is in service from fire station 52.	
Patient Transport	Private ambulance transports are the primary means of transporting patients.	

Regionalized Fire-Related Services in which Tukwila participates (and helps fund)	911 dispatch – Valley Communications Medic 1 (Advanced Life Support) -- King County Training Consortium (managed by Puget Sound RFA) WA Fire Careers Project (managed by Puget Sound RFA)	
Response Time (2020) Turnout + Travel Time	Target (First unit on scene 90% of the time within target) Fire: 7 min.59 sec. or less EMS: 7 min. 52 sec. or less	Actual % of responses meeting target: Fire: 86.2% EMS: 86.3%

Findings from A Seven-Year Financial Forecast for the Fire Department Operations

To provide us more detail on future anticipated fire Department expenses, the City secured the assistance of public finance consultant Bill Cushman. Mr. Cushman developed a seven-year financial strategic financial plan to identify the costs of maintaining current staffing levels and four fire stations over the next seven-year period. This financial forecast was completed in December 2021. Some key inputs into the forecast are:

- Including funding for a series of operational reserves at levels that will support anticipated expenditures over the period other than station replacement. These reserves exceed the current set asides budgeted by the City
- Excludes the cost of two additional fire station replacements
- Assumes a 5% annual growth in assessed value of real property in the City
- Projects Fire Department costs growing at 3.2% on average (including the 6.3% salary Cost of Living Adjustments (COLA) received by firefighters in 2022, and assuming a 3.2% CPI beyond 2022)
- No City General Property Tax lid lift in the interim.

Major findings in the forecast include:

- In 2021, the Fire Department budget equated to **79.6%** of all City property tax revenues.
- In 2022, the Fire Department budget grew to the equivalent of **82.4%** of City property tax revenue.
- The 2022 Fire Department budget, as amended, equals a property tax rate in Tukwila of **\$1.80 per \$1,000 of assessed value.**
- By 2028, the Fire Department Budget is projected to equate to **93.6%** of all City property tax revenues.

Inflation thus far in 2022 is already higher than projected in the financial forecast, so if the forecast were updated today, the projected spending would be higher. Staff Cost of Living Allowances (COLA) are based on June CPI data.

It is important to anticipate future Fire Department costs in considering the City's options. A few key points are outlined below.

- If the City retains the Fire Department, it will almost certainly need to secure voter-approved funding to rebuild Stations 53 and 54, within the decade. Current rough estimates of the cost to replace these two stations is \$30-40M. It is possible that joint funding for a Station 54

replacement could be secured at much lower cost through collaboration with neighboring agencies.

- The City will also need to maintain the quality of its fire apparatus and equipment. The 2016 public safety bond was also intended to allocate specific funding for these needs for the next twenty years. Due to construction cost escalation, bond funding was not used for these purposes, but instead is funded through the City's Public Safety Plan for the next fifteen years (after that, the General Fund will absorb these costs).
- The seven-year financial forecast estimates annual reserve funding needs of \$1.09M per year if the City were to continue to support apparatus, equipment needs *plus* facility maintenance (not replacement), and employee retirement payouts on a pay-as-you-go basis.
- The City will need to remain competitive in hiring and retaining firefighters and fire administrators. We note that the Puget Sound Regional Fire Authority (PSRFA) salaries are significantly higher than the City's current fire salaries, but the Renton Regional Fire Authority (RRFA) salaries are lower, except for all but their longest serving employees (we expect that may change as RRFA is now in labor negotiations with its fire union).

Fortunately, the City has options for how to proceed. As noted above, we were presented with nine different options for future fire/EMS service delivery, listed in **Figure 1** below.

Figure 1: List of Nine Future Fire/EMS Service Delivery Options Considered by the Committee	
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 (RFA) –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:	Annex into RRFA, after initially contracting for service
Option 9:	Annex into PSRFA, after initially contracting for service

The balance of this report examines the five questions posed to us by the City Council regarding these options.

IV. Is the City Fire Department Sustainable Within Existing City Revenues?

After considering a lot of information about City revenues and expenses, we think that this question is probably the wrong lens for discussing financial sustainability. Generally, we view “fiscal sustainability” as the ability to sustain service levels over time within available revenues. The problem with focusing on the Fire Department alone here is that the Fire Department is just one of many City departments dependent on the City’s General Fund.

The City Finance Director has provided us information confirming that the City’s General Fund revenues grow more slowly each and every year than do the City’s General Fund expenses. Specifically, overall General Fund revenues grow at about 3% a year, and *status quo* expenses (the cost of doing the same things as the prior year) have grown annually at around 5% over the last decade. The gap between revenues and *status quo* expenses is the major challenge each budget cycle. We note that the inflation spike that began last year may significantly increase this gap in the next few years, particularly to the extent the City’s unionized employees are entitled to annual cost of living increases, (like unionized employees elsewhere in government and the private sector). Labor costs (salaries and benefits) comprise over 68% of the City’s General Fund.

The City’s General Fund supports a range of important services, from a variety of sources. General Fund revenues are typically unrestricted -- they can be applied to many uses. In contrast, many other City revenues are strictly limited in terms of the uses to which they can be applied). The major General Fund departments and revenue sources are shown in **Table 2**.

Table 2: City General Fund-Supported Departments and Major Revenues	
Departments	Major Revenues by % (2021)
Police Department Fire Department Parks & Recreation Public Works Municipal Court Finance Community Development Mayor’s Office Administrative services, which also includes: <ul style="list-style-type: none">• Technology & Innovation Services• Human Resources• City Clerk’s Office• Community Services & Engagement	In descending order of magnitude: Sales Tax (28.1%) Property Tax (27%) Utility Tax (9.4%) Other Taxes (admission, gambling) (7.3%) Business Licenses (5.7%) Other government agency grants, shared revenues (5.1%) A variety of other revenues contribute an additional 17.4%

Each budget cycle, the City Council must make difficult decisions about how to balance the budget (a requirement of state law—cities cannot run deficits like the federal government). Basically, the cost of *status quo* operations always exceeds in total the *status quo* revenues available. Cuts, efficiencies and new revenues must all be considered across the entire General Fund budget in order to balance the

budget. In this sense, one can argue nothing in the General Fund is sustainable without efficiencies, cuts elsewhere, or new revenues.

Over the last decade, the City Council has found new revenues, with voter support, to fund public safety capital projects (the justice center, two new fire stations, and fire apparatus/equipment) and the City's pool (creating the Tukwila Pool Metropolitan Park District). The City has been able to add a few staff over these same years to many General Fund programs. Fire Department staffing has remained essentially flat over the last decade, but there have been significant investments in capital and equipment for the department during this time.

Our observation is that the City has a fiscal sustainability challenge broader than any single City Department: it is a challenge for the entire City General Fund. That said, we can understand why the City has created the Committee, and why the administration and Council are focusing particularly on sustainability of fire/EMS service:

First, the Fire Department is the second largest department in terms of budget. If there is a way to either increase funding for—or entirely eliminate—the cost of the Fire Department in the City budget, it will have significant impact in improving the overall health of the General Fund and all the important City services it funds.

Second, fire/EMS is a critical public safety service and is very popular. A well-reasoned request to voters for Fire Department funding support is likely to be better received than a request for general government support, or support for many other City programs.

Third, and more to the point of the mission with which the Committee has been tasked, there are many options for the delivery of high-quality fire service to the City other than the current model of a city-funded City Department operation. In fact, in the area around Tukwila, we have seen a dramatic transformation to move away from City-funded fire service in the last 15 years.

- In 2007, the Cities of Auburn, Algona and Pacific secured voter approval and new dedicated funding to form the Valley Regional Fire Authority, uniting the fire departments of the Cities of Auburn (serving Algona by contract) and Pacific.
- In 2010, Kent and Fire District 37 secured voter approval and new dedicated funding to form what is now the Puget Sound Regional Fire Authority.
- Maple Valley Fire District secured voter approval for a levy lid lift for dedicated fire funding and began contracting with PSRFA in mid-2018.
- In 2014, the City of SeaTac, after determining it could not financially annex into a fire authority, instead began contracting with PSRFA, transferring all its fire department staff, apparatus, and equipment to the PSRFA as part of that arrangement.
- Most recently, in 2016 Renton and Fire District 25 secured voter approval and new dedicated funding to form a regional fire authority.

The partners forming, or contracting with, these new “regional fire authorities” recognized that they were more likely to be able to control the growth in cost of service by banding together in a larger operation, with a single fire service administration and support services system overseeing their combined territories.

Notably, all three of these regional fire authorities received voter approved funding through levy lid lifts of property taxes and a fire benefit charge. All three utilize both property taxes and a voter approved financial tool not available to cities: a “Fire Benefit Charge” (FBC) supporting operations and capital expenditures which is not subject to the year-to-year 1% collection limitations of property taxes. An FBC is a fee, not a tax, charged to property owners with physical structures on their real property; the fee is sized to reflect an estimate of the fire agency assets needed to respond to a fire at those structures. (See discussion below in Section VII of this report).

There are other options available to change how fire service in the City is operated or funded besides joining or creating a regional fire authority. These are explored in more detail below, but basically include:

- (1) creating a fire district
- (2) contracting for service from another fire service provider; or
- (3) providing additional dedicated funding for the Fire Department with voter approval.

A note about regional fire authorities: a regional fire authority or “RFA,” can be created by voters pursuant to Chapter 52.26 RCW. An RFA has essentially the same revenue authority and service responsibility as a fire district but can only be created by combining the operations of at least two different agencies that have authority to provide fire service. The main difference between a fire district and a regional fire authority is that the latter has great flexibility in how it sets up its governance board. This makes it possible for multiple, different types of fire jurisdictions to come together and structure a governance solution that works for them.

It is also worth noting what is happening in other cities in King County. Today, only 7 of 39 cities in King County operate a Fire Department. The rest have annexed into, or have service contracts with, another agency (another City, a Fire District, or a Regional Fire Authority).

A contract for service by itself doesn’t address the revenue challenge a city may have – the city still has to pay for the contract. However, a city (particularly a small city) will typically find it far less expensive to contract for fire service than to create its own fire department. Thus, we see Newcastle, Medina, Hunts Point, Yarrow Point, Clyde Hill, and Beaux Arts Village all contract with Bellevue for fire service.

Annexation into another fire service provider is most often observed in cities created in the last 30 years –long after their area was served already by a fire district. For example, Shoreline chose to not stand up a fire department when it was incorporated, and instead retained service from their existing fire district.

Those cities that do still operate a Fire Department typically have dedicated voter-approved levies to support either (or both) operations and capital for the departments. Tukwila has secured voter support for fire capital projects (through the 2016 public safety bond) but has never asked for operational support for fire. In comparison, in 2019, the City of Bothell secured voter approval for both a Fire Capital Levy and a Fire Operations Levy.

Beyond considering the Fire Department finances, we are not privy to an understanding of all the various funding demands now before the City.

In terms of additional revenue sources that the City could use to fund fire/EMS services, we did not spend a significant amount of time on this topic, but we understand that:

- Any increase in property taxes above the 1% annual collection amount allowed by law requires voter approval. The City could seek authority for a general property tax lid lift to support all General Fund operations, or it could target that request to support specific City functions, such as fire/EMS service. A levy lid lift requires approval of 50% +1 of voters.
- The City imposes a wide array of taxes now, but does not impose a business and occupations (B&O) tax. This could be authorized by the City Council without voter approval.
- There is capacity to increase utility taxes by Council action, either with or without voter approval.
- Major capital funding for any City construction projects is most likely secured by asking voters for an excess levy to repay City-issued bonds. This requires 60% voter approval.

The Committee expresses no opinion as to the advisability of pursuing a B&O tax or utility tax. We note below the possibility of a seeking a dedicated property tax levy to support any option in which the City remains responsible for funding fire/EMS services. We have noted above the likely need for a bond measure to fund two additional fire stations in the next decade if the Fire Department remains a City operation.

In sum, it appears to us that the City has a General Fund sustainability issue. The Fire Department is the second largest department in the City and there are many options for securing high quality fire/EMS services, so it makes sense to explore these options for multiple reasons. The City should anticipate significant revenue needs for the Fire Department in the years ahead.

V. Additional Fire Department Programs, Staffing or Services that should be Priorities to Fund in the Next Six Years

In the context of the General Fund budget challenge, it may seem confusing to explore expanding Fire Department service offerings, however, this is the second query in our mission. In this part of our work, the Fire Department presented to us three priority service enhancements. In descending order of priority *for the Fire Department*, these are:

- **Adding services of a CARES Unit**—by sharing a unit with an adjacent fire agency. CARES Units are vehicles staffed by a firefighter and a nurse or social worker. They respond to low acuity calls where there is no emergent medical need. It is often difficult to determine the acuity of a call before arriving on scene, so often CARES Units are deployed in a follow-up capacity that represents a true service level improvement for community members having difficulty with medications or other health issues. Agencies around the state are now deploying this service. They are finding that a CARES unit can reduce calls for service and keep other units available for priority calls. Both RRFA and PSRFA currently operate a CARES unit. Some of the cost of these units can currently be defrayed from funding from King

County—funding Tukwila is entitled to but cannot draw on because it is not offering the service.

- 2022 Estimated Annual Cost of standing up a CARES unit in partnership with another agency that also doesn't have a CARES unit: \$308,706
- 2022 offsetting funding available from King County: \$100,800
- **Adding an employee (plus vehicle and supplies) to operate a Public Education Program.**
 - 2022 Estimated Annual Cost: \$152,222
- **Increasing staffing for the Fire Marshal Office (FMO) by up to 4 additional employees**, in addition to the existing five personnel in the FMO. Fees for service currently generate about \$302,000 each year from the FMO. Under state law, fire marshal services are core city functions: cities control the service levels and fees and cannot transfer this responsibility by annexation of fire responsibility to another agency. In other words, the annexing city must decide whether to staff the function on its own, or contract for the service from its new fire service provider.
 - 2022 Estimated Annual Cost for adding **two (2)** additional FMO employees: \$307,180.
 - 2022 Estimated additional annual revenue from adding these two employees: \$302,000, doubling current FMO revenue.

The Committee does not feel we are knowledgeable enough to offer other potential service enhancements, so we focused on the Fire Department recommendations. We questioned whether some or all these services could be provided by contracting with other agencies, or whether they could be provided by other existing City personnel. We questioned how much revenue would be generated by additional FMO staff.

In the end, ***the Committee has reached a consensus that we support the addition of all three of these enhanced services, but only if the City Council can find the necessary revenues to fund them.***

Why do we support adding these enhancements? For several reasons:

- CARES programs directly address the increasing complexity of service demands on the Fire Department, which include increased homelessness and mental health issues. A CARES unit can also reduce calls for service and keep other units available for priority calls—an important cost saving aspect to consider.
- Particularly in a diverse community such as Tukwila, education around fire safety can be life-saving for those who grew up in other cultures. It can also be an important public safety service for all residents, and for children in particular – schools are a big audience for most fire service public education programs. Both RRFA and PSRFA currently have Public Education Programs.
- The City currently has limited Fire Marshal Office (FMO) offerings. Business community representatives on the Committee note their concerns about the time it can take to get a fire-related building permit, and the lack of routine fire inspection service offered by the City. The Fire Department's expertise in identifying safety issues and outlining solutions is not something that businesses can easily buy from a private sector vendor. Quick response from the Fire

Marshal can make the difference between a business being able to stay open or needing to close --and can save months in the time it takes to permit a new business—an economic development issue. A well-staffed and operated program can offset much of its cost from fees.

The staff team supporting us adjusted some of the cost data shown above after receiving contract cost estimates from RRFA and PSRFA. Both RFAs currently offer all three service enhancements, and both offered to provide them to Tukwila for less money than the costs estimated above, as summarized in **Table 3**. (These cost estimates are preliminary, as are all cost estimates presented in our report).

Table 3: Service Enhancement Cost Estimate Comparison			
Service Enhancement	2022 Cost Estimate if Provided through Tukwila Fire Department	2022 Contract Cost Estimate Presented by PSRFA and RRFA	
		RRFA	PSRFA
CARES Unit Contract estimates were to have access to the RFA CARES units currently in place	Initial estimate: (new unit in partnership with another agency that doesn't now have a CARES unit) \$308,706, <i>less \$100,800 in regional revenue = \$207,906 net</i> Revised estimate: reduce cost by \$167K by contracting with an RFA, for a net cost of about \$0 – \$66K, depending on RFA.	\$0 Renton indicates they can fund this just for the contribution of the \$100,800	\$66K (regional revenue would go to PSRFA)
Fire Marshal Office	\$900,000 (5 FTEs today) + \$307,180 for 2 additional FTEs Less offsetting revenue of \$605,088 = \$602,092 net cost	\$610,937 (with fee revenue back to City – for a net cost of a few thousand dollars)	\$840,377 (with fee revenue coming back to the City—net cost of about \$240K)
Public Education Officer	\$122,813	Not itemized in the bid (no staff would be added by agency)	\$64,585 (no staff would be added by agency)

Note: The RRFA FMO cost estimate is significantly lower than the PSRFA cost estimate because the RRFA uses civilians to staff the office, rather than uniformed firefighters.

VI. Committee Criteria for Evaluating the City's Options for Future Fire/EMS Service Delivery

The Committee had several discussions about criteria that should be used to evaluate the nine future fire/EMS service delivery options presented to us. We developed these criteria early in our process, after reviewing the list of nine options, but before being briefed on all but the first two options (status quo and status quo plus service enhancements). We settled on the eight criteria presented in **Table 4**.

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

A note about each of these eight criteria and why we feel each is important:

- **Ability of provider to meet needs of a diverse community:** Tukwila has a very diverse population, and our fire/EMS services should be able to help residents and others regardless of language or cultural differences.
- **Ability of provider to meet needs of a larger business community:** The business community is our economic engine, providing jobs and making this City a desirable visitor destination. Business tax revenues support programs across the city. Supporting the business community’s fire/EMS needs supports the financial health of the City.
- **Total costs, considering both costs to residents and businesses:** In light of the financial challenges the City has described for us, total cost is important. If the same or better-quality services can be secured for less money, that needs to be seriously considered.
- **Impact on the fire department labor force, recruitment, and retention:** Fire Department staff have shared their strong preference to move to employment with the PSRFA, or as a second choice, the RRFA. They see increased opportunity for advancement in a larger organization, and compensation rates are also higher at the PSFRA. Employee preferences are an important consideration.
- **Control over operational and financial decisions:** Given the size of the Fire Department budget, it is important to be able to control how costs change from year-to-year to mitigate the need to raise taxes or make other service cuts to General Fund programs (including Fire).
- **Overall quality of services (response times and more):** We enjoy the fastest “first unit on scene” response times in Zone 3 today. It will be difficult to get the community to support any reduction in service levels. Program offerings— such as the enhanced services—should also be considered; the three service enhancements discussed above are all currently being provided by neighboring RFAs.
- **Accountability for outcomes/ability to measure outcomes:** This is simply an important basic good business practice for ensuring the public’s money is being put to good use.

- **Sustainability of funding:** If funding for a critical public safety service such as fire/EMS is not sustainable, we will see service levels reduced—which will face community opposition—or other City programs cut, which is also undesirable. If the City’s finances cannot sustain the Fire Department into the future, this is a serious problem. As discussed above, we see financial sustainability as a General Fund issue, one that is not about the Fire Department alone. In the exploration of future service options, we do see that fire agencies have financial tools (a Fire Benefit Charge, specifically) that cities do not have, and which can provide significant financial stability through either recessionary periods or times of high inflation.

We also discussed what each of us felt were our top three most important criteria. The results of that exercise identified strong concurrence that the following three criteria are the most important:

- Total costs to residents and businesses
- Quality of services, and
- Sustainability of funding

VII. Committee Recommendations on the Preferred Option or Options for Ensuring Provision of High-Quality Fire/EMS Service in the City at a Sustainable Cost

The committee was presented with nine different options to provide high-quality fire/EMS service to the City. We reviewed each of these options in some depth.

Comparing the Three Different Potential Service Providers

All these options propose one of three different service providers:

- The City of Tukwila Fire Department- - as it is, or reconstituted in a new unit of government (a fire district or regional fire authority)
- The Renton Regional Fire Authority
- The Puget Sound Regional Fire Authority

Table 5 below presents comparative data on these three agencies: how big they are, how they are funded, what services they provide, how they are governed today.

The nine options are summarized in **Table 6** below, which highlights the key differences and similarities between each option.

The complete detailed templates for all nine options are provided in **Attachment C**. The estimated cost of each option is presented in more detail at **Attachment D** and summarized in **Table 7** below.

Table 5: Comparing Tukwila Fire Department, Puget Sound RFA and Renton RFA

	Tukwila Fire	Puget Sound RFA (PSRFA)	Renton RFA (RRFA)
Population Served	21,798 (residents)	225,693	130,359
Included Jurisdictions	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>
Headquarters	Tukwila	Kent	Renton
Year Established	1943	2010	2016
Governance Structure	The Mayor and City Council of Tukwila	A board comprised of three elected officials from the City of Kent, three commissioners from FD 37, and 3 nonvoting members: one each from the two contract agencies, and one from the City of Covington	A board comprised of three elected officials from the City of Renton and three commissioners from FD 25. FD 40, which contracts with RRFA for service, has a nonvoting seat.
Square Miles	9.6	108	33.29
2022 Operating Budget	\$14.3M	\$68.3M	\$43.4M
Annual Calls for service (2021)	6,869	29,438	21,954
Number of Fire Stations	4	13	7
Total Suppression Staffing	54	228	128
Staff per shift	18	59	32
Funding Model + capital bond	Operations: General Fund Capital: voter approved bond	Fire Levy + Fire Benefit Charge (FBC) (both voter- approved) FBC approved for 10 yrs. (through 2031)	Fire Levy + Fire Benefit Charge (both voter- approved) FBC is permanent
Maximum Fire Levy Rate	N/A	\$1.00/\$1,000 AV	\$1.00/\$1,000 AV
2022 Fire Levy Rate	N/A	\$0.96/\$1,000 AV	\$0.73/\$1,000 AV

	Tukwila Fire	Puget Sound RFA (PSRFA)	Renton RFA (RRFA)
% of Operating Budget secured from FBC	N/A	38% in 2022	38.2% in 2022
Other agencies contracting for service	N/A	City of SeaTac FD 43 (includes City of Maple Valley)	Fire District 40
Capital bonds for facilities	Yes (voter-approved)	No The RFA could issue bonds in the future	No The RFA could issue bonds in the future
Administrative support	Central administrative staff serve all City departments	Admin staff serve the agency	Admin staff serve the agency
ISO (WSRB) Rating (Lower is better)	3	3	2
Accreditation	No	Yes	No (in process)
CARES Unit	No*	Joint Program with RRFA One CARES Unit	Joint Program with PSRFA One CARES Unit
Public Education Program	No*	Yes	Yes
Fire Marshal's Office	Uniform/Civilian	Uniform/Civilian	Civilian
Dedicated Fire Marshal	Battalion Chiefs rotate into this position every 3- 4 years	Yes	Yes
Fire Inspection Program	No*	Yes	Yes
Development Review/Inspection	Yes	Yes	Yes
Patient Transport	All 3 agencies do not transport patients except in rare cases when all other transport units are engaged. Nearly all Basic Life Support transports are made by private ambulance companies. Advanced Life Support transports are provided by Medic 1.		
Health insurance with retiree program	No	Yes	Yes
Post-retirement medical	Yes.	Yes	No
Four Platoon staffing model**	No	Yes	Yes

*Could be added with additional City funds.

**Four platoon is preferred by staff; it is very difficult to implement in a small department like Tukwila's.

Table 6: Nine Potential Future Fire/EMS Service Delivery Options Reviewed: Key Differences and Similarities

Options 1-4 (blue cells) are “Tukwila only” options; Options 5-9 (green cells) involve partnering with or being served by another fire agency

Option	Service Provider	Primary Funding Sources	Anticipated Service Levels	Governance/ Management Control	Fire Dept. Employees and Assets	Voter approval required?
Option 1: Status Quo	City of Tukwila Fire Department	City retains funding responsibility. General Fund revenues.	Same	City retains full control over management, budget	Remain with City	No. City could ask voters to approve a property tax levy for Dept. operations, and/or for future capital bonds.
Option 2: Status Quo “Plus” – Funding for enhanced services	City of Tukwila Fire Department.	City retains funding responsibility. General Fund revenues, Enhanced service cost is approximately \$740K a year, potentially less if contracted out with one of the adjacent RFAs.	Enhanced. This option includes funding for <i>three enhanced services</i> : Fire Marshal Office, addition of a public educator position, and contracting for a CARES unit	City retains full control over management and budget (except to the extent enhanced services are contracted out)	Remain with City	No. City could ask voters to approve a property tax levy for Dept. operations, and/or for future capital bonds.
Option 3: Create a Tukwila Fire District, funded solely by property taxes (no Fire Benefit Charge)	A new governmental entity and taxing district, boundaries co-extensive with the City limits	Funding responsibility shifts to the new fire district. The cost of the fire department comes off the City’s budget, except City retains the cost of funding LEOFF retiree costs, fire marshal and fire station debt service (“ <i>retained costs</i> ”). The new District would be funded by a fire levy (property tax) of up to \$1.50/\$1,000 of assessed value (A.V.), and an excess	As modelled, enhanced services were not included—but they could be added with sufficient funding.	The City Council could remain as the governing board, serving as Fire District Commissioners, or could propose a structure of five directly-elected fire commissioners.	Transferred to Fire District	Yes (50%+1) Excess levies need 60% voter approval. Will need periodic voter support to restore property tax collections

Option	Service Provider	Primary Funding Sources	Anticipated Service Levels	Governance/ Management Control	Fire Dept. Employees and Assets	Voter approval required?
		levy to support the current department budget plus the additional cost of standing up a new agency (administrative services and staffing, reserves, cash flow).				
Option 4: Create a Tukwila Fire District, funded by both property taxes and a Fire Benefit Charge	A new governmental entity and taxing district, boundaries co-extensive with City limits.	Funding responsibility shifts to the new Fire District. The cost of the fire department comes off the City's budget, except for <i>retained costs</i> (see Option 3). The new District would impose a fire levy of up to \$1.00 and a fire benefit charge (a fee, not a tax, sized to reflect the fire assets needed to respond to a fire at physical structures on property). Budget would need to include additional cost of setting up a new agency (administration, reserves, cash flow)	As modelled, enhanced services were not included—but they could be added	Same as Option 3: City Council could remain the governing board or could decide that a directly elected board of commissioners should govern.	Transferred to Fire District	Yes (60% because an FBC is included in the financing model)
Option 5: Partner with another fire service provider to create a Tukwila Regional	A new governmental entity and taxing district. Requires partnering with	Funding responsibility shifts to the new RFA. The cost of the fire department comes off the City's budget except for <i>retained costs</i> .	As modelled, enhanced services were not included—but they could be added	The RFA would have a governance board separate from the City Council. It could be structured to	Transferred to RFA	Yes (60%)

Option	Service Provider	Primary Funding Sources	Anticipated Service Levels	Governance/ Management Control	Fire Dept. Employees and Assets	Voter approval required?
Fire Authority (RFA) –with a fire benefit charge	another fire agency. Potential partners include adjacent fire districts or cities.	The new RFA funding would be as in Option 4: a maximum \$1.00 fire levy and a fire benefit charge (defined above in Option 4). Budget would need to include additional cost of setting up a new agency (administration, reserves, cash flow)		include City Council members or directly elected commissioners or a mix of both. Representation of the partner agency would need to be considered/added to the board structure.		
Option 6: Contract for Service with Renton Regional Fire Authority (RRFA)	RRFA, a separate municipal government and taxing district.	Funding responsibility remains with City, including <i>retained costs</i> . Could seek additional funding from City voters through dedicated property tax levies to pay for contract costs. Future capital costs could be bond funded.	Response times same as status quo. Enhanced services would be offered.	RFA would control the cost of service delivery. To reduce cost, City could opt out of enhanced services or seek 3-station contract (cost not modelled)	Employees, apparatus and equipment transferred to RFA. City would retain stations.	No. City could ask voters to approve a property tax levy for Dept. operations, and/or for future capital bonds.
Option 7: Contract for Service with Puget Sound Regional Fire Authority (PSRFA)	PSRFA, a separate municipal government and taxing district	Funding responsibility remains with City, including retained costs. Could seek additional funding from City voters through dedicated property tax levies to pay for contract costs. Future capital costs could be bond funded.	Response times same as status quo. Enhanced services would be offered.	RFA would control the cost of service delivery; To reduce cost, City could opt out of enhanced services or seek 3-station contract (not modelled)	Employees, apparatus and equipment transferred to RFA. City would retain stations.	No. City could ask voters to approve a property tax levy for Dept. operations, and/or for future capital bonds.

Option	Service Provider	Primary Funding Sources	Anticipated Service Levels	Governance/ Management Control	Fire Dept. Employees and Assets	Voter approval required?
Option 8: Annex into RRFA, after initially contracting for service	RRFA. Funding responsibility shifts to the RFA when annexation takes effect.	The RRFA is funded by a maximum fire levy of \$1.00 and a fire benefit charge. The cost of the fire department comes off the City's budget except for <i>retained costs</i> .	Response times same as status quo. Enhanced services would be offered.	The RFA Board controls service levels and costs. City would negotiate for a # of seats on the governing board.	Employees, apparatus and equipment transferred to RFA. Station ownership negotiated.	Yes 50%+1
Option 9: Annex into PSRFA, after initially contracting for service	PSRFA. Funding responsibility shifts to the RFA when annexation takes effect.	The PSRFA is funded by a maximum fire levy of \$1.00 and a fire benefit charge. The cost of the fire department comes off the City's budget except for <i>retained costs</i> .	Response times same as status quo. Enhanced services would be offered.	The RFA Board controls service levels and costs. City would negotiate for a # of seats on the governing board.	Employees, apparatus and equipment transferred to RFA. Station ownership negotiated.	Yes 50%+1

Note: All options are also financially supported by a share of regional EMS levy revenues, and include the ability to charge fees for some services

Ten Key Points Underscoring Differences and Similarities between the Nine Options

Before discussing our recommendations there are **ten key points** that are important to understanding the similarities and differences between the nine options.

- 1. Because fire dispatch is regionalized across Zone 3, response times do not change under any option, so long as that option continues a 4-station configuration for Tukwila.** An integral part of the City's ability to deliver the current high level of service is the collaboration and integration of fire/EMS services in south King County. Fire agencies across the south county "Zone 3" area—which includes Tukwila-- jointly fund and operate firefighter recruitment, firefighter training, public information officer services, and other aspects of fire service. More importantly, due to the regionalized dispatch of all fire response units in Zone 3, fire responders from multiple adjacent fire agencies respond daily to incidents in Tukwila. Similarly, Tukwila fire units respond daily to events in adjacent jurisdictions. This regionalized deployment of fire/EMS services is necessary to provide effective response on any major incident in any south County jurisdiction. In effect, the Zone 3 dispatching protocols integrate all fire agencies into something like a single fire department for all south King County.
- 2. Enhanced services can be provided—or not—under any option.** The cost of these services is less if provided by PSRFA or RRFA as compared to the City.
- 3. RFAs are essentially identical to fire districts** in terms of their service authority and revenue authority. The only difference is that a RFA must involve at least two fire agencies partnering together to create an RFA, and the RFA statutes provide great flexibility in terms of how the governance board can be structured as compared to a fire district.
- 4. A Fire Benefit Charge (FBC) provides important revenue stabilization and service sustainability for fire agencies—either fire districts or RFAs—but Cities do not have this same authority.** The FBC is not a tax, it is a fee that is based on the fire-response resources needed for different sizes and types of physical structures. The larger and riskier the structure in the event of a fire, the higher the FBC. FBCs have proven popular with voters since they come with reduced fire property taxes and shift costs away from single family residential properties to larger commercial and multi-family properties. The amount of that cost shift depends on the fire agency FBC formula. All fire agencies in the state with an FBC use a similar formula but tailor it each year to adjust how much money is collected in total, and from which property types (single family, multi family, commercial, etc.).

The FBC is not subject to the 101% collection year-to-year cap that applies to property tax. The only limit is that FBC collections in a year cannot exceed 60% of the operating budget for the agency. The FBC must be initially authorized by voters (60% threshold) and after six years must again be reauthorized by voters – for another six or ten years, or permanently. RRFA has a ten year FBC in place now; PSRFA has a permanent FBC.

From a fire agency perspective, FBCs are popular because the combination of a \$1.00 fire levy and an FBC can generate more revenue than a \$1.50 fire levy alone (the fire levy maximum rate

is dropped by one-third if the fire agency uses an FBC) and can be adjusted annually to provide more revenue without going to the voters.

Cities do not have the same statutory ability to implement an FBC as fire agencies: cities can only use an FBC to fund *service enhancements*, not other existing fire costs. So, in Tukwila's case, only the enhanced services or other additions to the budget could be funded by a City FBC.

5. Creating a new taxing jurisdiction/separate municipality requires significant additional cost.

Today, the Fire Department is supported by central city overhead. The costs of that support are not in the Fire Department's budget. If a new fire agency is created –supported by property taxes, and possibly a fire benefit charge—it must provide for the staffing and cost of administration (finance, human resources, information technology, asset management, etc.) as well as reserves to fund operating and capital expenses and cash flow. This is why Options 3, 4, and 5 are the most expensive options.

6. Both PSRFA and RRFA boards have a policy position (not a legal requirement) that any agency that would like to annex to them must first enter into a contract. Annexation requires the consent of both the RFA and the City and then the approval of City voters. The City cannot force annexation to happen. As we understand it, the stated reasons for the RFAs' position that a contract must precede annexation, based on conversations between City administration and RFA administrators and board members, is to allow the RFA, City government, and city residents and businesses an opportunity to get to know each other. However, it is worth noting that because fire dispatch is regionalized, firefighters from across all Zone 3 agencies work together daily to respond to incidents. Zone 3 agencies have established several regionalized services to reduce operational costs; Tukwila participates in most, but not all, of these regionalized services today. Tukwila Fire staff have strong positive relationships with their fellow Zone 3 agency staff.

Late in our deliberations, we were told that the PSRFA Chief was open to a short timeline (1-2 years) for moving from a contract to annexation. In comparison, RRFA spoke to City staff about wanting a five-year initial contract term before annexation would be considered. We then were told that PSRFA *might* be open to exploring directly annexing Tukwila without first having a contract. The Committee was asked if direct annexation was of interest and we agreed it was—in fact, this turned out to be our consensus preference as an option. Based on our preliminary support for this option, the Mayor sent a letter to the PSRFA Board seeking to explore annexing as a first step (the City Council and Committee received copies of this letter). Unfortunately, the PSRFA Board declined to open up a discussion with the City on this possibility at this time.

7. Contracting for service involves transferring the City's fire employees and assets (excluding stations) to the new contract service provider. There are both advantages and disadvantages to contracting. The biggest risk we see is that it is a one-way street: it will be extremely difficult, if not impossible to reconstitute a City Fire department in the future. Even moving to a new contract service provider or annexing to a different agency would be much more difficult as all the assets and personnel needed to serve Tukwila would be in ownership of the first contract agency. While it would be possible to transfer assets, it is unclear how firefighters could be

moved from the contract agency back to Tukwila. The current SeaTac-PSRFA contract has a term requiring SeaTac, in the event it terminates the contract in the first 15 years, to rehire any firefighters laid off by the RFA as a result (up to the minimum staffing requirement) “if the city has sufficient resources.” It is not clear that a laid-off firefighter could be compelled to take the job so offered, or how the “sufficiency of resources” would be determined. That said, if there could be a near term move to annexation, the risk of needing to reconstitute a fire department could be minimized. And, to the extent the City prefers annexation as the ultimate outcome, it appears that contracting is currently the only bridge to accomplish that.

8. **In any option that shifts funding off the City’s Budget (including Options 3,4,5,8 and 9), the City will need to take steps to concurrently reduce its taxes in order to keep the cost of these options manageable for residents and businesses.** If the City can eliminate over \$12+ million from its budget, there will be an important policy choice for the Council. ***We would be very opposed to any of these options if the City made no reductions in its budget.*** Should taxes be reduced by this same amount as the Fire Department budget? Should some amount be retained for other City purposes—particularly given the financial pressure on the City? We do not have a recommendation on these questions.
9. **In any option where the City remains responsible to fund Fire/EMS costs (including Options 1, 2, 6 and 7) the City could seek voter support for additional funding.** This would likely take the form of a voter approved levy lid lift.
10. **All costs shown are preliminary estimates.** Cost is an important consideration, but the cost information we have is preliminary. Several corrections were made to the cost comparison data just over the course of our work. While PSRFA and RRFA both submitted an estimated cost for Tukwila to contract for services, those estimates are subject to negotiation. Similarly, for annexation, we have estimates of the cost and impact by building sector, of both the PSRFA and RRFA FBCs if they were applied to Tukwila properties; this FBC information, however, needs further detailed review to ensure it is accurate and complete.

Committee Deliberations on the Options

After having been presented with all nine fire/EMS service options, we began our deliberations. We started by completing an online survey in which we rated each option in terms of how well it meets each of the eight criteria we agreed upon, and how we felt about each option overall. We did this individually after our eighth meeting, and then reconvened to review and discuss the survey results together at meeting nine. The results of the survey (completed by 10 of 12 committee members) are presented at **Attachment E** in three parts: (1) the raw data with our comments; (2) a series of bar charts showing how each option fared in terms of meeting each of the eight criteria; and (3) a one-page table summarizing the results. Option 9 (Annexing into PSRFA after first contracting) was the highest rated option. **Table 7** summarizes some of the key data points relevant to us in completing the survey as they relate to our eight criteria.

After reviewing the survey results and discussing them at our ninth meeting, an *iteration of Option 9 – direct annexation to PSRFA without first contracting* -- was rated the highest. At the point of our

deliberations (and when we completed the survey) we were waiting to hear whether “annexation first” might in fact be an option. Following this round of deliberations where we reached consensus to support direct annexation to PSRFA, it was confirmed that this remains off the table for now. Annexing to *either* PSRFA or RRFA will, under their current policies, require that we first contract for service.

Committee’s Preferred Outcome: Direct Annexation into PSRFA

Our initial preferred option – with consensus level (80% +) support from Committee members-- is for the City to directly annex into PSRFA. Our reasons are outlined below. As noted, this does not appear to be a realistic option at this time. Instead, the only path to annexing appears to be through a contract first. *A couple of potential downsides of annexing—other than the fact that this does not appear to be an available option at this time—are noted in italics.*

Ability of provider to meet needs of a diverse community

- As community diversity increases, particularly along our shared border with SeaTac, it will be helpful to have a single agency providing these services.
- PSRFA offers all three enhanced services

Ability of provider to meet needs of a larger business community

- PSRFA has the enhanced FMO services that our business community wants and should have.

Total costs, considering both costs to residents and businesses

- Although the estimates are preliminary, this is one of the lower cost options we looked at and it provides the enhanced services. Based on preliminary cost information, it is expected to be equivalent to annexing into RRFA and less expensive than the status quo with enhanced services.
- There could be a significant opportunity for cost savings over time if PSRFA were able to relocate and expand Station 54 to serve not just Tukwila but also North SeaTac. We expect this would only be undertaken if it could be demonstrated to have no detrimental impact on response times.
- *It is essential to understand that unless the City takes steps to reduce the City Budget after the costs of the Fire Department are transferred to the PSRFA we would not support this option because it would result in a very large tax increase. By what means, and in what amount the City rolls back its taxes and fees, are key policy decisions associated with annexation.*

Impact on the fire department labor force, recruitment, and retention

- Moving to PSRFA is the Fire Department staff’s preferred outcome.
- Labor’s support will be needed in any transition.
- Tukwila and PSRFA Unions have met and identified no issues in their CBA's if they were to merge.
- Moving to PSRFA provides more opportunities for advancement for our firefighters and will increase their salary, benefits, and shift staffing pattern.

Table 7: Comparing How Options 1-9 Address the Eight Criteria (Page 1 of 2)

Committee Identified Criteria	Option 1	Option 2	Option 3	Option 4	Option 5
	Status Quo	Status Quo + Enhanced Services ¹	Tukwila Fire District—funded only with property taxes; <i>City Council as governing board</i>	Tukwila Fire District—property tax and FBC <i>City Council as governing board</i>	Tukwila RFA – property tax & FBC; <i>Shared governing board, City majority</i>
2022 Est. Fire/EMS Service Costs (excluding City retained costs) ²	\$14.2M	\$15M	\$17.9M ³	\$17.9M ³	\$17.9M ³
City retained costs under this option ²	\$2.13M	\$2.13M	\$3.03M	\$3.03M	\$3.03M
Ability of provider to meet needs of diverse community/ large business community	Option 1 doesn’t include enhanced services.	Same for all options if enhanced services are funded.			
Total costs, considering both costs to residents and businesses	Mix of city revenues used to fund the Fire Department		Costs allocated based solely on property values	Costs will be funded primarily through property tax but some costs will be shifted to larger, riskier structures through the FBC	
Impact on Labor	Essentially same in all options 1-5; labor supports providing the enhanced services				
Oversight Control, accountability	City controls	City Controls	City controls	City controls	Shared control
Service Levels	Current	Current + Enhanced Services	Higher risk of service cuts due to property tax reliance	Current levels funded, more stable with FBC included	Current levels funded, more stable with FBC included.
Financial Sustainability	Impacts general fund departments unless new revenue added	Impacts general fund departments unless new revenue added	Relies on strong ongoing voter support for prop. tax “lid lifts,” excess levies	More stable than current. Ongoing voter support needed for lid lifts and FBC renewal	More stable than current. Ongoing voter support needed for lid lifts, FBC renewal

- Enhanced services include a shared CARES unit, 2 additional FMO staff, and a public education program.
- Retained costs differ by option. In Options 3,4,5,8 and 9 the City needs to contract back for FMO services; the cost of this service differs depending on the provider (Tukwila staff, RRFA or PSRFA). Other retained costs include debt service on fire stations and LEOFF 1 retiree payments.
- Options 3, 4 and 5 are more expensive due to the need to stand up a new administrative structure, fund reserves and provide for cash flow. Administrative cost estimates in these options are likely underestimated.

Table 7: Comparing How Options 1-9 Address the Eight Criteria (Page 2 of 2)

	Option 6	Option 7	Option 8	Option 9
	Contract for Service with Renton RFA	Contract for Service with Puget Sound RFA	Annexation into Renton RFA	Annexation into Puget Sound RFA
2022 Est. Costs of Fire/EMS service (excl. retained costs)	\$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)
2022 Est. City retained costs (see footnote 2)	\$2.13M	\$2.13M	\$2.74M	\$2.97M
Ability of provider to meet needs of diverse community/ large business community	Includes enhanced services	Includes enhanced services	Includes enhanced services	Includes enhanced services
Total costs, considering both costs to residents and businesses	Paid for by mix of City revenues as is the current fire dept.	Paid for by mix of City revenues as is the current fire dept.	Paid for by mix of fire levy and fire benefit charge. FBC formula is currently very similar to PSRFA FBC.	Paid for by mix of fire levy and fire benefit charge. FBC formula currently is very similar to RRFA FBC formula.
Impact on Labor	Fire Dept employees become RRFA employees. RRFA currently pays less than Tukwila or PSRFA except at senior levels, but labor negotiations ongoing. RRFA must make several adjustments to its collective bargaining agreement (CBA) to bring on Tukwila.	Fire Dept employees become PSRFA employees. PSRFA currently pays more than Tukwila or RRFA.	Fire Dept employees will already be RRFA employees if contract for service precedes annexation. RRFA will have to make several adjustments to its CBA to bring on Tukwila.	Fire Dept employees will already be PSRFA employees if contract for service precedes annexation. If annexation is the first move, employees become PSRFA employees upon annexation. PSRFA currently pays more than RRFA or Tukwila.
Oversight Control, accountability	City controls which services it purchases; RFA controls delivery and cost of the service	City controls which services it purchases; RFA controls delivery and cost of the service	City would have some seats on the RFA board which makes budget and service level decisions; (# of seats to be negotiated)	City would have some seats on the RFA board which makes budget and service level decisions; (# of seats to be negotiated)
Service Levels	Response times unchanged; enhanced services offered	Response times unchanged; enhanced services offered	RFA Board controls service levels & taxpayer cost. RFA now provides the enhanced services	RFA Board controls service levels & taxpayer cost. RFA now provides the enhanced services
Financial Sustainability	Unchanged from status quo: City retains cost risk and responsibility	Unchanged from status quo: City retains cost risk and responsibility	More stable than current; FBC will need voter support to renew in 10 years; levy lid lift vote expected in 1-3 years	More stable than current. FBC is permanently authorized. Fire levy was lifted in 2019 and has inflation adjustor.

Control over operational and financial decisions

- The City may welcome the ability to transfer control of the Fire Department given how many other issues are on its plate.
- *The City will have less control in this option than in the status quo, but the City would expect to have some seats on the PSRFA governing board (though not a controlling number of seats).*

Overall quality of services (response times and more)

- PSRFA is an accredited agency, which speaks to its high level of service. To maintain that accreditation, the PSRFA must continue to provide high service levels and conduct rigorous data collection to verify its continued qualifications.
- The agency has reserves and plans for future apparatus, equipment, and station replacement.
- PSRFA hosts all of the regionalized Zone 3 programs.

Accountability for outcomes/ability to measure outcomes

- PSRFA must undertake rigorous data collection and reports to ensure it retains its accredited status.

Sustainability of funding

- Annexing would remove the cost of the Fire Department from the City Budget (except for fire marshal services which would be contracted)
- PSRFA has a permanent FBC (approved by voters in 2021)
- Voters in the PSRFA approved a restoration of the fire levy in 2019
- *The downside to a permanent FBC is that it gives the RFA a lot of revenue generating capability without needing to ask for voter support.*

The Committee's Preferred Option absent the ability to directly annex into PSRFA: Contract with PSRFA as a Bridge to Annexation

While there are downsides to a service contract, on balance the Committee's consensus view is that the City should immediately engage in negotiations with PSRFA to secure a service contract with that agency as a bridge to near-term annexation. Essentially, we are recommending Options 7 and 9 together. The cost of a service contract with PSRFA is subject to negotiation. Based on current information, a contract will be slightly more expensive than the current Fire Department cost but would offer all three priority service enhancements to the Tukwila community, specifically, a strongly staffed fire marshal office, a public education program, and access to the services of a CARES unit. We understand the Fire Department union leadership strongly supports moving to a contract for service with PSRFA, with the ultimate objective of annexation.

The timeline is short to complete a contract negotiation. PSRFA has said it will want a firm direction on whether the City wishes to enter a service contract no later than July 15, 2022, and that contract negotiations must be complete by September 1 for a service contract starting January 2023. PSRFA has further indicated there is no commitment to engage in these service contract discussions with Tukwila next year if this timeline cannot be met.

While this timeline is a challenge, we think the negotiations could be completed relatively quickly, given the alignment of the two labor unions and all the work that has been undertaken in the last few months to secure and review a contract bid from PSRFA.

The Committee does not support a long-term service contract with PSRFA. The lack of control over costs, the lack of a vote on the PSRFA governing board, and the lack of any additional City revenues to support contract cost increases, are very concerning aspects of a long-term fire/EMS service contract. For a short time, these downsides seem manageable. We understand that annexation cannot be guaranteed if we enter a contract (future board/council decisions and a vote of the people are needed), so the City should negotiate carefully. For all the reasons outlined above, we believe annexation in the near term is the best outcome. The service contract is the necessary bridge to near-term annexation. Because of this, we strongly encourage the City to ensure that any fire/EMS service contract with PSRFA includes a commitment by both parties to work towards placing an annexation ballot measure before the City's voters as soon as practicable.

Committee Member Peggy McCarthy does not support this recommendation, for the reasons outlined in her minority statement appended at the back of this report.

Benefits and Disadvantages of all Options, in summary

Option 1: Status Quo The main benefit of this option is that it doesn't require any change (assuming the City continues to find funds for current services). Disadvantages however are that the financial challenges that prompted this whole effort remain unaddressed unless the City secures voter approval for additional revenue. Other downsides include the missed opportunities around regionalization, and the fact that the Fire Department labor force strongly desires a change to PSRFA.

Option 2: Status Quo Plus Enhanced Services. The main benefit of this option is that it secures additional services that would benefit the community – but we can support this only if the City secures additional revenues to fund them. The request for additional revenues could be expanded to support Fire Department operations in general, addressing the financial sustainability issue. Downsides are the same as Option 1.

Option 3: Tukwila Fire Department Funded with Property Taxes (No FBC). The main benefits of this option are that it gets the Fire Department off the City's budget, and the City could retain control over the new agency if the City Council is the governance board. The downsides are financial: the current Fire Department budget cannot be maintained with the maximum \$1.50/\$1,000 A.V. fire levy (the 2022 fire budget, without central overhead costs, equates to \$1.80/\$1,000 A.V. property tax). This option would be heavily dependent on 60% voter approval of excess levies to maintain service levels. The other financial downside is the additional cost necessary to stand up a new agency with administrative staffing and support costs, plus the cost of funding reserves each year, plus the cost of working capital (needed in the months between receipt of property taxes from the County.) This option also simply reconstitutes the existing City department in a new government—it does not advance regionalization.

Option 4: Tukwila Fire Department Funded with Property Taxes and an FBC. The main benefits of this option are that it gets the Fire Department off the City's budget, and the City could retain control over the new agency if the City Council is the governance board. The advantages are the financial sustainability of an FBC—which the City cannot deploy under current state law (an effort to change the

law this year in Olympia was unsuccessful but could be attempted in future sessions). Like Options 3 and 5, another disadvantage is the higher total cost since the new agency will require administrative staffing and services, reserves, and cash flow.

Option 5: Tukwila Regional Fire Authority. The main benefit of this is the same as Option 4: the department comes off the City budget. One difference is that governance control would need to be shared with the RFA partner agency (the City alone cannot create an RFA). The partner modelled is a practically defunct fire district a few blocks in size, already served by the City, that is about to be dissolved by the state. Other potential partners include adjacent fire districts including those serving the Burien and West Hill areas – but neither of those agencies are currently interested in pursuing this option. This option otherwise shares the financial sustainability advantages of Option 4. Some advantages of regionalization could be secured if the City partnered with another functional fire district to create the RFA. Like Options 3 and 4, a disadvantage is the higher total cost since the new agency will require administrative staffing and services, reserves, and cash flow.

Option 6: Contract for Service from RRFA. The benefits of this option are that it appears to be one of the least expensive options. The initial estimate from the RRFA for a contract is slightly less expensive than the PSRFA contract, but some sizeable costs are missing from this estimate, including the cost of dispatch services, capital reserve funding, and the cost of bringing on the Tukwila labor force at pay rates ensuring no salary decrease. This option would be a necessary precedent to annexing with the RRFA. The downsides of this option are first, under a contract, the City loses financial control, and it cannot reconstitute the Fire Department if the contract proves unacceptable over time. Second, the ability to implement this option is uncertain: it will require a negotiation to integrate the two existing labor forces which may or may not succeed. Third, this option does not address the City's financial sustainability challenge – unless voters approved a special levy to support the cost of the contract.

Option 7: Contract for Service from PSRFA. The benefits of this option are that it also appears to be one of the least expensive options, although the bid estimate is somewhat higher than the RRFA bid. This option is a necessary precedent to our preferred option: annexation to the PSRFA. The labor issues in Option 6 and 8 are minimal, as the Tukwila and PSRFA Unions have met and identified no issues in their CBA's if they were to merge. The downsides of this option are that the City loses financial control and cannot reconstitute the Fire Department if the contract proves unacceptable. The option does not address the City's financial concerns unless voters are asked to approve a special levy to support the cost of the contract. This City's firefighters most prefer an outcome in which they become employees of PSRFA.

Option 8: Annexing to RRFA after initially contracting for service. The benefits of this option are that it gets the Fire Department off the City's budget, and firefighters prefer to move to an RFA as their employer rather than remain at the City. Annexing to RRFA is estimated to cost just slightly more than annexing to PSRFA but these are very preliminary numbers. The major downsides are the risk of the initial contracting period (discussed in Option 6), and the whole annexation process itself. The City would have very little leverage in the annexation negotiation and annexation is contingent upon approval of the RRFA Board, the City Council, and ultimately, the voters.

Option 9: Annexing to PSRFA after initially contracting for service. Like Option 8, the benefits of this option are that it gets the Fire Department off the City's budget, and firefighters prefer to move to an RFA as their employer rather than remain at the City. Annexing to PSFA is estimated to cost just slightly

less than annexing to RRFA but these are very preliminary numbers. The major downsides are the risk of the initial contracting period (discussed in Option 7), and the whole annexation process itself. As in Option 8, the City would have very little leverage in the annexation negotiation and annexation is contingent upon approval of the PSRFA Board, the City Council, and ultimately, the voters.

VIII. Public Engagement Strategies the City Should Consider as Part of its Deliberations Following Delivery of this Report

Committee members completed a homework assignment between meetings to develop recommendations on this issue—the fifth task in our mission. Our individual views here are strongly aligned. That said, we are not experts in public communications, so our input is at a fairly high level.

First, we believe the community will be interested in learning about the future for the fire department, especially if the recommendation is to make a significant change from the current operating model.

Second, we think the Community should be educated about the several items, including but not limited to:

- The cost/financial impact of any proposed change. If the proposed action will cost more (overall, or to a segment of the community), what are the associated benefits?
- Details of the changes proposed and how it will affect residents and businesses
- Impacts on service levels, response times
- Why is a change being proposed?
- Some background on how the fire department operates today and the services it provides

Third, we encourage the City to use a wide array of strategies to engage the community, potentially including some or all of the following:

- Town Hall meetings
- Social media
- Flyers/direct mail/letters to residents and businesses
- Tukwila blog posts
- Tukwila news outlets articles
- Providing information flyers at community gathering places, such as mosques and churches.
- Communication through councilmembers

IX. Conclusion

Tukwila residents and businesses are fortunate to receive a very high level of Fire/EMS services today from the Fire Department. We have four fire stations serving our small City, two of which were completely rebuilt just two years ago with the proceeds of City voter-approved bonds. The City is funding ongoing needs for apparatus and equipment replacement. We have dedicated firefighters on

staff, and they operate using a relatively new inventory of fire apparatus and equipment; the City continues to invest in these assets each year. Largely because of the large number of fire stations in the City, we enjoy the fastest “first unit on scene” response time in all of South King County.

High-quality fire/EMS service is expensive to provide, and in response to this we have seen extensive regionalization of these services across south King County in the last 15 years. Tukwila benefits from many aspects of this regionalization but remains a relatively small, stand-alone fire service, one of only seven cities in the County operating a fire department today.

The City has many options in terms of how Fire/EMS services are provided in the future. We were presented with nine options for consideration and examined each of these in detail. General Fund budget challenges increase the importance of exploring these options. That said, the City’s financial challenges cannot be wholly laid at the door of the Fire Department.

Each of the options we reviewed have benefits and drawbacks. Based on the information we have been provided, and the eight criteria we identified as most relevant to making a choice among these options, our consensus preferred option is to annex directly to PSRFA. Unfortunately, direct annexation does not appear to be something either PSRFA or RRFA are willing to consider at this time.

In light of this reality, our recommendation to the City is to capture the opportunity before us and immediately seek to enter into a service contract with PSRFA as a bridge to near-term annexation.

While cost is a very important consideration in making a choice of what to do, financial estimates of each option are preliminary and will change over time and upon closer examination. And cost is only one of the eight criteria we identify as being important. We encourage the City to consider all eight criteria presented.

We thank the City Council for the opportunity to serve on this Committee. It was a very challenging effort and involved the review and consideration of a great amount of information. We are grateful to the City administration and Fire Department for their support of our efforts. We look forward to discussing our recommendations with you.

Minority Statement by Committee Member Peggy McCarthy

Annexing into the Puget Sound Regional Fire Authority is not the best solution for the City's fire service. If this were done, one of Tukwila's fire stations would close. The PSRFA communicated during both the 2021/2022 Fire Advisory study and the 2015 study its intent to reduce the number of Tukwila fire stations from 4 to 3 if annexation occurs. Fire Station 52 on Tukwila Hill has been the target for reduced fire services in the past and is a likely candidate for closure. All four of the City's fire stations need to remain open and operational to safeguard Tukwila residents, businesses, and property. Fire danger continues to intensify and density within the city continues to increase exacerbating the need for fire services.

Annexing would mean control over all Tukwila fire service decisions would transfer outside the city, including decisions on levels of service and the cost of services. These decisions would be made by the voting members of the PSRFA governance board, comprised currently of three City of Kent council members and three King County Fire District 37 representatives. This Board would decide the fire benefit charge assessed on Tukwila property and as needed, place measures for property tax increases on the ballot, with Tukwila property subject to these tax increases. With 71,209 registered voters in Kent as opposed to 11,206 in Tukwila, a ballot measure could easily pass even if Tukwila voters opposed it. Tukwila's potential representation on the Board would be a minority position and insufficient to change a majority vote. Thus, the Tukwila community would have little say in the level of fire services received or the cost of these services.

Lastly, annexing would be a permanent decision. There is no going back. Although annexing would provide a funding source for fire services outside the City's general fund, the cost to taxpayers and the loss of control over fire service decisions outweigh this benefit. Annexation is not the optimal solution.

Contracting with the PSRFA as a first step to annexation is not the best solution for the Tukwila fire services either. Annexation is not guaranteed. It is subject to approval by both the PSRFA Board and the Tukwila voters. If annexation doesn't happen, the City would have no other choice than to continue contracting for fire services from PSRFA, regardless of the cost or degree of satisfaction. Reconstituting the fire department or contracting with another fire authority would be difficult and therefore not considered an option.

The best solution for obtaining additional funding for fire services, retaining control within the Tukwila community over fire service decisions, and providing Tukwila firefighters with governance dedicated solely to fire services is to form a Tukwila Fire District, funded by a fire benefit charge (FBC) and property taxes. Creating a Tukwila Fire Authority by joining the Tukwila Fire Department with the small, inactive fire district currently served by the Department is another option that meets these goals. Lastly, if change of governance is not a goal, then continuation of the Tukwila Fire Department with an ask to the Tukwila voters for additional fire service funding is another good solution.

Attachments

<u>#</u>	<u>Title</u>	<u>Page</u>
A	Committee Member Names and Affiliations	A-1
B	Staff and Consultant Support Team	A-2
C	Templates describing all Nine Options	A-3
D	Estimated 2022 Costs of the Nine Options	A-38
E	Results of Informal Committee Survey Evaluating Options as against the Eight Criteria and Overall	A-40

Attachment A

City of Tukwila

**Future of Fire/EMS Community Advisory Committee
Committee Members and Affiliations**

Member	Affiliation
Sally Blake	Resident
Jim Davis	General Manager, DoubleTree Suites by Hilton, Seattle-Airport-Southcenter
Katrina Dohn	Resident
Ramona Grove	Resident
Hien Kieu (Vice-Chair)	Executive Director, Partners in Employment (PIE)
Peggy McCarthy	Resident
Jovita McConnell	Resident
Ben Oliver	President and CEO, Starfire Sports, Tukwila
Andy Reiswig	Director, Facilities, Physical Security & Real Estate, BECU
Dennis Robertson	Resident
Abdullahi Shakul	Resident
Verna Seal (Chair)	Resident

Attachment B

Committee Support Team

Name	Title
Allan Ekberg	Mayor
David Cline	City Administrator
Vicky Carlsen	Finance Director
Jay Wittwer	Fire Chief
Norm Golden	Deputy Fire Chief
James Booth	IAFF Local 2088 President
Jake Berry	Public Safety Analyst
Laurel Humphrey	Legislative Analyst
Bill Cushman	Fire Agency Strategic Financial Planner
Karen Reed	Facilitator, Karen Reed Consulting LLC

ATTACHMENT C: TEMPLATES DESCRIBING ALL NINE OPTIONS

The attached templates were developed for and shared with the Committee to introduce the nine future Fire/EMS options considered.

The “**Attachment A**” referenced in these templates is presented as ATTACHMENT D to this report.

Option 1: Status Quo

Service Provider: City of Tukwila Fire Department

Brief description of option:

- City retains the Fire Department and maintains current service levels as community grows.
- City could either continue to cut other departments to maintain service levels, or, to relieve funding pressure on other City departments and fund growth in costs of fire service, the City could pursue a variety of options, including:
 - (1) a voter-approved general fund property tax “levy lid lift” to support all general fund services; and/or
 - (2) A voter- approved levy lid lift dedicated to support the fire department.

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

- Tukwila is a city, a general purpose government responsible to provide a variety of services. The current city property tax rate is \$2.18 per \$1,000 A.V. The City does not impose a fire benefit charge. The City also collects a variety of other taxes and can also charge fees for many services.

Timeframe: Earliest date on which this option could be implemented.

- N/A, except to the extent additional voter-approved funding is recommended.
- If additional funding is recommended, a ballot measure can be submitted for voter approval at any election; new taxes are imposed effective January of the following calendar year. It would usually take several months to develop a plan for the resolution and engage in the public education effort in advance of the election.

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

- No action to maintain existing department.
- Additional funding could be secured by cutting other department budgets or seeking additional voter-approved funds.
 - Council action required to place a property tax “lid lift” before the voters—raising the “lid” on the property tax rate above the 1% cap. Lid lifts typically require simple majority approval; they can be permanent or time limited; funds generated may be limited to certain purposes (fire/EMS) or general city purposes; time limited levies may also include an annual inflation adjustment. See **ATTACHMENT B**

Current service metrics for service provider (response times)

In 2020:

Fire turnout out time goal: **under 3:01**. Met 93.8% of the time.

EMS turnout time goal: **under 2:38**. Met 89.2% of the time.

Fire response time (combination of turnout and travel time) goal **under 7:59**. Met 86.2% of time

EMS response time goal: **under 7:52**. Met 86.3% of time

<p>Enhanced Services Options: staffing /cost</p> <ul style="list-style-type: none"> • N/A – the status quo model assumes no enhanced services.
<p>Operational Model options: Considering a model with fewer than 4 stations in Tukwila? Cost and service implications, implementation issues</p> <p>As raised in the CPSM report, it is possible for the City to reduce the number of fire stations from 4 to 3 to save money with a modest impact on response times. Precise response time impacts have not been modelled and would depend upon whether there were corresponding reductions in staffing / available units staffed. Community concerns could be anticipated from any station closure.</p> <p>Closure of a fire station, reduction in staffing and reduction in the number of response units on duty would all require union agreement; staffing level reductions are likely to be strongly opposed by the union. Without a reduction in staffing, savings from a station closure would be relatively modest.</p>
<p>Summary of estimated costs: cost components, estimated annual cost to City and/or taxpayers See ATTACHMENT A</p>
<p>Staffing Implications The status quo model would continue current staffing.</p>
<p>Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed? N/A City is planning to issue \$30M in bonds in 2027 to fund remodel of the remaining 2 city fire stations (Stations 53 and 54) The bonds will require voter approval.</p>
<p>Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?</p> <p>Under this option, the Mayor and City Council remain full oversight authority over the department operations and funding</p>
<p>Summary of implications of this option</p> <p>Cost: As modelled in the financial plan, the cost of the <i>status quo</i> option is expected to increase 3.2% on average per year over the next 7 years. This compares to a historical growth rate in City general fund revenues of 3%/year. Without additional revenue, the <i>status quo</i> option will require ongoing cuts/efficiencies in other (?) departments in order to fund the Fire Department at the current level of service.</p> <p>The City does have the ability to seek voter approval for property tax increases to fund part or all of the fire departments costs going forward—or to support any or all general fund departments.</p> <p>In addition, the City is considering seeking voter approval of \$30M (approx.) in bonds in 2026 from voters (tax collections would start in 2027) to fund remodeling of Stations 53 and 54.</p> <p>Service Levels: The current service levels are among the best in South County, in terms of response times. This is largely due to the number of fire stations in the City.</p>

Oversight/Management Control: The cost and level of service offered by the department are fully under the control of the City Council and Mayor, excepting that changes to working conditions must be negotiated with the fire union.

Other: The City currently participates in several regional cost-sharing programs for fire service. There may be future opportunities to increase cost-sharing, however, as a standalone department, there are limits to the economies of scale that the City can secure.

Risks/Major Unknowns: The City is financially healthy, but unanticipated events—such as the damage to the Allentown Bridge—force reprioritization of planned expenditures.

The City bears the cost risk associated with changes in fire department operating requirements.

Attachment B (presented after Option 2): Ways to increase funding for Fire Department.

Option 2: Status Quo “Plus” – Funding for enhanced services (v. 4.6.22)

Service Provider: City of Tukwila Fire Department

Brief description of option:

City retains the Fire Department and enhances service levels in (up to) three areas:

1. Fire Marshal (providing permit review, fire inspection, fire investigation services). Existing division has 4 employees; proposals including adding 1 to 3 additional FTE.
2. Public Education (providing education about fire prevention and fire safety in the community). Proposal includes adding 1 FTE to perform this function.
3. CARES unit. A low-acuity incident response unit. Because the City has so few calls of this nature, the proposal is to partner with adjacent service providers in the operation and funding.

These service adds combined cost approximately \$791K in 2022, increasing to just over \$956K by 2028, equivalent to an addition \$0.09 to \$0.10/per \$1,000 in assessed value in property tax; These programs could not be supported without reducing other City department budgets or securing additional revenues.

If the City chose to seek new revenue to specifically fund the service adds, a voter-approved levy lid lift is one funding option. That lid could also include authority to support other fire department costs. (See **Attachment B**)

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

- Tukwila is a city, a general purpose government responsible to provide a variety of services. The current city property tax rate is \$2.18 per \$1,000 A.V. The City does not impose a fire benefit charge. The City also collects a variety of other taxes and can also charge fees for many services.

Timeframe: Earliest date on which this option could be implemented

Additional funding to support fire and other general fund services can be submitted for voter approval at any election, with the property taxes imposed starting the following January.

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

Council could impose cuts on other departments to fund these additional services. Alternately, additional funding could be secured by cutting other department budgets or seeking additional funds. Council action required to place a lid lift before the voters. Lid lifts typically require simple majority approval; they can be permanent or time limited; time limited levies may also include an annual inflation adjustment.

Current service metrics for service provider (response times) –

See Option 1.

The proposed enhanced services will not change the current service targets or outcomes in terms of response times; they are designed to provide other benefits to the community.
<p>Enhanced Services Options: All enhanced services are funded in this Option.</p> <ul style="list-style-type: none"> • Public Education – one FTE to provide education about fire safety in schools. • CARES – one FTE would support this unit with one-third of his/her time. This is proposed as a shared expense with adjacent fire service providers. • Fire Marshal—up to three FTEs. Each FTE would cost approximately 154K in 2022.
<p>Operational Model options: Considering a model with fewer than 4 stations in Tukwila? Cost and service implications</p> <p>See Option 1 discussion.</p>
<p>Summary of estimated costs: cost components / estimated annual cost to City and/or taxpayers See Attachment A.</p>
<p>Service/Performance Levels proposed</p> <p>There are no specific service levels associated with the three enhanced service programs.</p>
<p>Staffing Implications</p> <p>Addition of all three programs at the maximum level would add 4 FTE; the partial FTE for the CARES unit would be an employee with a partner agency.</p> <p>Attachment A models the Fire Marshal Office staffing with 2 additional FTE, rather than 3.</p>
<p>Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed?</p> <p>Additional vehicles and equipment would be provided fore each additional fire inspector and for the public educator. These costs are included in the cost estimates.</p>
<p>Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?</p> <p>Same as for Option 1 (status quo), excepting that the CARES unit would be jointly-funded with other agencies and so decisions around future funding/staffing would require agreement of those partners.</p>
<p>Summary of implications of this option in terms of service level, oversight, cost.</p> <p>Cost: The cost for all enhanced programs, at the maximum staffing (3 additional for Fire Marshal Office) is approximately \$791K in 2022, growing to an estimated \$956K in 2028. This would be added to the status quo Option 1 cost.</p>

Adding these services without additional revenue will increase pressure for cost cutting and efficiencies on other City departments.

Note: based on later received information from the RFAs about what they would charge Tukwila to contract for a CARES unit, the cost of the CARES unit (and the total enhanced services cost estimate) can be reduced by an estimated \$167K.

Service Levels: Each enhanced service program proposed provides different additional services to the community. Addition of these programs is not expected to change response times.

Oversight/Management Control: The Mayor and Council retain control over this option, subject to negotiation as required with the union.

Other:

Risks/Major unknowns: There is a risk that the CARES unit regional funding contribution, estimated to offset about 1/3 or \$100K of the CARES unit annual cost, could be eliminated.

Attachment B: Discussion of Funding Alternatives

Attachment C: Detail on Projected Cost of Enhanced Services, 2022-2028

Option 2, Attachment B

Subject: Options to increase funding, with voter approval, to fully the fire department and not reduce services in other departments -- and/or providing funding to increase/enhance services provided by the fire department.

Options include:

- **Voter approved excess property tax levy**
 - o For capital funding
 - o Requires 60% voter approval plus validation (minimum turnout of voters threshold must be met) for passage
 - o Taxes collected to pay debt
 - o Taxpayers who qualify for senior citizen/disabled person are exempted from this tax

- **Voter approved levy lid lift**
 - o Typically used for operational funding
 - o Simple majority vote for approval
 - o Time limited (6-years, permanent)
 - o Would allow the City to increase the regular property tax levy more than 1%
 - o Cannot exceed maximum levy limit
 - o Taxpayers who qualify for senior citizen/disabled person may be exempted from this tax

How much money could be raised? Here are some quick rules of thumb:

Based on the City's current assessed value of \$8.031 billion,

- Each penny increase in the property tax levy rate will generate approximately \$80,000 in additional property tax revenue. A parcel of real property with an assessed value of \$500,000, would see a \$5 increase in the annual property tax bill for every penny increase in the property tax.

- A 10-cent increase in property tax would generate approximately \$800,000 in additional revenue in a year, and that same parcel valued at \$500,000 would realize a \$50 annual increase in property tax.

Option 2 Table C: Estimated Cost of Enhanced Services (this information is pulled from the Financial Strategic Plan presented at Mtg. 2)

Enhanced Services	2022	2023	2024	2025	2026	2027	2028
Public Educator	115,313	119,003	122,811	126,741	130,796	134,982	139,301
Pub Ed Supplies (1)	5,000	2,500	2,550	2,601	2,653	2,706	2,760
Pub Ed Vehicles M&O	2,500	2,550	2,601	2,653	2,706	2,760	2,815
	122,813	124,053	127,962	131,995	136,155	140,448	144,877
Fire Inspector 1	145,090	154,231	159,166	164,260	169,516	174,941	180,539
Inspector 1 Supplies	6,000	3,000	3,060	3,121	3,184	3,247	3,312
Inspector 1 Vehicle	2,500	2,550	2,601	2,653	2,706	2,760	2,815
	153,590	159,781	164,827	170,034	175,406	180,948	186,666
Fire Inspector 2	145,090	154,231	159,166	164,260	169,516	174,941	180,539
Inspector 2 Supplies	6,000	3,000	3,060	3,121	3,184	3,247	3,312
Inspector 2 Vehicle	2,500	2,550	2,601	2,653	2,706	2,760	2,815
	153,590	159,781	164,827	170,034	175,406	180,948	186,666
Fire Inspector 3	145,090	154,231	159,166	164,260	169,516	174,941	180,539
Inspector 3 Supplies	6,000	3,000	3,060	3,121	3,184	3,247	3,312
Inspector 3 Vehicle	2,500	2,550	2,601	2,653	2,706	2,760	2,815
	153,590	159,781	164,827	170,034	175,406	180,948	186,666
CARES EMT (.33 FTE)	58,706	60,585	62,523	64,524	66,589	68,720	70,919
CARES M&O	250,000	255,000	260,100	265,302	270,608	276,020	281,541
	308,706	315,585	322,623	329,826	337,197	344,740	352,459
Note: based on later received information from the RFAs about what they would charge Tukwila to contract for a CARES unit, the cost of the CARES unit can be reduced by an estimated \$167K							
Enhanced Services Budget	892,290	918,980	945,067	971,923	999,570	1,028,032	1,057,335
Offsetting Revenues							
CARES Grant*	(100,800)	(100,800)	(100,800)	(100,800)	(100,800)	(100,800)	(100,800)
Enhanced Services Net Cost	791,489	818,181	844,266	871,123	898,770	927,232	956,534
Levy Rate for Enhanced Services (assuming 5% annual AV growth)	0.096	0.094	0.093	0.091	0.089	0.088	0.086

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

Service Provider: A new governmental entity and taxing district—the Tukwila Fire District -- authorized by the voters, with boundaries that are the same as the City boundaries.

Brief description of option

State law (RCW 52.02.160) provides that a city may by resolution seek voter approval to create a fire district with boundaries the same as city boundaries.

The governance for the new District can be either:

- (1) the City Council; or
- (2) an independently elected board of seven fire commissioners (since the budget for the district would exceed \$10M a year (RCW 52.14.140(3) (c))).

The City would either transfer ownership or lease all fire department assets to the new fire district. The bonds on Stations 51 and 52 would still need to be repaid by the City – there may be legal barriers to transferring title to stations while the debt is outstanding. (Note that transfer of equipment and/or facilities may trigger the obligation to pay a sales & use tax.)

All employees of the Fire Department are also transferred to the Fire District; employees retain their seniority, retirement, vacation leave, etc. rights (RCW 52.02.180). The current collective bargaining agreement would be subject to renegotiation if either the new District leadership or the union so desired.

The new District would need to hire **additional administrative staff and would have some start-up costs**. The number of staff hired, and the overall cost would depend on whether, and to the extent to which, the new District contracted for administrative services from the City or others.

There are four main components to this additional set of costs:

- Start up costs (new computers, phones, etc.) estimate \$1-\$2 million in one-time costs.
- Ongoing administrative costs: estimates range from \$1-2.5 million per year
 - If the City provided some administrative services, the cost would be less.
 - Some services could *not* be provided by the City: even with the City's help, the District would probably need a minimum of 2-3 administrative staff, and would need independent legal counsel, would need to pay for an annual audit, etc.
- Because districts are reliant solely on property taxes (plus self-generated revenues and grants) for ongoing revenue, and because property tax is transmitted only twice a year by the state to taxing districts (May, October), the City would need to loan the District **"fund balance"** – cash to pay the bills between January-May. This would take the form of a loan repayable to the City over a few years.
- Property tax reliance also means that the **excess levy** would need to be sized to support operations over time—**excess levy reserve funds** the first few years to pay costs in the last few years.

In this option, the new Tukwila Fire District would not have a Fire Benefit Charge; it would rely almost entirely on property tax for funding (plus self-generated revenues and grants—a minor piece today, but there is room to grow revenue here).

Based on a midpoint range \$1.75M in ongoing administrative staffing and administrative costs, and **excluding one-time start-up costs, fund balance loan costs, enhanced services, LEOFF and fire station debt (retained by City), the total operating cost of the Fire Department under this model requires a total levy rate --** is estimated at **\$1.99/\$1,000 AV in 2022, before calculating the excess levy reserve needed.** The gap between \$1.50 (the maximum fire levy rate) and this higher cost range would need to be covered by either (or both):

- A City cash contribution each year
- A voter-approved excess levy (60% approval required) – a **\$0.49 cent excess levy in 2022** (before calculating the bump in the rate needed to maintain purchasing power and address inflation over 5-6 years).

Both the basic fire levy and any excess levy would need to be restored by voters periodically to maintain purchasing power.

An excess levy for the District could not be submitted for voter approval at the same election that the District is being created, so at least initially, a City contribution would be necessary to maintain current services—and one could not assume the voters would approve the excess levies once placed on the ballot.

The cost of operating the Fire Department would come off the City's budget, except that the currently outstanding fire station bonds would remain a city obligation, as would any funding support the City provided to the District. The taxes to repay the fire station bonds, earlier approved by voters, would not be affected.

The City's levy capacity would be reduced by the amount of the fire district's initial levy (\$1.50 per \$1,000 A.V.) (RCW 52.02.160(b)(ii)). Note that this a greater reduction on the City's levy than if the City were to contract for services with another agency (no levy reduction) or annex into another agency (reduction depends on their financing structure). The City's new maximum property tax rate would be \$2.10/\$1,000 AV (\$3.60/\$1,000 AV less \$1.50/\$1,000 AV). The City's current levy rate is \$2.18 (but the City would no longer have the expense of the Fire Department on its books).

As part of the ballot measure to create the District, the City would want to consider committing to voters that it will reduce the City property tax levy by the amount of funding the City no longer pays to support the Fire Department. This could later be recouped by the City as banked capacity if it so chose.

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes)

The new Tukwila Fire District would be a separate unit of local government. Under this option the District would utilize solely property tax, grants and fees for its operations. *In reality, the District would have the ability to ask its voters for a benefit charge at any time* – the point of Option 3 is to explore whether the District could rely solely on the maximum fire levy allowed by law and maintain current service levels: the answer to that is “no.”

The District would have a maximum fire levy rate of \$1.50/\$1,000 AV. Once created by voters, the District could also ask voters to approve excess levies to support operations, and could also ask voters to approve taxes to pay off bonds (for station upgrades).

Timeframe: Earliest date on which this option could be implemented

The timeframe for this would be relatively quick. The vote to create a new Tukwila Fire District must be placed before the voters at a general election (November) following adoption by the City Council of a resolution to create the District, however, the City would need to develop a workable financial plan for the District in advance of bringing this to the voters.

If the proposal is to have an independently elected board of commissioners (rather than the Council serving as the governing board), the election of all seven initial fire *commissioners must be on the same ballot as the vote to create the district*. (RCW 52.02.160(2)(b)). To ensure a robust election, there would need to be time to advertise the offices and encourage candidates to run for commissioner positions. (Candidates need to be District residents).

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

The City would need to develop the financial plan for the District and the Council would need to determine its preferred governance model. The Council would adopt a resolution outlining these matters. The Council must hold a public hearing before passage.

Under this Option 3, the financing plan would be the traditional property tax funded approach. This would involve both the maximum \$1.50/\$1,000 fire levy as well as a share of regional EMS levy funds, City contributions, grants and fees charged by the new District, and excess levies later approved by voters after the District is created.

The existing collective bargaining agreement would be transferred to the new district; it could be renegotiated at the request of either party.

Creation of the District requires a simple majority of voters (**50% + 1**) to approve, no validation requirement.

If the Council started with a plan that included the Council as the governing body for the Fire District, it could later convert to a board of voter-selected commissioners.

Current service metrics for service provider (response time)

If the District were able—through city grants or voter-approved excess levies—to generate sufficient dollars to maintain the equivalent of current City funding for the department plus start up and additional administrative costs, current service levels could be maintained. If not, service levels could be expected to deteriorate.

Enhanced Services Options: staffing/cost

Enhanced services could only be funded through a voter approved excess levy or City contributions. As a reminder, the total cost of all three enhanced services, with 3 fire investigators, has a net cost of \$1.1M in 2022 – a property tax levy rate of about \$0.13.

<p>Operational Model options: Considering a model with fewer than 4 stations in Tukwila? Cost and service implications, implementation issues</p> <p>The District would need to negotiate any reduction in the number of stations/firefighters with the union.</p>
<p>Summary of estimated costs: cost components, estimated annual cost to City and/or taxpayers See Attachment A.</p> <p>What is modeled is the maximum fire levy (\$1.50/\$1,000 AV) plus an excess levy (assumed to be generating revenues in Year 1) in an amount necessary to maintain current service levels in 2022. The average of the low- and high- start-up and administrative costs are included. The resulting cost is an estimated \$15,968,164 or the equivalent of \$1.99 in property tax in 2022. This excludes City retained costs (debt service on the existing station bonds and LEOFF payments), incorporates Department-generated revenues and grants, but <i>excludes</i> the cost of borrowing fund balance from the City or the bump in the excess levy rate needed to support the operation over 5-6 years).</p> <p>The excess levy rate is estimated at \$0.49, before calculating the excess levy reserve fund rate (to address inflation and declining purchasing power of the levy).</p>
<p>Staffing implications</p> <p>All Fire Dept. staff would transfer to the District and retain their seniority and accrued benefits. Additional administrative staffing would be needed (unless city provided these services by contract).</p>
<p>Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployers?</p> <p>Facilities and apparatus could be transferred or leased to the new District – but stations with debt may need to be retained by the City. The City would remain responsible for debt repayment. Equipment would be transferred.</p>
<p>Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?</p> <p>The answer to this depends on the governance structure. If the City Council remains the oversight Board, the City retains a high level of oversight and control, provided that the Council will need to act as a fiduciary for both the City and the District and it is possible that interests may diverge. This is manageable—the City Council currently sits as the board of the City’s independent parks district.</p> <p>If a new board of commissioners governs the District, then the City would have little or no control over the operations, costs and service levels. The District Commissioners would be accountable to the voters.</p>
<p>Summary of implications of this option</p> <p>Cost: Costs of this option are higher than Option 1 or 2 because of the additional start-up and administrative costs (assuming the goal is to maintain service levels). Funding is less stable than the current situation (Option 1) because voters would need to approve a significant excess levy on a periodic basis, as well as lid lifts to restore the \$1.50 fire levy.</p> <p>Additional information added since this option was first presented: Costs will need to include administration for the new agency, as well as reserves and working capital. Also, the City will need to</p>

contract for provision of fire marshal office services with the new agency (the City can keep the fees generated to offset the cost).

Unless the City chose to subsidize the district to maintain its service levels, this option removes the cost of the fire department from the City budget.

Service Levels: Without additional voter approved excess property tax levies or a cash transfer from the City, service levels could not be maintained in this Option. Precise impacts are unknown.

Oversight/Management Control: The City Council or a new independently elected board of commissioners would control the fire district. If there is a new board of commissioners, there is the possibility of conflicting goals and priorities between the City and District.

Other:

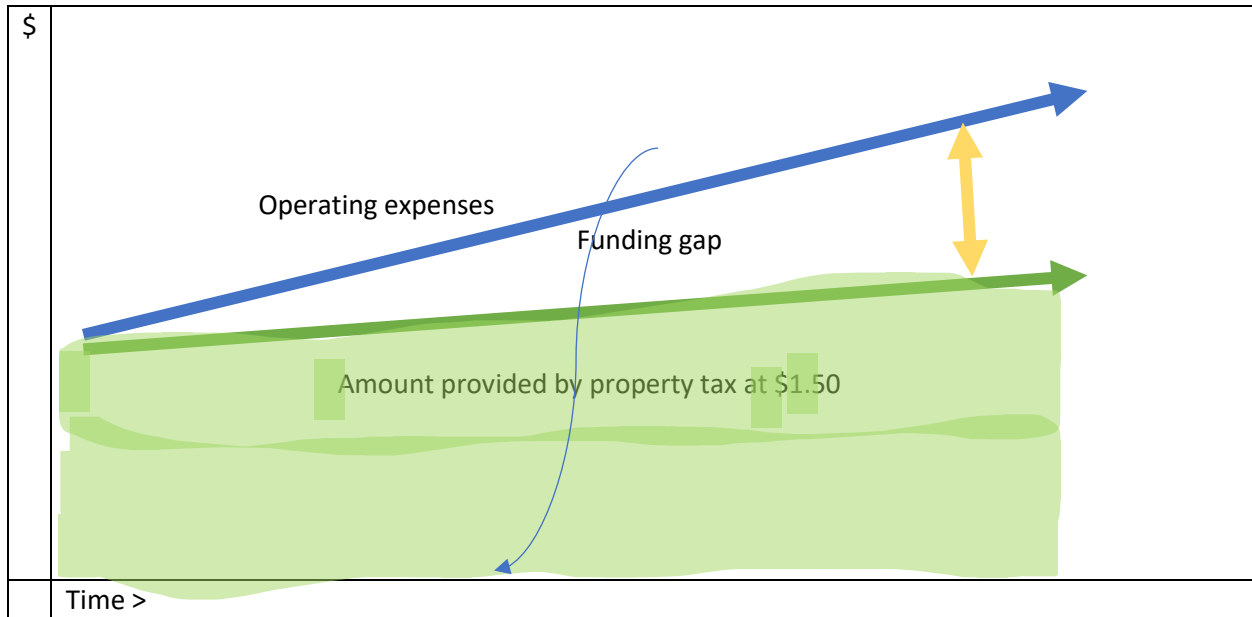
Risks/Major unknowns: The major risks are in the ability of the funding to maintain service levels. It is unknown whether voters would approve excess levies to maintain current service levels, or whether the City would fund the initial year gap between \$1.50 and actual costs. If funds were not provided, the impact on service levels has not been precisely mapped but would likely entail reduction in staffing and stations.

Another general risk is that the heavy dependence on property tax—collections of which can only grow at a rate of 1% per year plus the tax on new construction – means that the Fire District will need to ask voters for levy lid lifts every 4-6 years to restore purchasing power.

There would be some risk to the City in terms of its financial flexibility if its property tax levy capacity is reduced by \$1.50; as noted.

Option 6 Attachment B: (Below) simple funding diagram

In **Option 3**, the **\$1.50 maximum regular property tax rate** for a fire district won't cover beginning (or ongoing) expenses of the Department given current service levels/operations. The funding gap would need to be made up by revenues from the *City contributions*, or a *voter approved excess levy*. Unless the City fills the funding gap, the District will need to ask the voters for a significant excess property tax levy to cover base expenses.



The funding Gap can be filled by either:

1. City contributions
2. Excess levies (60% voter approval)

...or some mix of the two. Additional fee revenue could help, but not enough to defray much of the total. The other alternative is to reduce costs and service levels to close the gap. Both the excess levy and the regular fire levy would need to be resubmitted to voters periodically (about every 4-6 years) to restore purchasing power/levy rate to the original rate.

Option 4: Create a Tukwila Fire District, funded by both property taxes and a Fire Benefit Charge (v.4.6.22)

Service Provider: A new taxing district, authorized by the voters, with boundaries co-extensive with the City: Tukwila Fire District.

Brief description of option: This option is the same as Option 3, *except that*:

The financing plan would include a **Fire Benefit Charge**. A Fire Benefit Charge (FBC) is a fee, not a tax, and is allocated to individual property owners based on the size, risk and hazard associated with structures on real property (rather than based on the value of those properties as is the case for property tax).

In exchange for the ability to levy a FBC, the maximum fire levy allowed drops from \$1.50 to \$1.00. The FBC is sized to collect the balance of needed revenues over and above the \$1.00 fire levy. The FBC cannot exceed 60% of the District's operating budget.

At current service levels, and using a mid-range estimate for additional administrative costs, the FBC would need to collect the equivalent of **\$7,109,058**. This is about 45% of the estimated 2022 operating budget (excluding one-time start-up costs) and is equivalent to an \$0.89 levy in 2022.

The City would need to develop a proposed FBC formula. Note that the fire district governing board can change that formula from year to year without seeking voter approval.

A difference between Option 3 and Option 4: 60% voter approval is required to create the new district—rather than 50%, since it includes an FBC.

As in Option 3, the City's levy capacity is reduced, but only by \$1.00 (the maximum fire levy amount).

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

Same as Option 3: a Tukwila Fire District would be a separate unit of local government, with its own governing board, taxes, annual budget, responsibilities and authorities. It could charge fees for service and apply for grants.

The FBC would have to be sized to support somewhere between 42-47% of the initial budget, excluding start-up costs.

Timeframe: Earliest date on which this option could be implemented

The timeframe would be similar to Option 3, however, there would need to be work done to develop the FBC formula.

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

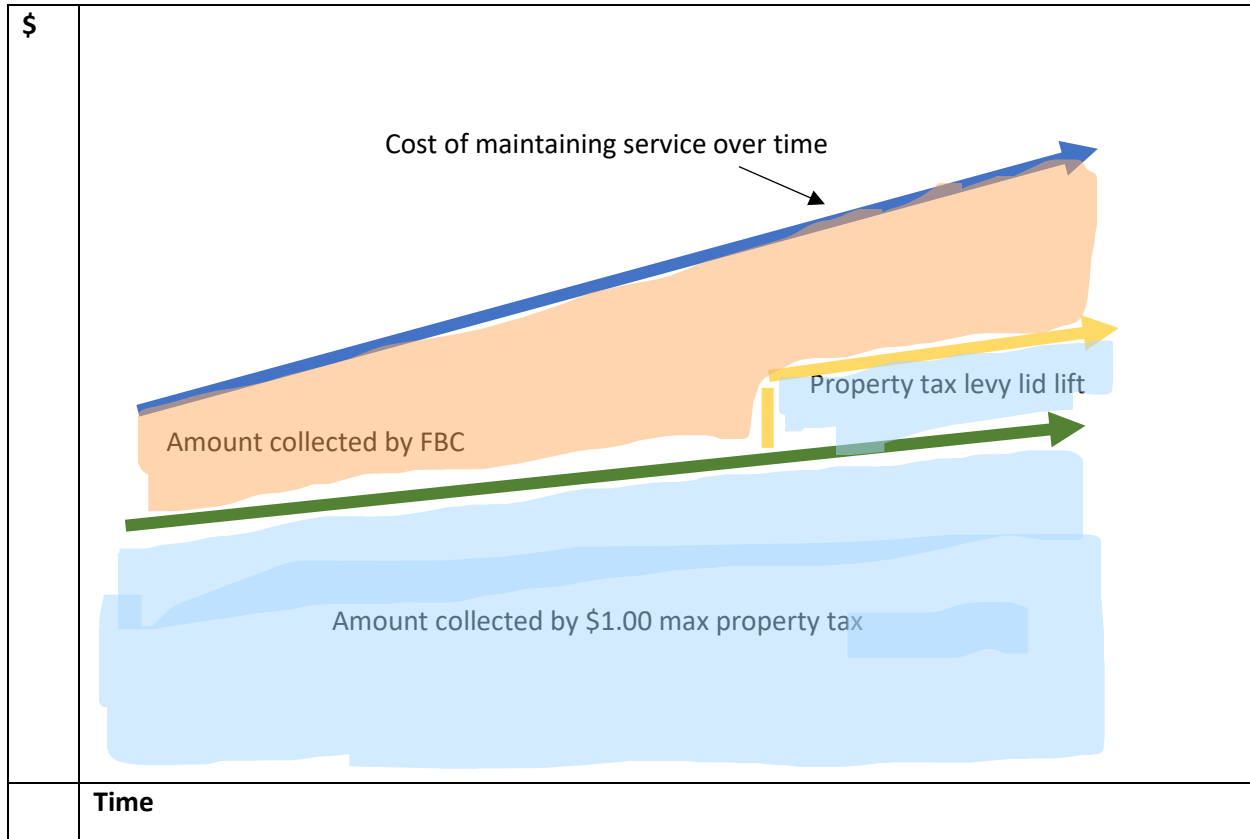
The same as for Option 3, with the addition of work to develop the FBC formula, and the fact that 60% voter approval is needed to create a fire district that can impose a FBC.

<p>Current service metrics for service provider (response time)...</p> <p>With equivalent funding as the current operation (and an additional increment for administrative costs and start up costs), one could expect the new Fire District could maintain current Tukwila Fire Dept. service levels. If sufficient funding were not secured, service levels would be impacted.</p>
<p>Enhanced Services Options: staffing/cost</p> <p>Enhanced services could be funded through either increasing the FBC collections (up to the 60% operating budget maximum) or voter-approved excess levies.</p>
<p>Operational Model options: Considering a model with fewer than 4 stations in Tukwila? Cost and service implications, implementation issues</p> <p>Same as for Option 3</p>
<p>Summary of estimated costs components / estimated annual cost to City and/or taxpayers</p> <p>See Attachment A.</p>
<p>Staffing implications</p> <p>All existing employees in the Fire Department would transfer over. Depending on the approach to providing administrative services—contract with City or hire new staff—there would be additional personnel involved.</p>
<p>Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed?</p> <p>Same as Option 3</p>
<p>Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?</p> <p>Same as Option 3</p>
<p>Summary of implications of this option</p> <p>Cost: Having an FBC provides additional revenue stability/sustainability/scalability as opposed to being solely dependent on property taxes—because the FBC can be raised without any year-to-year limit, other than total collections cannot exceed 60% of operating costs.</p> <p>Additional information added since this option was first presented: Costs will need to include administration for the new agency, as well as reserves and working capital. Also, the City will need to contract for provision of fire marshal office services with the new agency (the City can keep the fees generated to offset the cost).</p> <p>Service Levels: It will be easier to maintain service levels in any option with an FBC as compared to an Option primarily reliant on property tax—because of the revenue flexibility that the FBC provides.</p> <p>Oversight/Management Control: Same as Option 3.</p> <p>Other: Commercial and multi-family property owners may be less supportive of a model with a FBC, because costs are shifted to them (reflecting the additional resources the District must have in place to serve them as compared to responding just to single family residences).</p>

The FBC must be renewed periodically by voters. These elections have been highly successful in other districts with FBCs in recent years.

Risks/Major unknowns: At this time, we cannot propose a detailed FBC for a new fire district, so we do not know the magnitude of the cost shift will be towards multi-family and commercial structures, away from single family homes. The City could target any policy outcome it desired in terms of a FBC formula – but the governing board can change that starting formula in any following year.

Simple Diagram of how Option 4 works:



Note that even with an FBC, an agency will want to periodically seek a property tax lid lift to restore purchasing power of its fire levy, and keep FBC collections within a preferred range (and under the 60% operating budget max.)

Option 5: Partner with another fire service provider to create a Tukwila Regional Fire Authority—with a fire benefit charge (v. 4.6.22)

Service Provider: Tukwila Regional Fire Authority, a new governmental entity and taxing district, created by voter approval.

Brief description of option: The City and another adjacent or proximate fire service provider(s) would negotiate a plan for creation of a regional fire authority and submit it to the voters of the member jurisdictions for approval. A regional fire authority has essentially the same service and revenue generating authority as a fire district, however, it has broad discretion to shape its governance/oversight board to meet the needs of the participating partners. The City cannot create an RFA on its own, it must partner with another agency (or agencies) which also must have authority to provide fire service.

Potential partner agencies—adjacent or proximate non-RFA fire service providers—include:

- FD 24 (a small “paper district” served by Tukwila)
- FD 2 (serving Burien/Normandy Park)
- FD 11 (serving the North Highline area)
- FD 20 (Serving West Hill/Skyway)
- Seattle FD

The Tukwila FD has reached out to all these potential partners except the first (FD 24)) and reports that they are not interested in pursuing this option at this time. Similarly, these partners are not interested in merging with TFD (creation of an RFA provides more flexibility on governance so would likely be preferred by Tukwila). That said, uninterested partners could change their mind over time.

This option assumes the City can work to firm up FD24 management/governance and that they are the agency Tukwila would partner with to create a Tukwila RFA. FD 24 does not currently have a board of commissioners in place, or any employees with whom the City could negotiate, but this presumably can be remedied with some work. FD 24 is very small; just a few blocks of area.

Like Option 3 and 4, an RFA would require that an administrative structure be stood up to support the new agency. Costs would be in the same range as for Options 3-4. Also like Options 3 and 4, all employees and the current collective bargaining agreement would be transferred to the new agency; employees would retain their seniority, benefits, accrued vacation, etc.

Current operational costs suggest a fire benefit charge (FBC) and a \$1.00/\$1,000 AV Fire Levy is the most stable approach to fund the current Tukwila operation. Therefore, financially and operationally, there is essentially no difference between this option and **Option 4**, since the service area and AV are basically identical. The difference here is in the process and governance and the type of separate government formed (an RFA versus a fire district).

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

An RFA can provide all the same services that a city fire department or a fire district can provide. It also has essentially the same financial authorities.

As with a fire district, an RFA imposing a fire benefit charge, is limited to \$1.00 / \$1,000 A.V. in property taxes. Like a fire district, an RFA would be eligible to receive a share of regional EMS revenues, apply for grants, and charge fees for service.
<p>Timeframe: Earliest date on which this option could be implemented</p> <p>The negotiation of an RFA plan is a somewhat lengthy process and can take a year or more. After formal approval of the plan, it can be placed on the ballot at any election. Voters in all member jurisdictions are entitled to vote. Generally, the goal is to vote in February or April to ensure the RFA taxes can be imposed the following January rather than be delayed a year. With a fire benefit charge involved, a 60% approval vote must be secured to create the RFA.</p>
<p>Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)</p> <p>Creating an RFA starts with the partner agencies creating a formal planning committee to develop an “RFA plan” outlining funding, services, operations, and governance for the proposed agency. The committee must have 3 elected officials from each participating agency. The plan must be approved by the legislative body of all participating agencies, and then submitted to the voters for approval.</p> <p>As with creation of a Tukwila Fire District, all fire department employees of both agencies would be transferred to the new RFA, with their seniority, accrued vacation leave and other benefits retained.</p> <p>The major issues determined by the RFA Planning Committee are:</p> <ul style="list-style-type: none"> • Governance -- will the governing body be directly elected, or appointed by the member agencies; if directly elected, members can be at-large or districted) • Finance – establishing the FBC formula, reserves • Operations—establishing the organizational chart. <p>Securing needed voter approval for any option (Option 3, 4 or this option) will require a public education campaign. A “pro” campaign would typically be very helpful and would typically be led by the IAFF. This highlights the importance of union support for any option requiring a vote.</p>
<p>Current service metrics for service provider (response time)</p> <p>Assuming the RFA raised funds at the level required to support the current Tukwila Fire Dept., there would be no change in service levels.</p>
<p>Enhanced Services Options: staffing/cost</p> <p>The RFA could choose to fund these services. The cost would be the same as for the other Tukwila Options 2-4.</p>
<p>Operational Model Options: Considering a model with fewer than 4 stations in Tukwila? Cost and service implications.</p> <p>Same as for Options 3-4. Would require union support.</p>
<p>Summary of estimated cost components / estimated annual cost to City and/or taxpayers</p> <p>See Attachment A.</p> <p>The cost is essentially the same as Option 4, however, there would be additional transaction costs to accommodate the negotiation of the RFA plan with FD 24 (or another partner).</p>

Staffing implications

Like Options 3 and 4, by law all employees and the current collective bargaining agreement would be transferred to the new agency; employees would retain their seniority, benefits, accrued vacation, etc.

Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployers?

Same as Options 3 and 4 –assets would be transferred over to the RFA, excepting that the City may need to retain title to stations with bonded debt. Typically, the RFA would not pay for these assets.

Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?

This would depend on the governance model. Tukwila could retain majority control on the governance board if FD24 agreed, and the parties chose a board of directly elected members.

Summary of implications of this option

Cost: Costs would be essentially the same as Option 4 (Fire District with FBC), except that transaction costs would be higher due to the need to negotiate with FD 24.

Additional information added since this option was first presented: Costs will need to include administration for the new agency, as well as reserves and working capital. Also, the City will need to contract for provision of fire marshal office services with the new agency (the City can keep the fees generated to offset the cost).

Service Levels: Current service levels could be maintained under this financing model (\$1.00 Fire Levy and Fire Benefit Charge)

Oversight/Management Control: If partnering with FD 24, Tukwila could maintain majority control over the RFA Board through claiming a majority of seats. But engagement of a representative(s) of FD 24 on an ongoing basis would be part of the discourse at the RFA board.

Other: Additional transaction time/cost to stand up FD 24 and negotiate an RFA plan with them.

Risks/Major Unknowns: Can FD 24 be brought to a position that it can negotiate with the City? How long will that take? Would they agree to negotiate the creation of an RFA with the City? The precise nature of the FBC formula that would be negotiated is also unknown so cost impacts on various sectors of the Tukwila community cannot be estimated.

As with any FBC, the amount collected and formula for collection can be changed each year by the governing board; the check here is that the governing board members are accountable to voters.

Option 6: Contract for Service with Renton Regional Fire Authority

(v.3.22.22)

Service Provider: Renton Regional Fire Authority (RRFA), a separate municipal corporation and taxing authority under state law.

Brief description of option: The City could seek to contract for fire services from the Renton Regional Fire Authority. The RRFA boundaries include the city of Renton and Fire District 25. In addition, RRFA serves Fire District 40 by contract. The RRFA was created by a vote of the residents of Renton and Fire District 25 in 2016. The RRFA has imposed a fire benefit charge (FBC) since its inception, and thus has a maximum fire levy rate of 1.00/\$1,000 A.V.

Potential service contract terms have been discussed with RRFA. RRFA staff have expressed interest in entering a service contract with the City. Estimated cost of contracting in 2022 are presented in **Attachment A**. The contract fee would be paid by the City, supported by City taxes and other general fund revenues.

The RRFA contract price in **Attachment A** is based on all Tukwila employees moving over to RRFA and working under the Renton Collective Bargaining Agreement. There are some differences in wages and working conditions that would need to be resolved prior to joining the RRFA. The cost estimate does not include cost of ensuring no hourly wage losses to Tukwila Firefighters – but RRFA is going into union negotiations this year and costs will be substantially different next year (this is a significant unknown for this contract offer). All parties agree that a mutually acceptable agreement can be reached in the event this option is selected.

The contract discussed and priced would continue operations at current staffing levels out of all four City fire stations. As a result, response times would not change from the status quo.

The City would likely retain title to all four fire stations if it contracted with RRFA. The RRFA would assume basic maintenance responsibilities for the stations.

In terms of enhanced services:

- RRFA has a public education program and a price to extend that to Tukwila is included in the contract
- RRFA and PSRFA share a CARES program with each RFA having a unit in their respective areas. The CARES unit would cover Tukwila under this agreement.
- RRFA offers fire marshal services; the staffing is provided with civilians, rather than firefighters and is thus considerably less expensive. The Tukwila FMO staff would all transfer over to the RRFA but would transfer back to fire operations. The FMO work would be carried out by RRFA adding four additional civilian staff FTEs.

RRFA prefers to have a service contract as a precedent to Tukwila annexing. The service contract could include a time at which the parties would begin to discuss annexation. Annexation into RRFA will be described in **Option 8**.

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

RRFA was created by voters in 2016; its original (and current) member agencies are Renton and Fire District 25. Fire District 40 (serving unincorporated areas to the east of Renton) is served by contract.

RRFA serves an area of about 43 square miles with a population of nearly 131,000 residents. RRFA operates out of 7 fire stations.

RFA's governing board is composed three Renton City Council members and three Fire District 25 Commissioners, plus one non-voting Board Member from Fire District 40.

The RRFA fire levy has a fire benefit charge (FBC) that was renewed by voters in 2021 for an additional 10 years. The RRFA raises 38.2% of its annual revenue needs from the FBC (excluding costs to serve FD 40).

The RRFA maximum fire levy rate is \$1.00/\$1,000 A.V.; RRFA has not asked voters to lift the fire levy rate since the RFA was created in 2016; it is currently at \$0.73/\$1,000 A.V.

Timeframe: Earliest date on which this option could be implemented

This option could be implemented relatively quickly, with a start date as soon as January 1, 2023. Both parties agree the transition process would ideally take six months. The main variable is how quickly the parties can reach agreement on CBA terms and contract terms. If the City wishes to hold an advisory vote before proceeding, it would extend the timeline.

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

The parties would need to complete negotiation of a service contract, and a new CBA would need to be in place that had approval of both labor unions. Both legislative bodies would need to approve the contract. No voter approval is required however, the City Council/Mayor may choose to have an advisory vote before moving forward with the option.

Current service metrics for service provider (response time)

Response times would remain unchanged under this option as compared to the status quo, because all 4 Tukwila stations would be operating with equivalent numbers of staff, and to the extent responses today involve multiple agencies, that would continue.

Enhanced Services Options: Staffing/Cost

As noted above:

- RRFA has a public education program and a price to extend that to Tukwila is included in the contract
- RRFA has a CARES program that would include Tukwila under this agreement.
- RRFA offers full fire marshal services and would staff an additional four (4) FTEs to meet the needs of Tukwila. The City's FMO FTEs (4) would be transferred to RRFA and shift to firefighter positions.

Operational Model Options: Considering a model with fewer than 4 stations in Tukwila? Cost and service implications, implementation issues:

The price quote from RRFA includes operation of all 4 Tukwila stations. The City could choose now, or at a later time, to contract for the operation of 3, rather than 4 Tukwila stations. This would likely first require an investment to expand a neighboring PSRFA facility but could then be implemented with minor response time impacts. If a service contract is in place, the Labor Union is in favor of exploring options that would look at more efficient response models that include reducing the number of fire stations in Tukwila, so long as there is not reduction in the number of uniformed personnel employed.

The City could seek a commitment from RRFA to explore the feasibility, cost and service impact of shifting to a three-station model at a later date.

Summary of estimated cost components / estimated annual cost to City and/or taxpayers

See Attachment A.

Staffing implications

All existing Fire Department employees except the Fire Chief, and possibly the Deputy Fire Chief, would transfer over to RRFA with seniority and accrued benefits retained.

There are some differences in the wage and benefit packages between RRFA and Tukwila that would need to be resolved before a contract with RRFA could proceed. Renton overall pays slightly less than Tukwila or PSRFA but is going into union negotiations this year.

Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed?

The City would retain ownership of all fire stations under this model and have a nominally priced lease with RRFA in which the city retained responsibility for major maintenance and capital improvements and the RFA assumed responsibility for utilities and basic maintenance.

Equipment (fire trucks, etc.) would likely be transferred to RRFA, in exchange for RRFA assuming liability for accrued benefits of the staff transferring over to the RFA.

Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?

As a recipient of contract services, the Mayor and Council will have a very limited role in cost decisions, but they will be able to determine the level of service that the City wishes to purchase – they can define the number of staff to be in place at each station. The manner in which the service is provided will be determined by the provider within the contract terms.

The City would have a nonvoting seat on the RRFA governing board.

Summary of implications of this option

Cost: Estimated by RRFA at \$14.56M (contract fee) if the contract were in place in 2022; the City would continue to have retained costs of approximately \$2.1M (for debt service and LEOFF 1); after deducting offsetting revenues, the net cost in 2022 is estimated at \$16.43M.

Service Levels: For the most part, services will be provided from the existing Tukwila fire stations, by the same staff and equipment currently providing the service. With equivalent staffing and the same

four stations in operation as a contract requirement, response times should be maintained; in addition, the City would have access to enhanced services (included in the cost quote).

Oversight/Management Control: RRFA's board would control the annual budget and operations of the RFA, including operations in Tukwila subject to contract requirements. The City would be assuming the cost risk of the fire operation that it did not control— the RRFA would inform the City each year of its anticipated contract costs for the following year; unlike PSRFA, the contract that RRFA has with District 40 does not include a "true up" provision: the budgeted costs are what Tukwila would pay.

The City would retain responsibility and control over the condition of the fire stations.

The City would have a nonvoting seat on the RRFA governing board.

Other: RRFA is currently pursuing accreditation.

It is possible that the parties could reach agreement over time on a three-station model that would be less costly to the City with minimal response time impact.

RRFA has a stable/sustainable/scalable set of revenues for its operations, including a fire benefit charge (voter reauthorization required in 10 years).

RRFA is much larger than Tukwila and is arguably in a better position to secure economies of scale for a larger operation than the City.

Risks/Major Unknowns: Cost risk from year to year is the major risk under this option, and the City's financial challenges would remain unaddressed. A levy lid lift to support a fire contract may be seen as less attractive to City voters than a lid lift to support City-controlled fire services. once the City pursues this option, it would be very difficult to change course, and re-start the City's own fire department or pursue other options (for example, a PSRFA contract or annexation into PSFA) because the City would have no staff or vehicles to bring to the table.

If the City wished to annex to RRFA in the future—to get the cost off the City's books and secure a voting seat or seats at the governing board – this would be subject to concurrence of RRFA (and the City's voters).

Option 7: Contract for Service with Puget Sound Regional Fire Authority

(v. 3.21.22)

Service Provider: Puget Sound Regional Fire Authority (PSRFA), a separate municipal corporation and taxing authority under state law.

Brief description of option: The City could seek to contract for fire services from the Puget Sound Regional Fire Authority. The PSRFA boundaries include the cities of Kent and Covington, and Fire District 37. In addition, PSRFA serves the City SeaTac and Fire District 43 (Maple Valley) by contract. The PSRFA was created by a vote of the residents of Kent, Covington, and FD 37 in 2010. The PSRFA has imposed a fire benefit charge (FBC) since its inception, and thus has a maximum fire levy rate of 1.00/\$1,000 A.V.

Potential service contract terms have been discussed with PSRFA. PSRFA staff have expressed strong interest in entering a service contract with the City. Estimated cost of contracting in 2022 are presented in **Attachment A**. The contract fee would be paid by the City, supported by City taxes and other general fund revenues.

All fire department employees, excepting the Chief and possibly the Deputy Chief, would be hired by the PSRFA, retaining their seniority and accrued benefits. The two IAFF units have an agreement in place to facilitate this transfer.

The contract discussed and priced would continue operations at current staffing levels out of all four city fire stations.

The City would likely retain title to all four fire stations if it contracted with PSRFA. The PSRFA would assume basic maintenance responsibilities for the stations.

In terms of enhanced services:

- PSRFA has a public education program and a price to extend that to Tukwila is included in the contract
- PSRFA and RRFA share a CARES program with each RFA having a unit in their respective areas. The CARES unit would cover Tukwila under this agreement. PSRFA offers fire marshal services. All the current Tukwila FMO staff would transfer to PSRFA. PSRFA would add four (4) FTEs to the FMO to provide FMO service to Tukwila.

PSRFA prefers to have a service contract as a precedent to Tukwila annexing. The service contract could include a time at which the parties would begin to discuss annexation; PSRFA's chief has indicated he would be willing to engage on annexation with Tukwila immediately, to be implemented (if voters approved) as soon as three years from the start of a contract. Annexation into PSRFA is described in **Option 9**. The PSRFA contract with SeaTac has a minimum term of 5 years.

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

PSRFA was created by voters in 2010; its original (and current) member agencies are Kent and Fire District 37. The City of Covington is within District 37's service territory. PSRFA serves the City of SeaTac and Fire District 43 (serving the City of Maple Valley and surrounding area) by contract.

Puget Sound Fire serves an area of about 108 square miles with a population of nearly 227,000 residents. PSRFA operates out of 13 fire stations.

PSRFA operates the South King County Fire Training Consortium, a joint CARES program with Renton RFA, and a subregional fleet services garage serving fire agencies in south King County, including Renton RFA.

PSRFA is an accredited organization, which means it offers and maintains a range of high-quality program offerings, services and staffing. Puget Sound Fire employs approximately 350 people, with 271 of those being uniformed personnel. As with Tukwila, Advanced Life Support (Paramedic) services are provided through the King County Medic One program.

The PSRFA board is composed of three Kent City Council members, three Fire District 37 Commissioners, three non-voting Advisory Board Members, one from the City of Covington, the City of SeaTac, and King County Fire District #43 Board of Commissioners.

The PSRFA fire levy was restored to the \$1.00 maximum rate by voters in 2019. The 2022 PSRFA Fire Levy rate is \$0.93/\$1,000 A.V. Voters approved permanent Fire Benefit Charge authority in November 2020. PSRFA raises about 40% of its annual revenue needs from the FBC (excluding contract city service costs), with the balance from its fire levy and other revenues.

Timeframe: Earliest date on which this option could be implemented

This option could be implemented relatively quickly, with a start date as soon as January 1, 2023, is a reasonable start date. Both parties agree the transition process would ideally take six months. The main variable is how quickly the parties can reach agreement on contract terms. If the City determines to hold an advisory vote before proceeding, the timeline would be extended

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

The parties would need to complete negotiation of a service contract, and it would need to be approved by both legislative bodies. No voter approval is required, however, the City Council/Mayor may choose to have an advisory vote before moving forward with the option (not required by law).

Current service metrics for service provider (response time)

Response times would remain unchanged under this option as compared to the status quo, because all 4 Tukwila stations would be operating with equivalent numbers of staff, and responses requiring multiple agency response would continue to have access to those units.

Enhanced Services Options: Staffing/Cost

As noted above:

- PSRFA has a public education program and a price to extend that to Tukwila is included in the contract
- PSRFA has a CARES program that would include Tukwila under this agreement.
- PSRFA offers full fire marshal services and would staff an additional four (4) FTEs to meet the needs of Tukwila.

Operational Model Options: Considering a model with fewer than 4 stations in Tukwila? Cost n service implications, implementation issues

The price quote from PSRFA includes operation of all 4 Tukwila stations. The City could choose now, or at a later time, to contract for the operation of 3, rather than 4 Tukwila stations. This would likely require expansion of a neighboring facility now used by PSRFA but could then be implemented with minor response time impacts. If a service contract is in place, the Labor Union is in favor of exploring options that would look at more efficient response models that include reducing the number of fire stations in Tukwila, so long as there is no reduction in the number of uniformed personnel employed.

The City seek could a commitment by PSRFA to explore the feasibility, cost and service impact of shifting to a three-station model at a later date.

Summary of estimated cost components / estimated annual cost to City and/or taxpayers
See **Attachment A**.

Staffing implications

All existing Fire Department employees except the Fire Chief, and possibly the Deputy Fire Chief, would transfer over to PSRFA with seniority and accrued benefits retained.

Salaries for all positions are slightly higher at PSRFA than Tukwila, and there are some minor differences in the benefits packages. The Locals have an agreement in place supporting transfer of Tukwila employees over to PSRFA; no new CBA would be needed.

Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed?

The City would likely retain ownership of all fire stations under this model and have a nominally priced lease with PSRFA in which the city retained responsibility for major maintenance and capital improvements and the RFA assumed responsibility for utilities and basic maintenance.

Equipment (fire trucks, etc.) would likely be transferred to PSRFA, in exchange for PSRFA assuming liability for accrued benefits of the staff transferring over to the RFA.

Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?

As a recipient of contract services, the Mayor and Council will have a very limited role in cost decisions, but they will be able to determine the level of service that the City wishes to purchase – they can define the number of staff to be in place at each station. The manner in which the service is provided will be determined by the provider within the contract terms.

The City would have a nonvoting seat on the PSRFA governing board.

Summary of implications of this option

Cost: Estimated by PSRFA at \$14.9M (contract fee), assuming the contract were in place in 2022. The City would continue to have retained costs of approximately \$2.1M (for debt service and LEOFF 1); after deducting offsetting revenues, the net cost in 2022 is estimated at \$16.77M.

Service Levels: For the most part, services will be provided from the existing Tukwila fire stations, by the same staff and equipment currently providing the service. With equivalent staffing and the same four stations in operation as a contract requirement, response times should be maintained; in addition, the City would have access to enhanced services (included in the cost quote).

Oversight/Management Control: PSRFA's board would control the annual budget and operations of the RFA, including operations in Tukwila subject to contract requirements. The City would be assuming the cost risk of the fire operation that it did not control— the PSRFA would inform the City each year of its anticipated contract costs for the following year; the contract provides a “true up” in the event the actual costs experienced by PSRFA are higher or lower than anticipated.

The City would retain responsibility and control over the condition of the fire stations.

The City would have a nonvoting seat on the PSRFA governing board.

Other: PSRFA is a fully accredited fire organization (CFAI) under the Center for Public Safety Excellence. This is one of the recommendations, for Tukwila, made in the CPSM report.

It is possible that the parties could reach agreement over time on a three-station model that would be less costly to the City with minimal response time impact.

PSRFA has a stable/sustainable/scalable set of revenues for its operations, including a permanent authorization for a fire benefit charge.

RRFA is much larger than Tukwila and is arguably in a better position to secure economies of scale for a larger operation than the City.

Risks/Major Unknowns: Cost risk from year to year is the major risk under this option, and the City's financial challenges would remain unaddressed. A levy lid lift to support a fire contract may be seen as less attractive to City voters than a lid lift to support City-controlled fire services.

Once the City pursues this option, it would be very difficult to change course and re-start the City's own fire department or pursue other options (for example, a RRFA contract or annexation into RRFA) because the City would have no staff or vehicles to bring to the table.

If the City wished to annex to PSRFA in the future—to get the cost off the City's books and secure a voting seat or seats at the governing board – this would be subject to concurrence of PSRFA (and the City's voters).

Option 8: Annexation into Renton RFA (revised 4.6.22)

(Note: the RRFA has indicated it is not willing to have the City annex directly into the RFA without **first partnering in a service contract** capacity for some number of years. However, because it would be extremely difficult to reconstitute the Tukwila Fire Department after entering into a service contract (or annexing), it makes sense to analyze what annexation would look like as a longer- term option, *based on what we know today*.

Service Provider: Renton RFA

(See **Option 6** for description)

Brief description of option

Subject to agreement between the RRFA Board and the City, and approval of a simple majority of City voters, the City could annex into the RRFA. If the City were annexed, the City would no longer have responsibility for funding the Fire Department costs. Property owners in the City would be subject the RRFA fire levy and fire benefit charge (FBC).

The RFA Board would control the budget and service levels provided. Both the governance structure and the FBC formula may be changed by vote of the RFA Board. The RRFA will need to have its FBC renewed by voters in 10 years. Well before then, the RRFA will likely need to ask voters to restore its Fire Levy (currently down to \$0.73/\$1,000 A.V. from the \$1.00 maximum rate); this lid lift would require a simple majority approval of all RFA voters.

Annexation may require the transfer of the fire stations to the RFA, with a right of reversion should the RFA cease to use a site as a fire station. Whether there would be a cost associated with the reversion would be negotiated.

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

See: Option 6

Timeframe: Earliest date on which this option could be implemented

It would be several years before the City would know if this is an option that RRFA would agree to, and under what terms.

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

Based on the current stance of the RRFA, to annex into the RRFA the City would need to first enter into a service contract and then in a few years, see if the RRFA was willing to agree to an annexation. If so, the process for annexing into RRFA would be as follows:

- The parties would negotiate an annexation plan
- The plan would need to be approved by both legislative bodies
- The City would then submit the annexation question to the City's voters. A simple majority approval is required.

Current service metrics for service provider (response time)

See Option 6.

Once annexed, service level decisions would be made by the RFA Board; there would not be a contract obligation with the City. The RRFA would decide on its service levels and program offerings.

Enhanced Services Options: staffing/cost

Under annexation, the RRFA would make the decisions about what services to offer. The RRFA currently offers the three enhanced services the Fire Department has prioritized.

Note that the Fire Marshal Office services are not provided automatically under annexation: a separate contract is necessary. The cost estimate for annexation assumes the City and RFA will contract for the amount included for FMO service in the RFA's *contract* offer (Option 6). This FMO contract cost is added to the City's retained costs in Attachment A.

Operational Model Options: considering a model with fewer than 4 stations in Tukwila? Cost and service implications

There is likely to be serious consideration to save money by shifting one of Tukwila's fire stations to a sub-regional station. It seems unlikely that the RRFA and PSRFA Boards would pursue this unless there were overall service level benefits (or no significant reductions), in addition to cost savings.

The City could seek to negotiate some commitments around this as part of the annexation plan.

Summary of estimated cost components/ estimated annual cost to City and/or taxpayers.

See **Attachment A**.

Note that the FBC formula could be changed in any year by the RFA Board. If the City perceives that the current formula would result in a significant subsidy by Tukwila property owners or others in the RFA, adjustments to the formula could be part of the negotiation around the annexation, but there are limitations on the parties' ability to tie the hands of future Boards in terms of budget and services.

Staffing Implications

Staff would already be RFA employees (since a contract precedes annexation).

Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed?

The City would have negotiate the future ownership of the fire stations and responsibilities for capital upgrades and maintenance. Continued city ownership or transfer with conditions are both possible.

Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?

The City would need to negotiate terms for adding Tukwila to the governance board. The RRFA board currently has 3 representatives from Renton and 3 from Fire District 25 (which is vastly smaller in size, population and assessed value than Renton). Tukwila would have some representation on the Board but would not have a controlling interest.

Note that the RFA Board can change its governance structure at any time without going to the voters. The RRFA Board members are currently all elected officials from member agencies; by law, some or all of them could be directly elected by voters in the RFA.

Summary of implications of this option

Cost: \$14.4 M cost paid by city taxpayers to RFA ~~and to~~ excluding cost of fire marshal City for fire marshal office staffing.

Service Levels: Service level decisions would be controlled by the RFA Governing Board. The RRFA has a very stable funding model with the combination of the FBC and fire levy and thus has the capacity to maintain service levels despite changes in the economy/costs of service.

Oversight/Management Control: Tukwila would have some direct representation on the RFA board (assuming its current model is continued). Tukwila would not have a controlling interest on the board.

Other: The timeline on annexation is typically 18 months to 2 years from the time negotiations begin.

If the City annexes, it loses some of its property tax capacity by law: that capacity is shifted to the RFA. Because the RRFA has an FBC, the reduction in capacity is \$1.00 from the City's statutory maximum (currently in excess of \$3.00). This will require a slight decrease in the city's current general levy (about 6 cents out of the 2022 general City levy rate of \$2.159/\$1,000 AV rate).

In order to secure voter approval for annexation, the City is likely to need to reduce its property tax levy by some amount, since the fire budget is no longer part of the City's budget. This amount becomes "banked property tax capacity" that can later be used by the City Council without voter approval.

Risks/Major Unknowns:

- What agreement will ultimately be reached between the parties around governance, FBC formula policies, future fire services in Tukwila?
- What leverage will the City have in the negotiation for annexation if key issues are not addressed in the initial contract negotiation?
- Will the voters of Tukwila approve annexation?
- How will the cost change over time? (true for any option)
- How will the FBC estimate change after the data base is reviewed in detail?

Option 9: Annex into Puget Sound Regional Fire Authority (revised 4.6.22)

(Note: the PSRFA has indicated it will require a contract as a precedent to annexation, but that it may be willing to begin annexation discussions in year 1 of a contract. Because it would be difficult to reconstitute the City Fire Department after entering into a service contract, it is important to consider how annexation might look, based on what we know now.)

Service Provider: Puget Sound Regional Fire Authority (PSRFA)
(See Option 7).

Brief description of option:

Subject to agreement between the PSRFA Board and the City, and approval of a simple majority of City voters, the City could annex into the PSRFA. If the City were annexed, the City would no longer have responsibility for funding the Fire Department costs. Property owners in the City would be subject the PSRFA fire levy and fire benefit charge (FBC).

The PSRFA Board would control the budget and service levels provided. Both the governance structure and the FBC formula may be changed by vote of the PSRFA Board. The PSRFA has a permanent FBC in place. Voters recently also restored the fire levy to \$1.00 – the rate is currently \$0.93/\$1,000 A.V. At some point, the PSRFA will need ask voters to restore its Fire Levy; this lid lift would require a simple majority approval of all RFA voters.

Annexation may require the transfer of the fire stations to the RFA, with a right of reversion should the RFA cease to use a site as a fire station. Whether there would be a cost associated with the reversion would be negotiated.

Overview of service provider (services, governance, finances (tax rates, % of budget received from FBC, other fees, taxes))

See **Option 7** for description of PSRFA.

Major implementation steps (negotiation, council action, service provider actions, voter approval, etc.)

The City would need to first enter into a service contract, and then commence annexation negotiations. The process for annexing is as follows:

- The parties would negotiate an annexation plan
- The plan would need to be approved by both legislative bodies
- The City would then submit the annexation question to the City's voters. A simple majority approval is required.

Current service metrics for service provider (response time)

Once annexed, service level decisions would be made by the RFA Board; there would not be a contract obligation with the City. The PSRFA would decide on its service levels and program offerings.

Enhanced Services Options: staffing/cost

Under annexation, the PSRFA would make the decisions about what services to offer. The PSRFA currently offers the three enhanced services the Fire Department has prioritized.

Note that the Fire Marshal Office services are not provided automatically under annexation: a separate contract is necessary. The cost estimate for annexation assumes the City and RFA will contract for the amount included for FMO service in the RFA's *contract* offer (Option 7). This FMO contract cost is added to the City's retained costs in Attachment A.

Operational Model Options: considering a model with fewer than 4 stations in Tukwila? Cost and service implications

There is likely to be serious consideration to save money by shifting one of Tukwila's fire stations to a sub-regional station. It seems unlikely that the RRFA and PSRFA Boards would pursue this unless there were overall service level benefits (or no significant reductions), in addition to cost savings.

The City could seek to negotiate some commitments around this as part of the annexation plan.

Summary of estimated cost components/ estimated annual cost to City and/or taxpayers.
See **Attachment A**.

Note that the FBC formula could be changed in any year by the RFA Board. If the City perceives that the current formula would result in a significant subsidy by Tukwila property owners or others in the RFA, adjustments to the formula could be part of the negotiation around the annexation, but there are limitations on the parties' ability to tie the hands of future Boards in terms of budget and services.

Staffing Implications

Staff would already be RFA employees (since a contract precedes annexation).

Facilities & Equipment –disposition, future costs, debt, any new/different facilities to be deployed?

The City would have negotiate the future ownership of the fire stations and responsibilities for capital upgrades and maintenance. Continued city ownership or transfer with conditions are both possible.

Oversight/Control – how will Tukwila Council/Mayor be involved in service and cost decisions affecting Tukwila going forward?

The City would need to negotiate terms for adding Tukwila to the governance board. The PSRFA board currently has 3 representatives from Kent and 3 from Fire District 37, together with 3 non-voting representatives (Covington—part of District 37, and the two contract clients—Sea Tac and Fire District 43).

Note that the RFA Board can change its governance structure at any time without going to the voters. The PSRFA Board members are currently all elected officials from member agencies; by law, some or all of them could be directly elected by voters in the RFA.

Summary of implications of this option

Cost: \$14.2 cost paid by city taxpayers to RFA ~~and to~~ excluding the cost to the City for fire marshal office staffing.

Service Levels: Service level decisions would be controlled by the RFA Governing Board. The PSRFA has a very stable funding model with the combination of the FBC and fire levy and thus has the capacity to maintain service levels despite changes in the economy/costs of service.

Oversight/Management Control: Tukwila would have some direct representation on the RFA board (assuming its current model is continued). Tukwila would not have a controlling interest on the board.

Other: The timeline on annexation is typically 18 months to 2 years from the time negotiations begin.

If the City annexes, it loses some of its property tax capacity by law: that capacity is shifted to the RFA. Because the RRFA has an FBC, the reduction in capacity is \$1.00 from the City's statutory maximum (currently in excess of \$3.00). This will require a slight decrease in the city's current general levy (about 6 cents out of the 2022 general City levy rate of \$2.159/\$1,000 AV rate).

In order to secure voter approval for annexation, the City is likely to need to reduce its property tax levy by some amount, since the fire budget is no longer part of the City's budget. This amount becomes "banked property tax capacity" that can later be used by the City Council without voter approval.

Risks/Major Unknowns:

- What agreement will ultimately be reached between the parties around governance, FBC formula policies, future fire services in Tukwila?
- What leverage will the City have in the negotiation for annexation if key issues are not addressed in the initial contract negotiation?
- Will the voters of Tukwila approve annexation?
- How will the cost change over time? (true for any option)
- How will the FBC estimate change after the data base is reviewed in detail?

Attachment D

Referred to as "Attachment A" in the Options Templates included at Attachment C of the Committee Report

All Figures for Year 2022 and all are ESTIMATES

Comparing Options 1 - 9

Comparable Expenses		Option 1 Status Quo	Option 2 Status Quo Plus Enhancements	Option 3 Tukwila Fire District w/Property Taxes	Option 4 Tukwila Fire District w/Property Taxes & FBC	Option 5 Partner w/another Fire Provider to Create Tukwila RFA w/FBC	Option 6 Contract for Service w/Renton Regional Fire Authority (RRFA)	Option 7 Contract for Service w/Puget Sound Regional Fire Authority (PSRFA)	Option 8 Annexation into Renton RFA	Option 9 Annexation into Puget Sound RFA
FN 1	FTE Count ¹	65	68	75	75	75	52	52	0	0
FN 2	Wages & Benefits ²	\$12,474,164	\$12,999,008	\$13,665,337	\$13,665,337	\$13,665,337	\$9,462,749	\$10,474,671	\$0	\$0
	Admin Overhead	\$67,103	\$67,103	\$422,553	\$422,553	\$422,553	\$4,249,099	\$2,886,778	\$0	\$0
FN 3	Facilities/Capital									
	Reserves/Overhead ³	\$113,077	\$113,077	\$113,077	\$113,077	\$113,077	\$850,409	\$621,468	\$0	\$0
FN 3a	Other O&M ^{3a}	\$1,563,820	\$1,784,861	\$2,087,460	\$2,087,460	\$2,087,460	\$0	\$265,980	\$0	\$0
FN 9	Other Reserves ⁹	\$0	\$0	\$1,590,000	\$1,590,000	\$1,590,000	\$0	\$650,000	\$0	\$0
	SUBTOTAL	\$14,218,164	\$14,964,049	\$17,878,427	\$17,878,427	\$17,878,427	\$14,562,257	\$14,898,896	\$14,419,396	\$14,196,240
FN 3b	Retained Costs (Items City will Continue to be Responsible for) ^{3b}									
	Debt Service on FS 51,52	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128
FN 4	Debt Service on FS 53,54 ⁴	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FN 4a	FMO Contract Cost ^{4a}	\$0	\$0	\$900,000	\$900,000	\$900,000	\$0	\$0	\$610,937	\$840,377
	LEOFF 1	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000
	TOTAL City-Retained Costs	\$2,131,128	\$2,131,128	\$3,031,128	\$3,031,128	\$3,031,128	\$2,131,128	\$2,131,128	\$2,742,065	\$2,971,505
FN 5	Estimated Cost of Fire Dept⁵	\$16,349,292	\$17,095,177	\$20,909,555	\$20,909,555	\$20,909,555	\$16,693,385	\$17,030,024	\$17,161,461	\$17,167,745
	<i>Est Cost w/Enhanced Services</i>	<i>N/A</i>	<i>\$17,095,177</i>	<i>\$21,655,440</i>	<i>\$21,655,440</i>	<i>\$21,655,440</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>
	<i>One-Time Startup Costs</i>	<i>-</i>	<i>-</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Offsetting Revenues										
General Fund										
FN 7	Revenue/Property Tax									
	Equivalent ⁷	\$13,390,964	\$13,733,505	\$5,583,105	\$827,200	\$827,200	\$13,331,713	\$13,668,352	\$308,393	\$537,833
	RFA/District Taxing Authority	\$0	\$0	\$12,047,859	\$8,031,906	\$8,031,906	\$0	\$0	\$7,228,715	\$7,228,715
	Fire Benefit Charge	\$0	\$0	\$0	\$9,092,121	\$9,092,121	\$0	\$0	\$6,579,744	\$6,127,147
	Excess Levy	\$0	\$0	\$320,263	\$0	\$0	\$0	\$0	\$0	\$0
	Debt Service on FS51/52	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128	\$1,870,128
FN 8	LEOFF 1 ⁸	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000	\$261,000
FN 6	FMO Revenue ⁶	\$302,544	\$605,088	\$302,544	\$302,544	\$302,544	\$605,088	\$605,088	\$605,088	\$605,088
	Fees for Service/Ambulance									
	Fee Policy	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
	CARES Funding	\$0	\$100,800	\$0	\$0	\$0	\$100,800	\$100,800	\$100,800	\$100,800
	EMS Levy	\$500,656	\$500,656	\$500,656	\$500,656	\$500,656	\$500,656	\$500,656	\$500,656	\$500,656
FN 5	Estimated Revenues⁵	\$16,349,292	\$17,095,177	\$20,909,555	\$20,909,555	\$20,909,555	\$16,693,385	\$17,030,024	\$17,478,524	\$17,255,368
FN 10	Add't Reserves for RFA ¹⁰	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$317,063	\$87,623

Attachment D

Referred to as "Attachment A" in the Options Templates included at Attachment C of the Committee Report

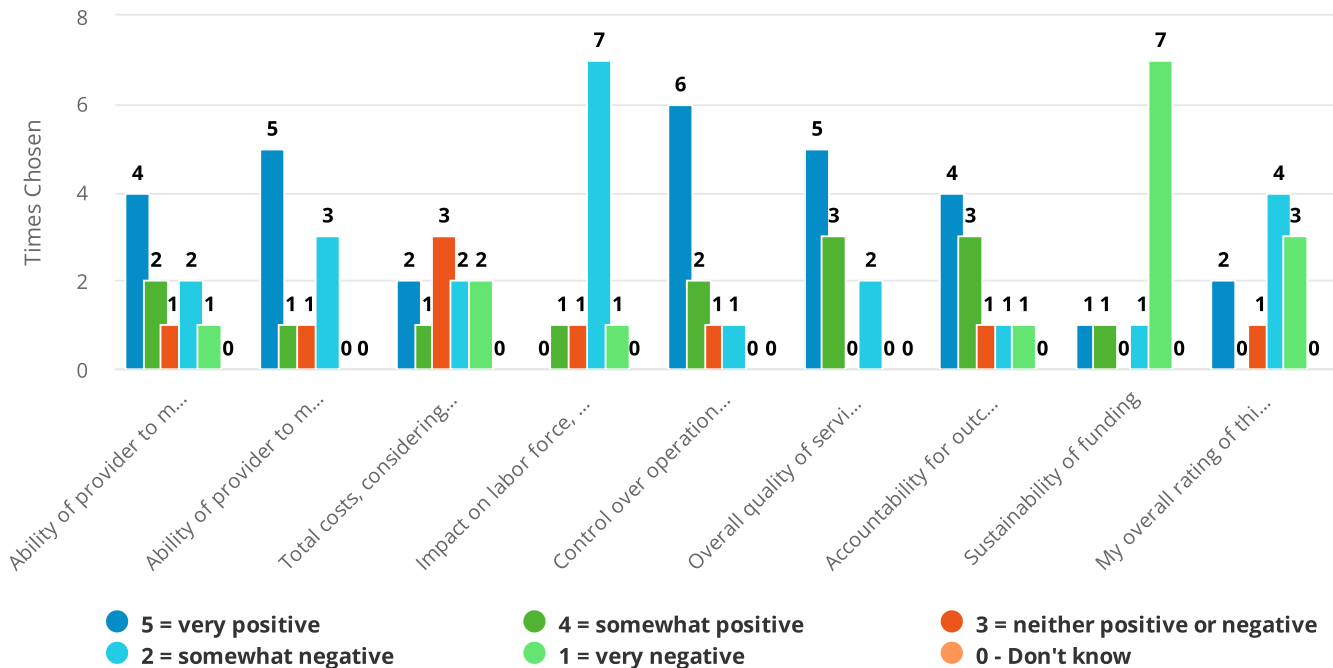
Notes:

- (1) **FTEs** differ depending on the option. Option 1 shows current Tukwila FD staffing. Option 2 assumes 2 FTE added for the Fire Marshal Office and also includes 1 FTE for Public Education. Options 3-5 remove the 3 FTE for enhanced services but add 10 FTE for the administrative staffing needed to support a stand alone agency. Contract Options 6 & 7 show 52 FTE: this is the number that the contract cost is based on; the contracting agencies would absorb all additional Tukwila fire staff and the city would pay for them through a share of other costs (overhead, etc.). In Options 8 & 9, all FTE are part of a larger agency already after the initial contracting phase.
- (2) **Wages & Benefits.** Option 2 data includes wages and benefits for the enhanced services FTEs. Employee costs are updated from the financial plan to assume Fire Marshal office staff are uniformed position, rather than civilian, and reflect an assumption that CARES unit will be contracted from an agency that now has a CARES unit.
- (3) **Reserves/Overhead:** Reserves shown are only those funded in the current city budget, not all the reserves in the financial plan. In Options 6 & 7, reserves are increased to reflect the contract bids which both would require the City contribute to various reserve funds as part of the contract cost.
- (3a) **Other O&M.** O&M is adjusted to reflect vehicles and equipment needs of additional staff.
- (3b) **Retained Costs** differ by option, in that the City must contract for Fire Marshal Office services under Options 3, 4, 5, 8, and 9. Taxpayers will support this cost through their City Taxes.
- (4) **Retained Costs:** No cost is included for remodeling of Stations 53 and 54.
- (4a) **FMO Contract Cost** in Options 3-5 reflect the current FMO costs of the City Fire Dept. Accordingly, these costs were removed from Comparable Expenses for these options W/B as well as Admin OH. In Options 6 and 7, the costs are included in the contract fee. In Options 8 & 9, the costs are pulled from the contract bids.
- (5) **Estimated Total Costs and Total Revenues** do not include one time start-up costs of approximately \$1mm (likely more, depending on structure).
- (6) **FMO Revenue.** Additional revenue can be expected from enhancement of the FMO. Under Option 2, adding the two FTE is assumed to increase FMO revenue by \$300k. This higher amount of total FMO revenue is included in Options 6, 7, 8, and 9.
- (7) **Assessed Value** for Tukwila is assumed to be \$8,031,906,000
- (8) **LEOFF 1** is a retained City cost under all options and will be funded through general city revenues.
- (9) **Other Reserves** includes \$1.09mm in reserves plus a \$5mm loan from City to be repaid over 10 years to fund working capital and cash flow needs.
- (10) **Additional Reserves for RFA.** These additional amounts reflect the fact that, as a part of a much larger agency, the expenses and revenues allocable to, or coming from Tukwila, don't necessarily line up exactly from year to year.

Fire/EMS Community Advisory Committee Options Rating Survey

Option 1: Status Quo

Number of responses: 10



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 7

Text answers:

Doesn't seem feasible or efficient.

The City needs to prioritize the Fire Department and give it the resources it needs for it to be effective. It seems untenable that other departments and projects have been given budget far in excess of what has been allocated to the Fire Department and that important services such as fire inspections have been discontinued. I believe the fire fighters are not happy and would prefer leaving the City because funding of their services had not been made a priority. Additionally, they would receive better pay and benefits at PSRFA. Regarding funding sustainability, the city seems to have a lot of money - revenues are back to pre-pandemic levels (as reported), an additional \$40M is scheduled to be spent on the PW shops (original budget of \$30M, new budget of ~ \$80M), a new multi-million dollar teen/senior center is proposed, additional staff are being added to other departments.

While the Status Quo option maintains the type and quality of service we have now, it does not provide fiscal sustainability for the city's budget (unless it is found that one fire station is not needed) or enhanced services for the city's population. It is very clear that this needs to change and perhaps different management would provide better oversight on the budget.

Financial sustainability and ability to meet the needs of a diverse community is of concern with this option.

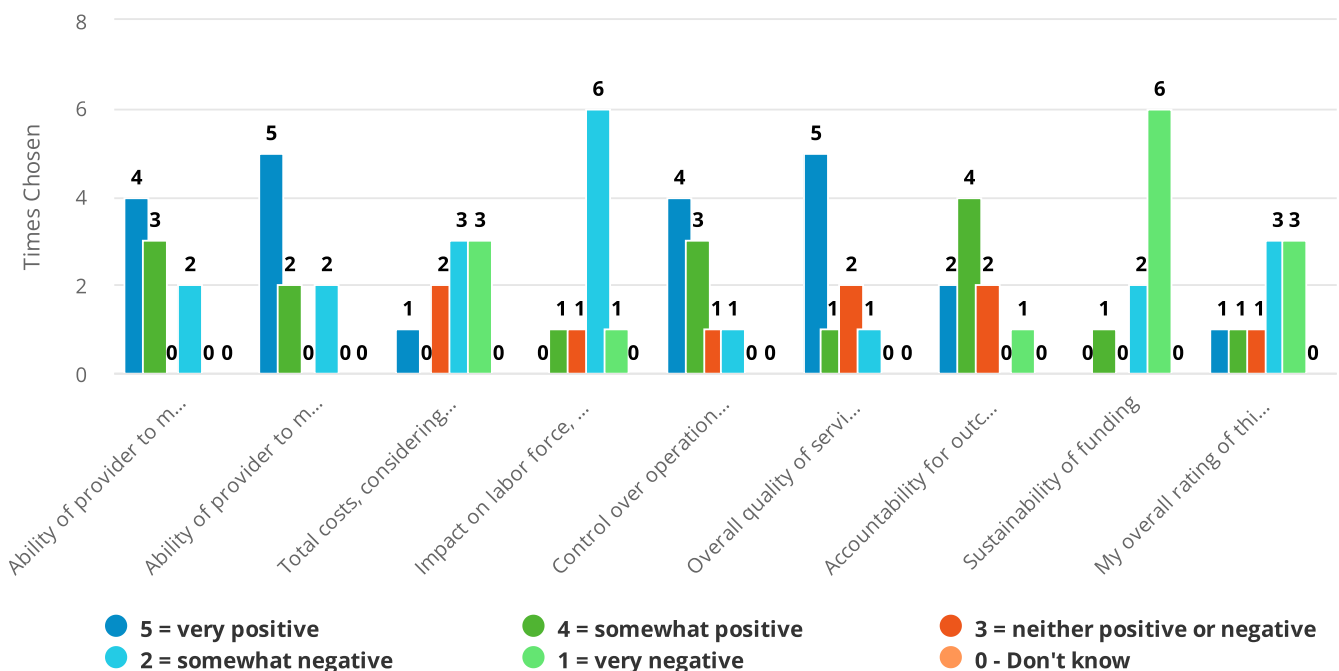
This options provides better local control at a very high total dollars cost--especially if enhanced services are added.

A bigger pool of resources would assist with the diverse needs of the community.
With time, ability of meeting needs of businesses will be affected without financial sustainability.
There will be a negative impact on labor force recruitment and retention. The one goal all fire departments share is the desire to offer their community the highest quality services possible.
Overall control over operational and financial services should be made by the most knowledgeable and experienced professionals in the fire services. This is not meant to criticize, just state facts. Since continually listening to council meetings for a couple years it is obvious to me that the council has their hands full. Much more so as the years have gone by. Very complicated and huge issues on their plates. It is also obvious to me that even council members with years on the council don't have a full understanding of the fire department. How could they with all that they have to deal with now. Operational and financial decisions should be made by the professionals most knowledgeable and experienced in the fire service.
Quality of services and response times (which are good) would possibly be affected negatively without financial sustainability in the projected years to come.
We need all the enhanced services and this option does not do anything to attain that.
Remaining in the status quo does not solve financial sustainability issues in the future.
Totally against this option.

This option is simply not sustainable. I have heard some creative options on how to keep the fire department a float and wonder why these options were not previously even suggested or explored which tells me that they are not feasible.

Option 2: Status Quo "Plus" - funding for enhanced services

Number of responses: 9



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 5

Text answers:

The Enhanced Services add ons would provide more of the specific services the city needs but the lack of fiscal sustainability is still a huge reason not to favor this option (unless it is found that one fire station is not needed). Left with the city continuing to manage this I'm concerned the same fiscal forecast will resurface and voters will be back to square one. And yet the positive aspect of this system of oversight makes the council very accountable to Tukwila voters but only if the voters are made aware of it and current councils do not kick the issue down the road.

Ability to meet the needs of a diverse community is still a concern even with the addition of enhancement services.

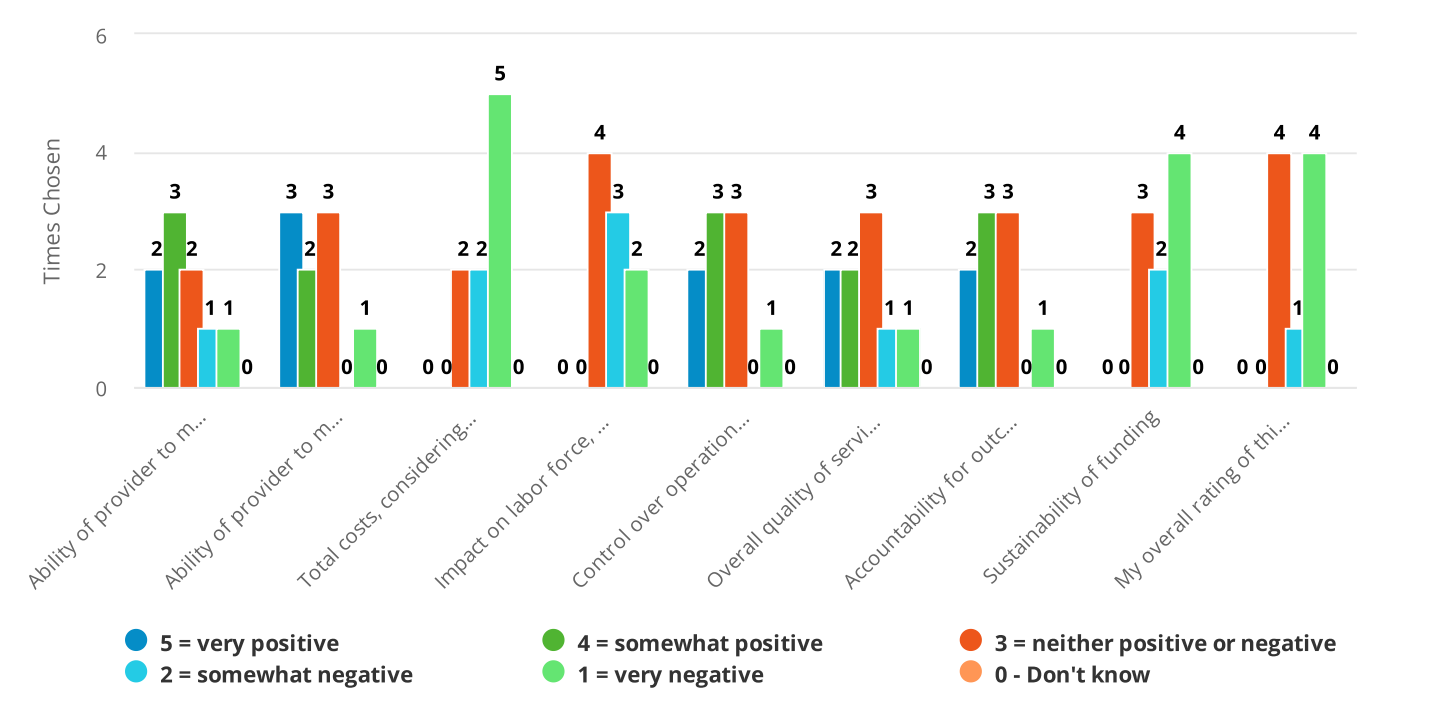
This option is slightly better than Option 1 but at an even higher, unsustainable cost.

A bigger pool of resources would assist with the diverse needs of the community.
With time, ability of meeting needs of businesses will be affected.
There will be a negative impact on labor force recruitment and retention.
The one goal all fire departments share is the desire to offer their community the highest quality services possible. Enhanced services would cost us more and we basically cannot afford it. The community would not receive ALL of these enhanced services as well.
Overall control over operational and financial services should be made by the most knowledgeable and experienced personnel in the fire services.
Quality of services and response times (which are good) would possibly be affected negatively without financial sustainability in the projected years to come.
Accountability and measuring outcomes would possibly deteriorate in the years to come. Overall control over operational and financial services should be made by the most knowledgeable and experienced professionals in the fire services.
Remaining in the status quo does not solve financial sustainability issues in the future nor does paying additional monies for enhanced services.

Again, I fear that if we try to do the enhanced services ourselves, we will be in worse shape than we were with just status quo. Why reinvent the wheel.

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

Number of responses: 9



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 6

Text answers:

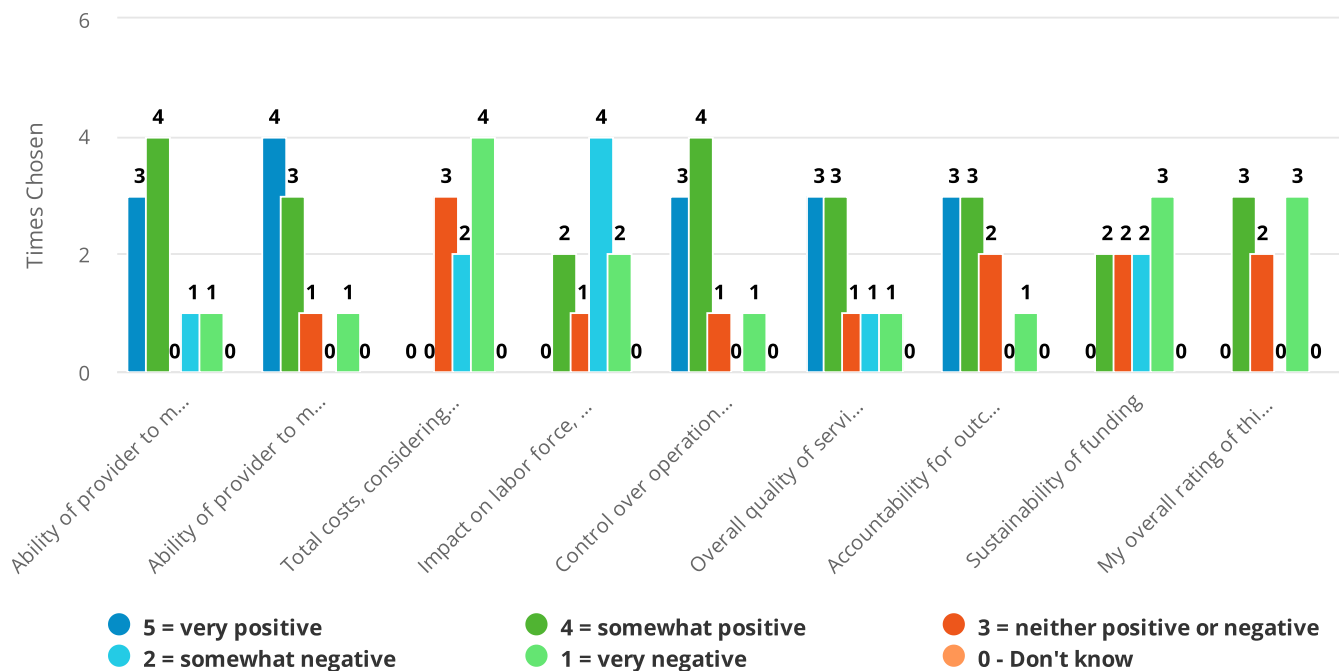
- How much more can we ask the public to fund from property taxes? Not feasible.
- I don't fully understand this option but what I think I heard in the meetings is that this option wouldn't produce sufficient revenue to sustain the fire service.
- Option 3 doesn't improve the quality or type of service provided by the fire department, as the enhanced services are not included, and could even cause a decline (unless it is found that one fire station is not needed). It simply costs too much (even without the enhanced services) and is not fiscally sustainable. It also maintains a reduced share of the costs for properties at greater risk of needing fire services. I think this is a bad time for the government to ask more of taxpayers. And it seems that there has to be some unnecessary overhead costs involved in going back to the voters year after year asking them to secure funding for a very basic government service.
- This option still doesn't fully address the ability to meet the needs of a diverse community. Sustainability of funding depends heavily on property tax and overtime, the cost would still overrun the revenue from property tax + city revenue.

This option is slightly better than Opt's 1 & 2 but is only sustainable from a cost standpoint if citizens vote for property tax lid lifts for fire/public safety. Also, it cost significantly more and still leaves the cost equally shared between residential, multi-family, and business while the cost generations are not equal.

Meeting needs of diverse community would be status quo. Meeting needs of business community could reduce in time with this option. This option too expensive. Labor force does not support this option. The professionals with the most knowledge and experience in the fire service should be making the decisions on operations and finances. No enhanced services with this option. Not a good option for financial sustainability. This option very low in my opinion.

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

Number of responses: 9



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 4

Text answers:

The projected costs in this scenario are high - would it really cost \$2.6M (per Attachment A - \$1M additional salary and benefit, addition \$730K for Admin Overhead and \$900K for FMO - these costs are included in the wages and benefits of Option 1) to fund the finance department and other administrative services for a Tukwila RFA? If the City were paid to provide these services, it would be added revenue to them. If the City is looking for a financing vehicle, similar to the MPD, this seems the way to go. Regarding sustainability, the FBC would need to be voted on periodically (every 10 years?) and the voters may need to vote to finance apparatus purchases.

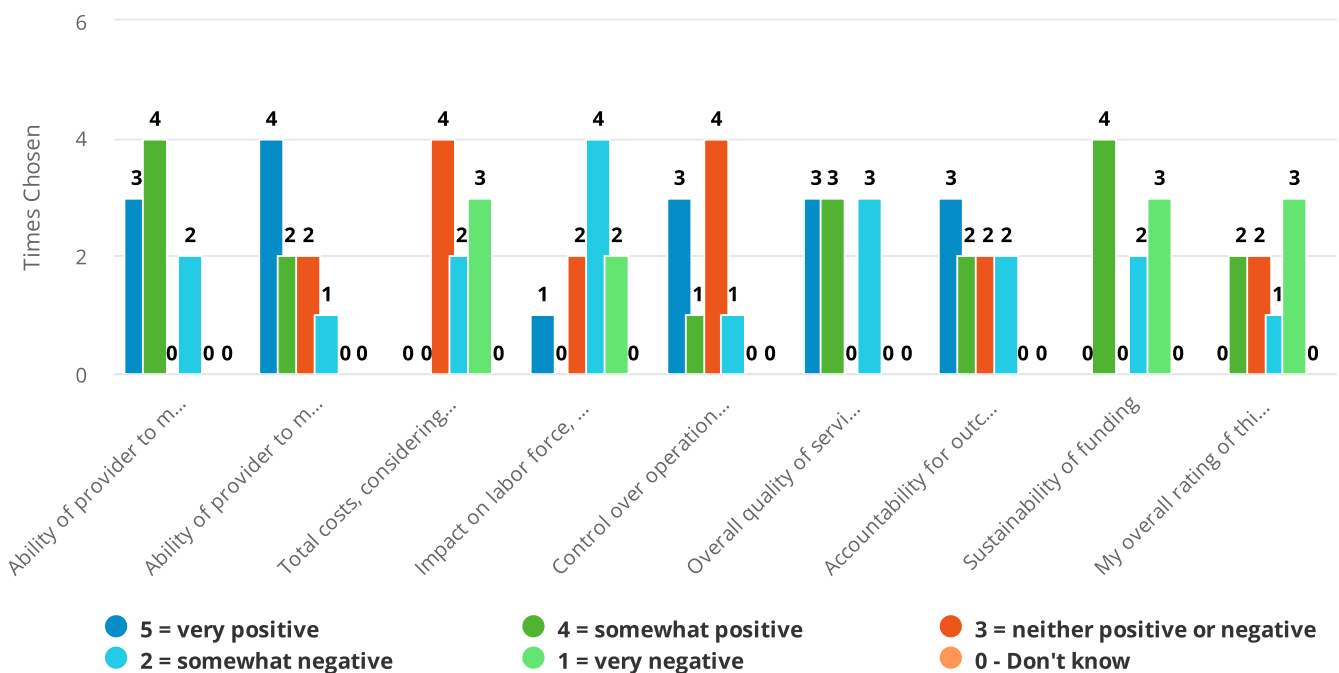
I have the same reservations about Option 4 as Option 3 but see that the Fire Benefit Charge is a step in the right direction for funding stability and distributing the costs for higher risk properties.

This Option is slightly better than Opt 3 because it also includes a Fire Benefit Charge possibility that distributes cost more fairly. It is still very costly.

No enhanced services and would cost more dollars to attain them. This option more expensive.
 Possibility of needs of business community not being met in time.
 Relies on voter approval.
 Labor force does not support this option. Supports enhanced services.
 Am not in favor of this option at all.

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

Number of responses: 9



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 4

Text answers:

Similar comments as Option 3.

I have the same reservations as Options 4 and 3 and the same positive opinion that the Fire Benefit Charge is a step in the right direction for funding stability and distributing the costs for higher risk properties. Maybe accountability would improve with more eyes on the issue?

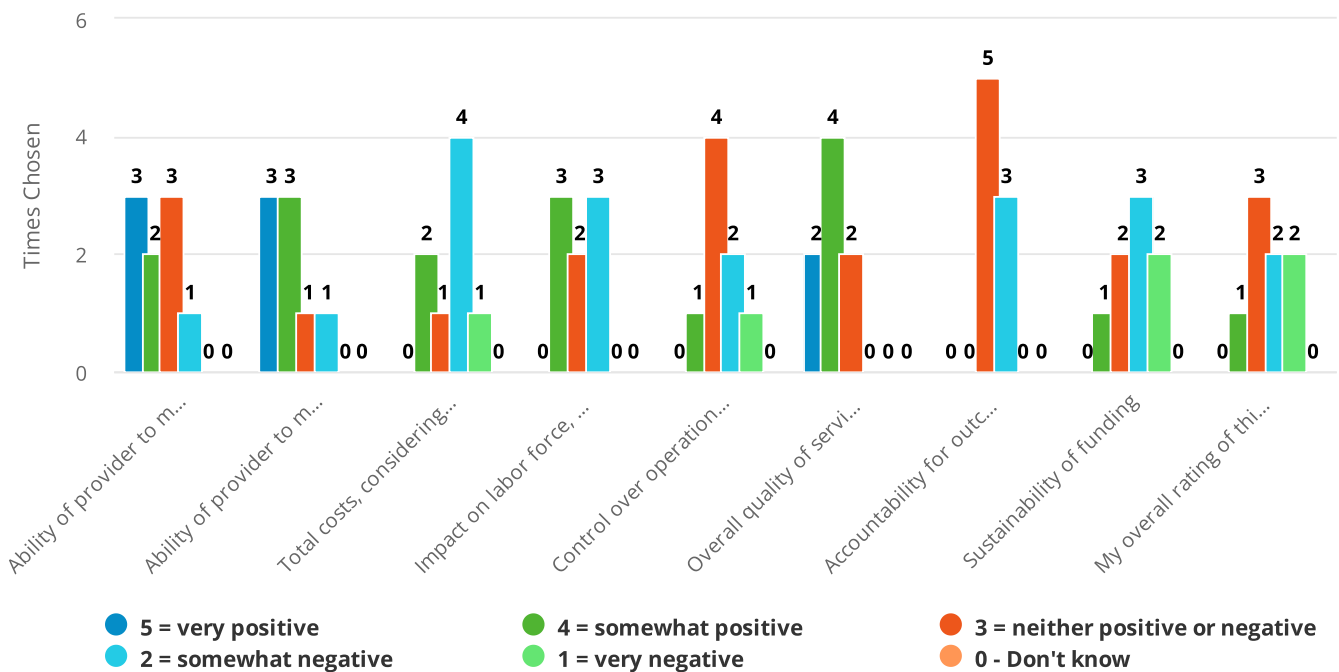
This Option is similar to Opt 4 except the City gives up some control. It is still very costly and requires voter approval of funding increases.

I fear meeting the needs of a diverse community would not be a priority with all that would have to be worked out starting a RFA.

Starting your own RFA would incur costs such as IT support, payroll administrations, personnel server (a very complicated issue) , apparatus maintenance and financially planning for future apparatus replacement and station maintenance and replacement of station 54 for example. This option too expensive as well.

Option 6: Contract for Service with Renton RFA

Number of responses: 9



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 5

Text answers:

Doesn't sound like Renton is interested in this option, so that negates any potential positives of this option.

No going back if this option is selected. No control over service delivery other than through contracting specifications. Expensive in comparison with status quo. Firefighters would most likely prefer this arrangement to status quo - different management, better benefits and pay.

This option really doesn't change anything about fiscal sustainability for the better. I appreciate that enhanced services are provided.

A contract requires the City to transfer Fire staff and equipment to RFA. If, for some reason the costs or services are not satisfactory how does the City go forward to provide Fire Services? The City's negotiating position is rather terrible. This option is totally unacceptable.

Providing to a diverse community not as accessible as PSRFA. The pool of resources are not as varied and extensive. Enhanced Services not as developed.

Our area is so unique with the residential population compared to the 100,000 plus population that comes to Tukwila during the day for business hence experienced in providing for the needs of a large business community. It is hard to compare Renton with this. They are more residential obviously.

Contract required before annexation. More expensive for us that way.

Impact on labor force, Renton RFA is not the preferential option for TFD personnel. They are not rated as "excellent" like PSRFA.

Professionals with the most experience and knowledge in the fire service should have control over the operational and financial decisions.

Am unaware of the overall quality of services from Renton Fire. There is more to this than just response times.

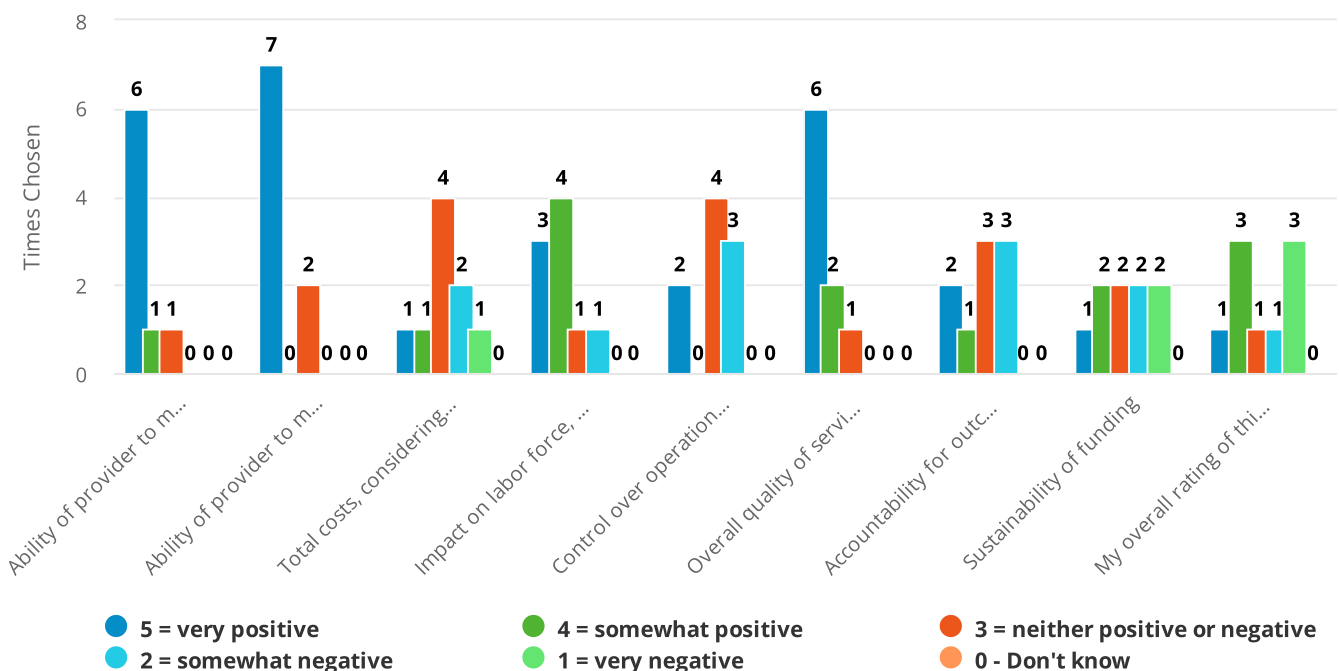
Enhanced services purchased (Comparing Options 1-9 under service levels, option 6) and unaware of quality of their enhanced services. Their needs are definitely different than ours.

Considered a ladder to financial sustainability but would take much longer than PSRFA.

Overall I would pick this option AFTER PSRFA with and without a contract.

Option 7: Contract for Service with Puget Sound RFA

Number of responses: 9



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 5

Text answers:

No control over decision making so no control over cost containment or service levels. However, Renton's profile is more similar to Tukwila's than Puget Sound's is (complex city, not a lot of rural area) and they seem to be more cost conscious. They are a smaller organization and may be more willing to partner with Tukwila - more of a peer relationship than a top down relationship. I have not heard that they want to close fire station 52, so this is a plus in my opinion

This option really doesn't change anything about fiscal sustainability for the better. I appreciate that enhanced services are provided.

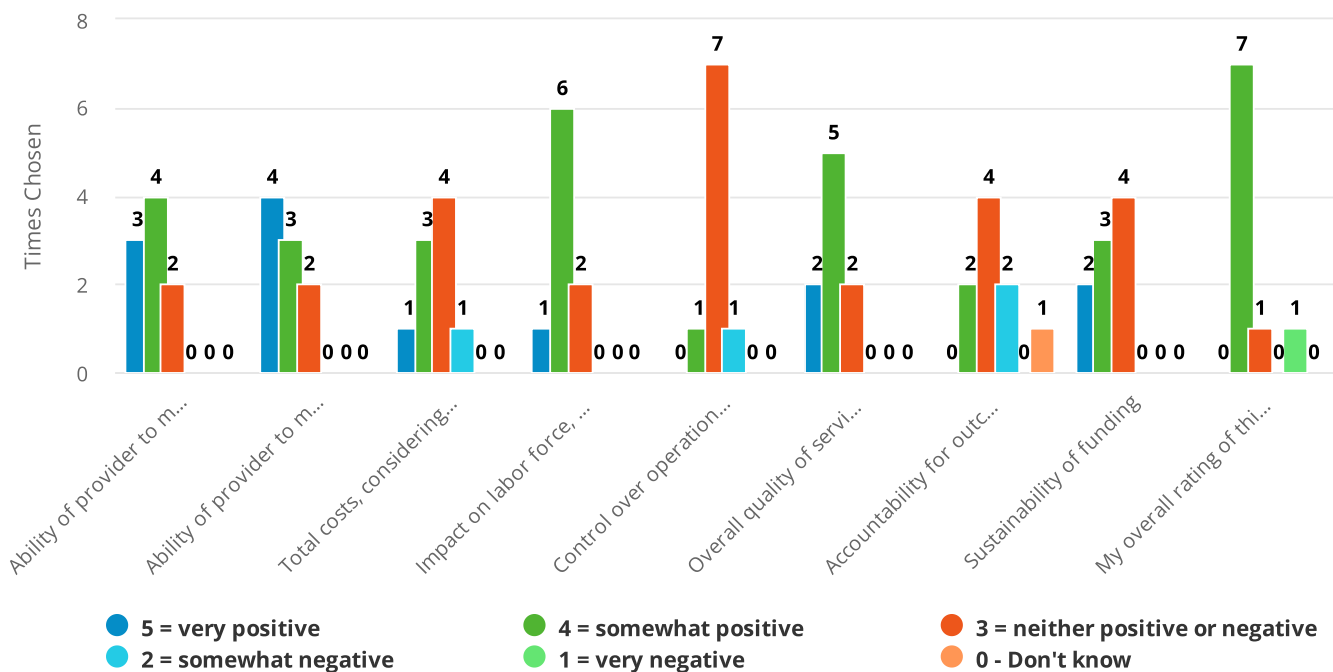
This Option is more costly (in the short term) than Opt 6 and is equally, totally unacceptable for the same reasons.

Have more resources and a bigger pool to draw from to provide for a diverse community and having the enhanced services will benefit this criteria immensely. (Different language's available, CARES, Public Education, Fire Prevention and PIO (Public Information Officer for media etc.)
Additional resources would be available with this option benefiting businesses. It is a fair practice to determine the level of combustible materials in businesses as compared to a home owner and what would be needed for services.
Labor force supports this option.
Control over operational and financial decisions should be made by the professionals most experienced and knowledgeable regarding the fire service.
Quality of services is already good and can only get better with enhanced services. The PSRFA has a great reputation and excellent rating.
This RFA has been in operation for over a decade and has established accountability and measuring of outcomes.
This is the best option for sustainability of funding due to sharing of resources, only paying one Chief and getting all three enhanced services.
TFD is already participating with PSRFA in training, Zone 3 operations ,fleet maintenance and the Fire Marshalls office. This is a definitely an advantage to joining PSRFA with already established operations.
This is my next choice of options if we cannot immediately annex into PARFA

I think in order to get to annexation we are going to have to have a contract first. If not, how do we get to annexation without having to fund the fire department for another at least two years?

Option 8: Annex into Renton RFA (after first entering into a service contract)

Number of responses: 9



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 5

Text answers:

Renton doesn't sound interested, so this is not a viable option.

No control over decision making so no control over cost containment or service levels. However, Renton's profile is more similar to Tukwila's than Puget Sound's is (complex city, not a lot of rural area) and they seem to be more cost-conscious. They are a smaller organization and may be more willing to partner with Tukwila - more of a peer relationship than a top-down relationship. I have not heard that they want to close fire station 52, so this is a plus in my opinion but of course, they could decide this later unilaterally. No recourse if this option doesn't work. Voter's may not agree - property taxes have doubled in the last 5 years and there is some discontent about how the PSP was handled.

This positive aspects of this option are it 1) provides a secure source of funding outside of the city's responsibility, thus making the fire department's expenses sustainable, 2) provides enhanced services that are better able to serve the most common EMS needs of our residential and business communities, 3) comes in at a reasonable cost when compared to some of the options 3, 4, and 5 and is comparable to the other options, and 4) provides a FBC which distributes the cost of fighting a fire more equitably.

This option provides excellent service combined with sustainable, equitable costs. It is acceptable to me.

Providing to a diverse community not as accessible as PSRFA. The pool of resources are not as varied and extensive. Enhanced Services not as developed.

Our area is so unique with the residential population compared to the 100,000 plus population that comes to Tukwila during the day for business hence experienced in providing for the needs of a large business community. It is hard to compare Renton with this. They are more residential obviously.

Contract required before annexation.

Impact on labor force, Renton RFA is not the preferential option for TFD personnel. They are not rated as "excellent" like PSRFA.

Professionals with the most experience and knowledge in the fire service should have control over the operational and financial decisions.

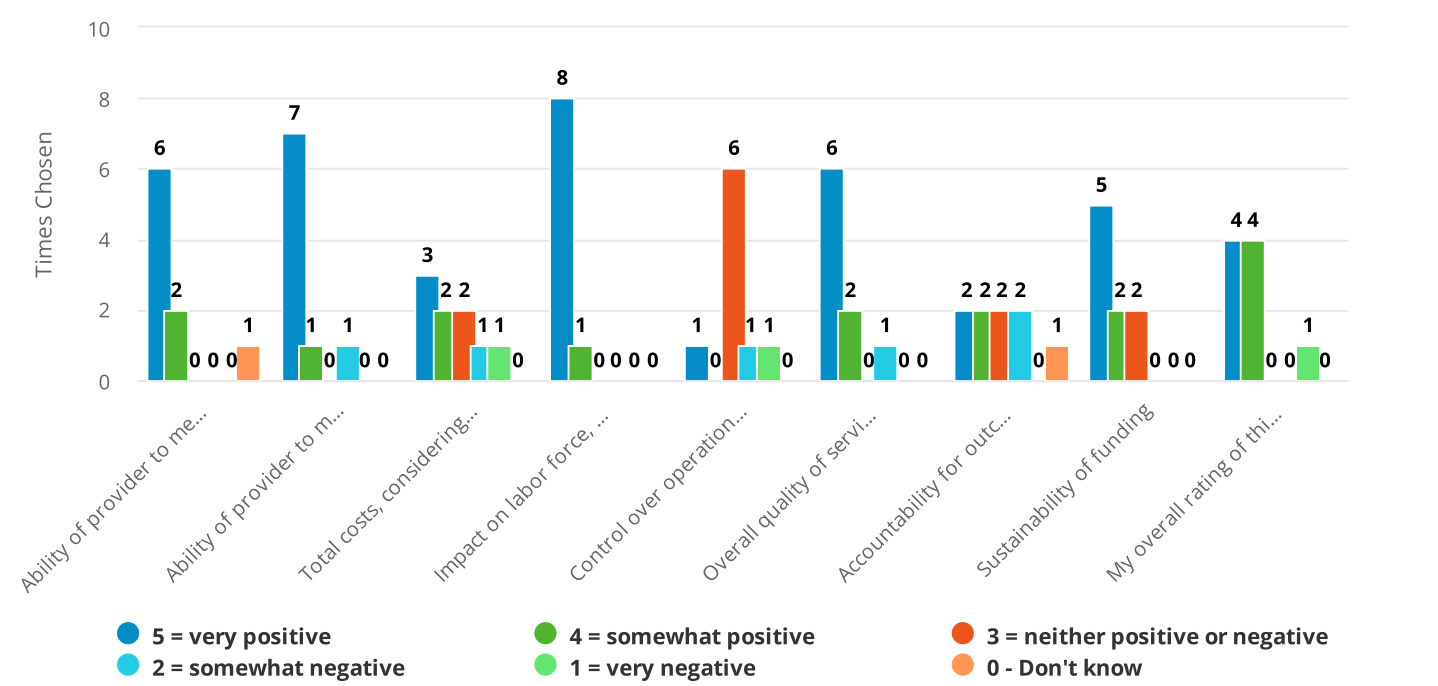
Am unaware of the overall quality of services from Renton Fire. There is more to this than just response times.

Considered a ladder to financial sustainability but would take much longer than PSRFA.

Overall I would pick this option 3rd after PSRFA with and without a contract.

Option 9: Annex into Puget Sound RFA (after first entering into a service contract)

Number of responses: 9



Comments: please provide some commentary about your overall rating of this option.

Number of responses: 7

Text answers:

This makes sense, as we would have the enhanced services, as well as partnering with a well-established RFA. We can start with a contract, and then build the program over a couple of years.

The City would lose control over decision-making and thus control over costs and services; PSRFA has stated they would eliminate fire station 52 which would adversely impact City safety, especially for those who live on Tukwila Hill (in the FS 52 area, 3 people lost their lives due to fire in 2021 and several families, 37 - 40 were

displaced due to another fire in 2020 - examples of the fire threat and consequences); PSRFA costs are high compared with Renton and in general. Since the PSRFA's FBC is permanent, they have the ability to continue to increase costs in tandem with property values increases, and again, the City would have no control over this. Tukwila is a more dense, complex city compared with the PSRFA area - we do not have large areas of sparsely populated, rural land; we do have a huge gas line that extends east/west beneath the central business district and other high risk situations - and would be better served by Renton RFA if the decision is made to annex. My first choice continues to be the status quo with a more robust FMO (could this be contracted out? Fire inspections are a high priority), Cares services from Renton (cost would be covered by the \$100K from King County) and contracted educational services or use of City's existing communication group.

As with Option 8 the positives aspects of Option 9 are it 1) provides a secure source of funding outside of the city's responsibility, thus making the fire departments expenses sustainable, 2) provides enhanced services that are better able to serve the most common EMS needs of our residential and business communities, 3) comes in at a reasonable cost when compared to some of the options 3, 4, and 5 and is comparable to the other options, and 4) provides a FBC which distributes the cost of fighting a fire more equitably. Additionally, it seems to be what the fire fighters want as it will probable provide higher wages and better working conditions/hours per week and has a FBC that does not have to go back to the voters for approval, making it more sustainable.

With a larger consortium with shared personnel, there is greater ability to meet the needs of a large and diverse community. This option gives me more confidence in meeting this criteria. Additionally, it would provide the most impact on the labor force by having more personnel on duty at one time to alleviate the hardship experience by firefighters. This option and the contract into PSRFA are my top two options.

This option also provides excellent service combined with sustainable, equitable costs. It is my first choice for two reasons. First, our FF's prefer it. Second, the PSFA provides service to Seatac which is a neighboring city and we can logically share fire stations. It is acceptable to me.

Have more resources and a bigger pool to draw from to provide for a diverse community and having the enhanced services will benefit this criteria immensely. (Different language's available, CARES, Public Education, Fire Prevention and PIO (Public Information Officer for media etc.) Their enhanced services are established and have a good reputation. They will also share in Hazardous Material operations, Technical Rescue (Water and Rope) for example because they are already established in our region. Additional resources would be available with this option benefiting businesses. It is a fair practice to determine the level of combustible materials in businesses as compared to a home owner and what would be needed for services.

Labor force supports this option.

Control over operational and financial decisions should be made by the professionals most experienced and knowledgeable regarding the fire service. Easier for a dedicated entity to plan for future knowing requirements needed.

Quality of services is already good and can only get better with enhanced services. The PSRFA has a great reputation and excellent rating.

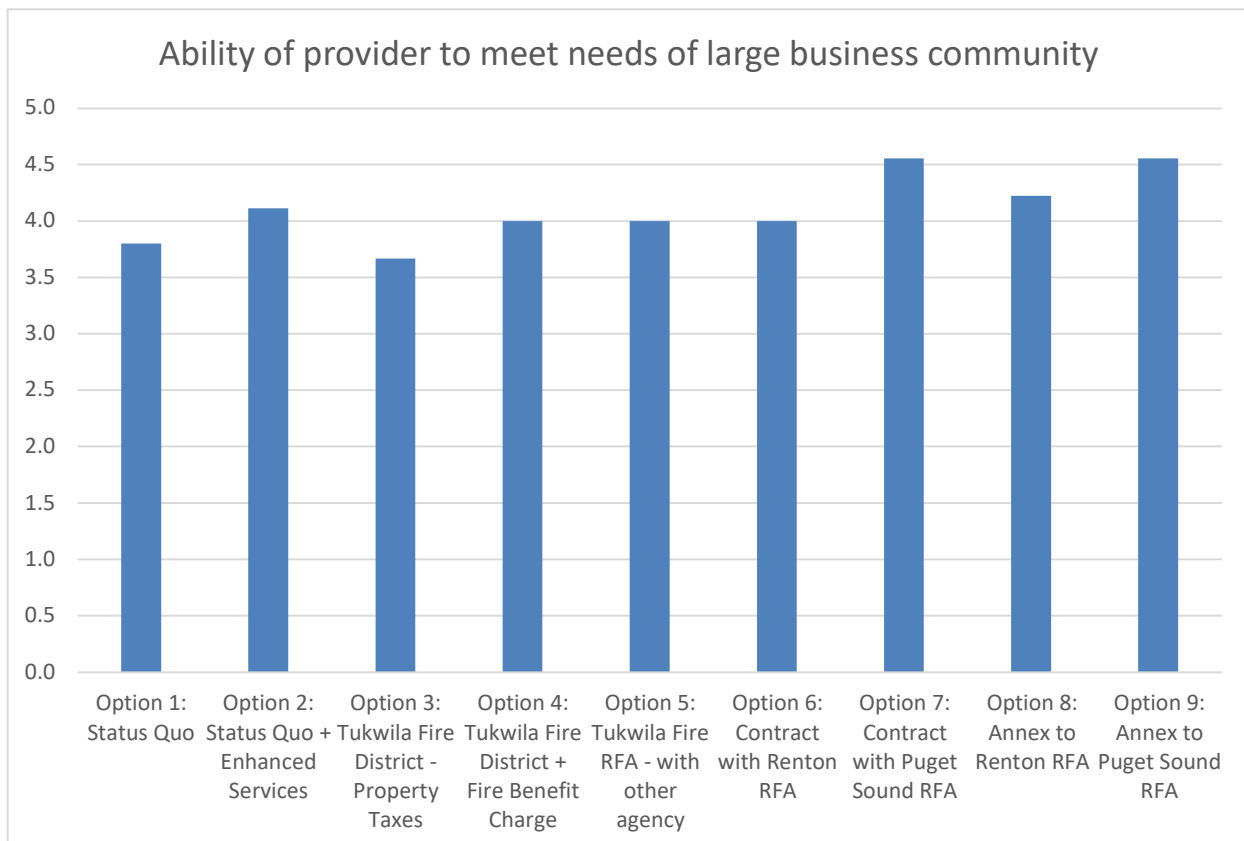
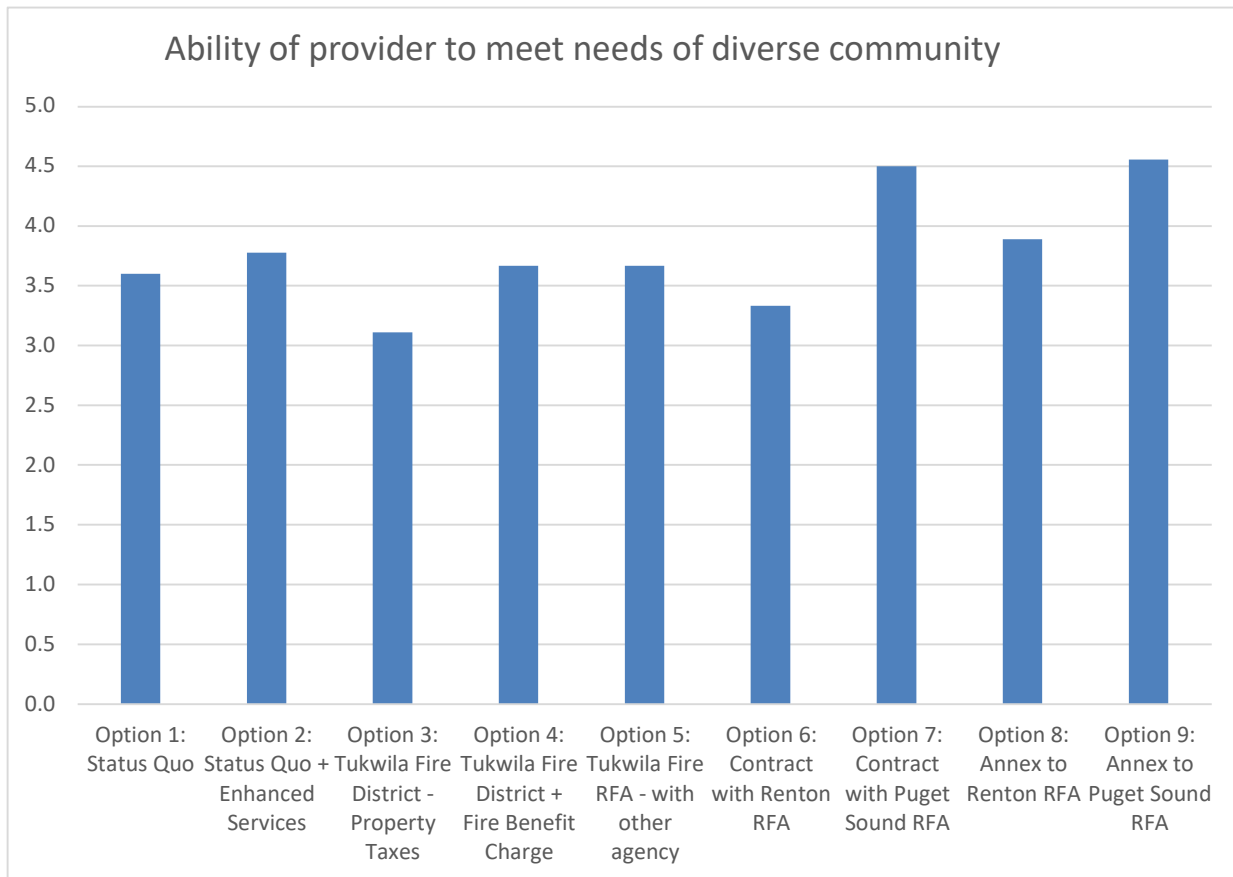
This RFA has been in operation for over a decade and has established accountability and measuring of outcomes.

This is the best option for sustainability of funding due to sharing of resources, only paying one Chief and getting all three enhanced services. TFD is already participating with PSRFA in training (very important) , Zone 3 operations ,fleet maintenance and the Fire Marshalls office. This is a definitely an advantage to joining PSRFA with already established operations.

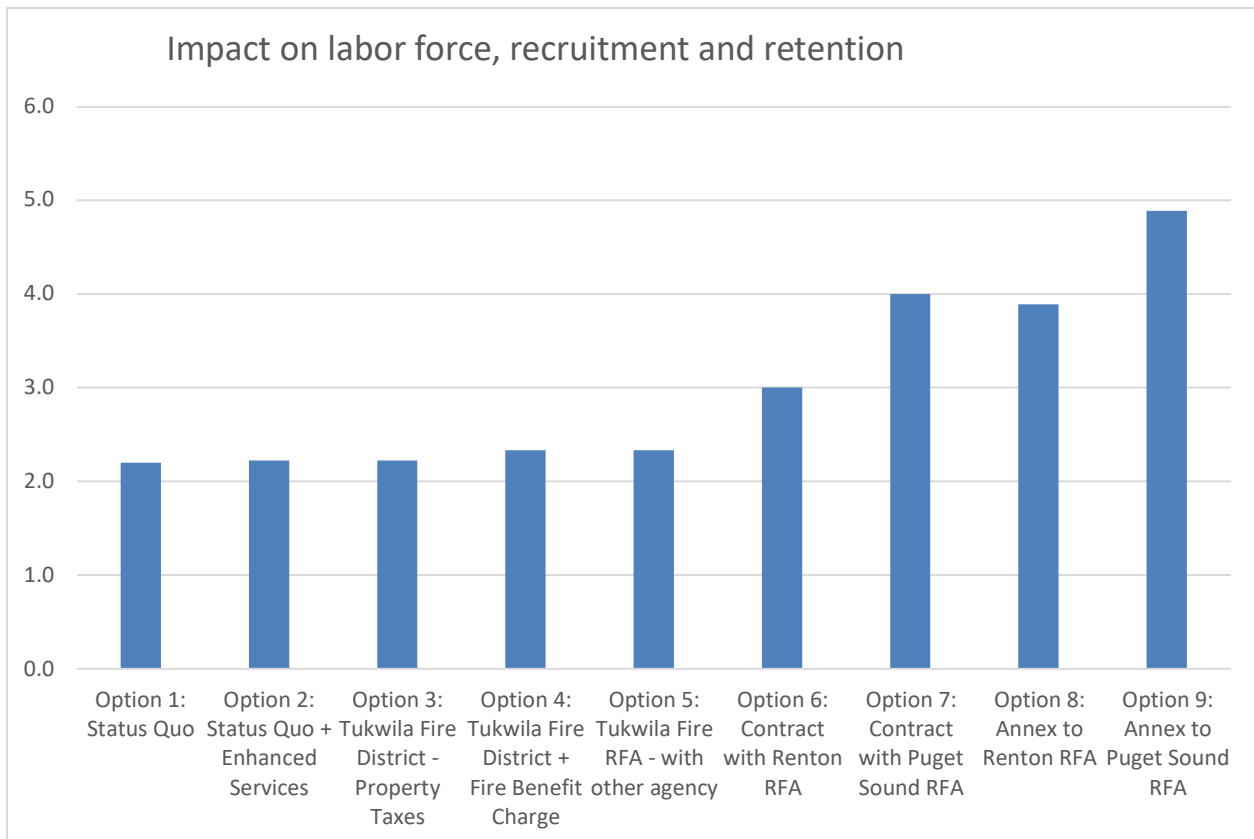
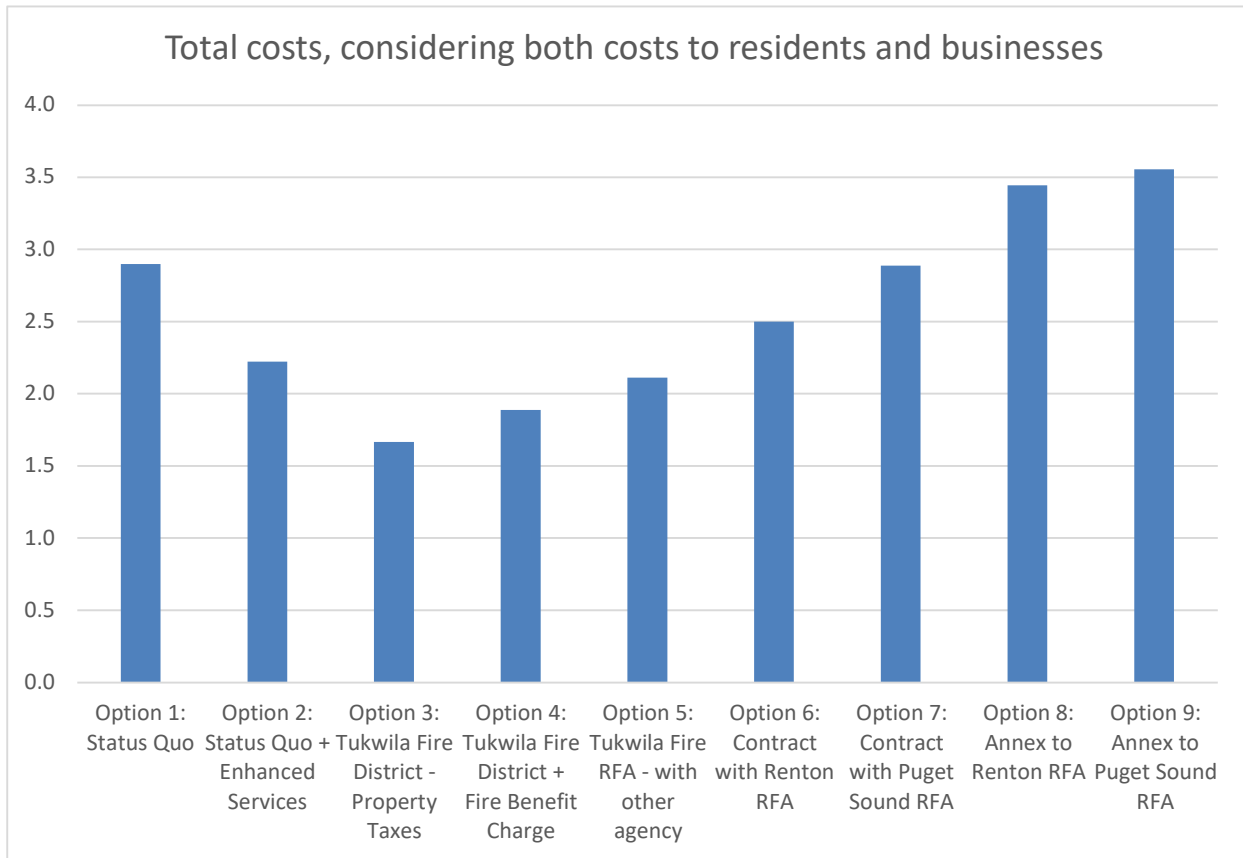
This is my first choice option.

I think this is the way to go. My only worry, as I said in the contract option, is we have to figure out how to fund fire while we move to annexation. Also, the only way this will work is with full support of the union, the administration, and the council.

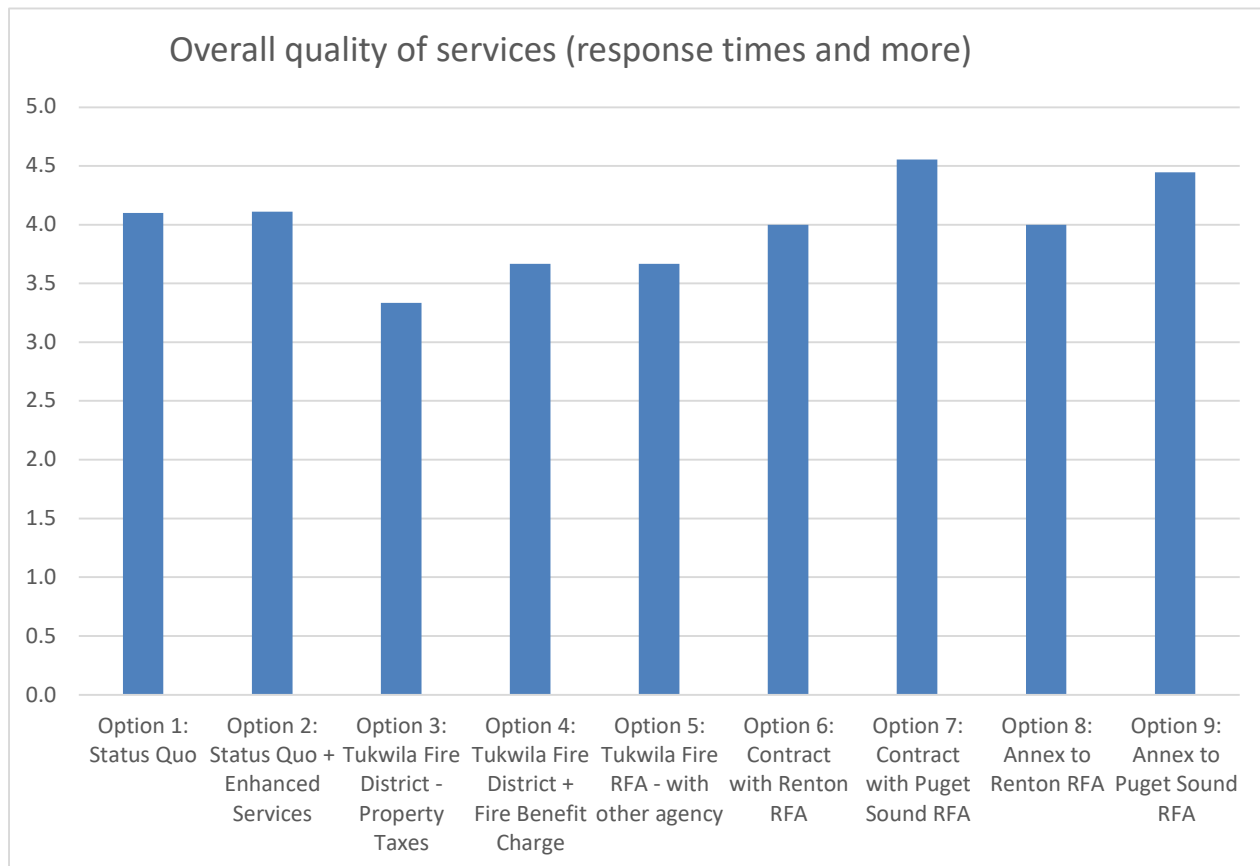
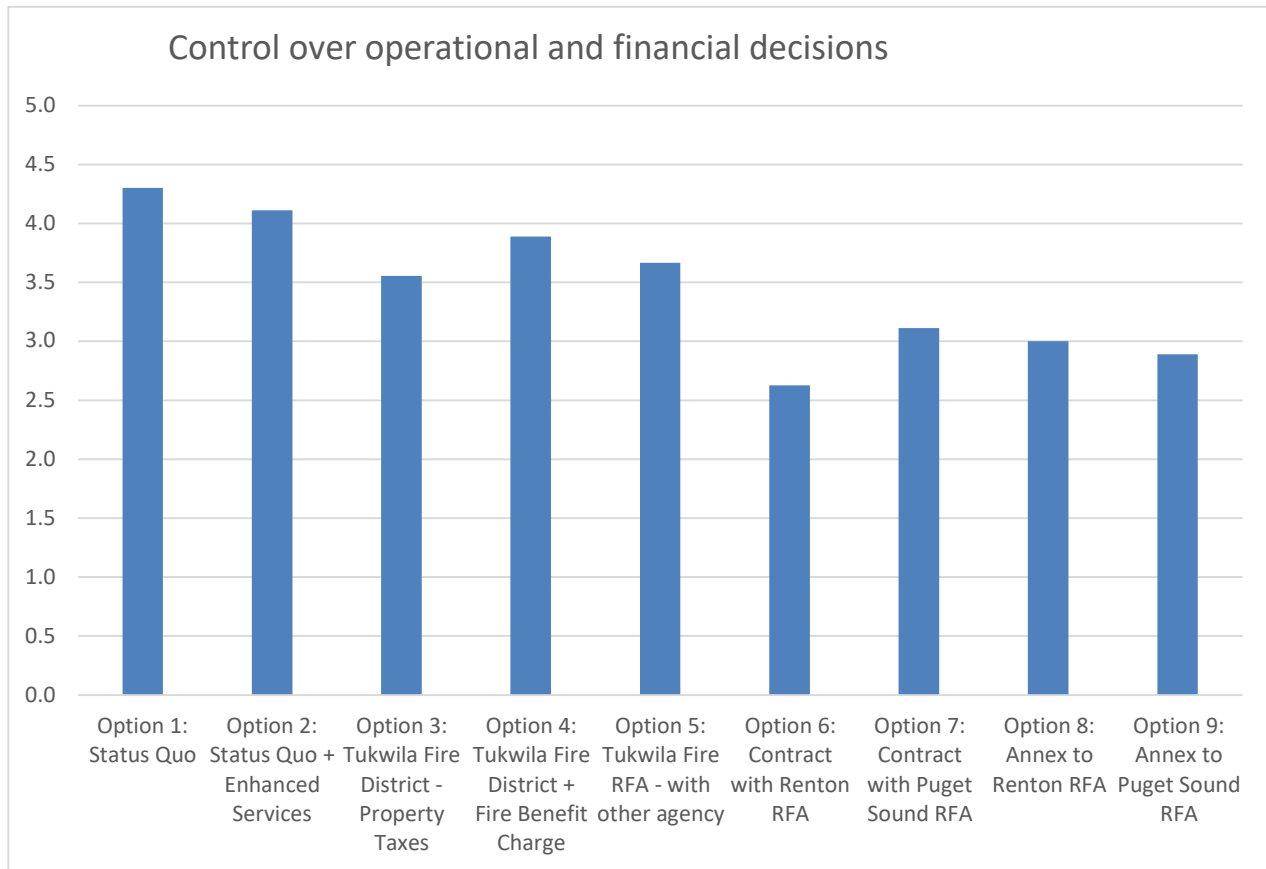
2022 Survey Results: Tukwila Fire/EMS Community Advisory Committee
Weighted Averages



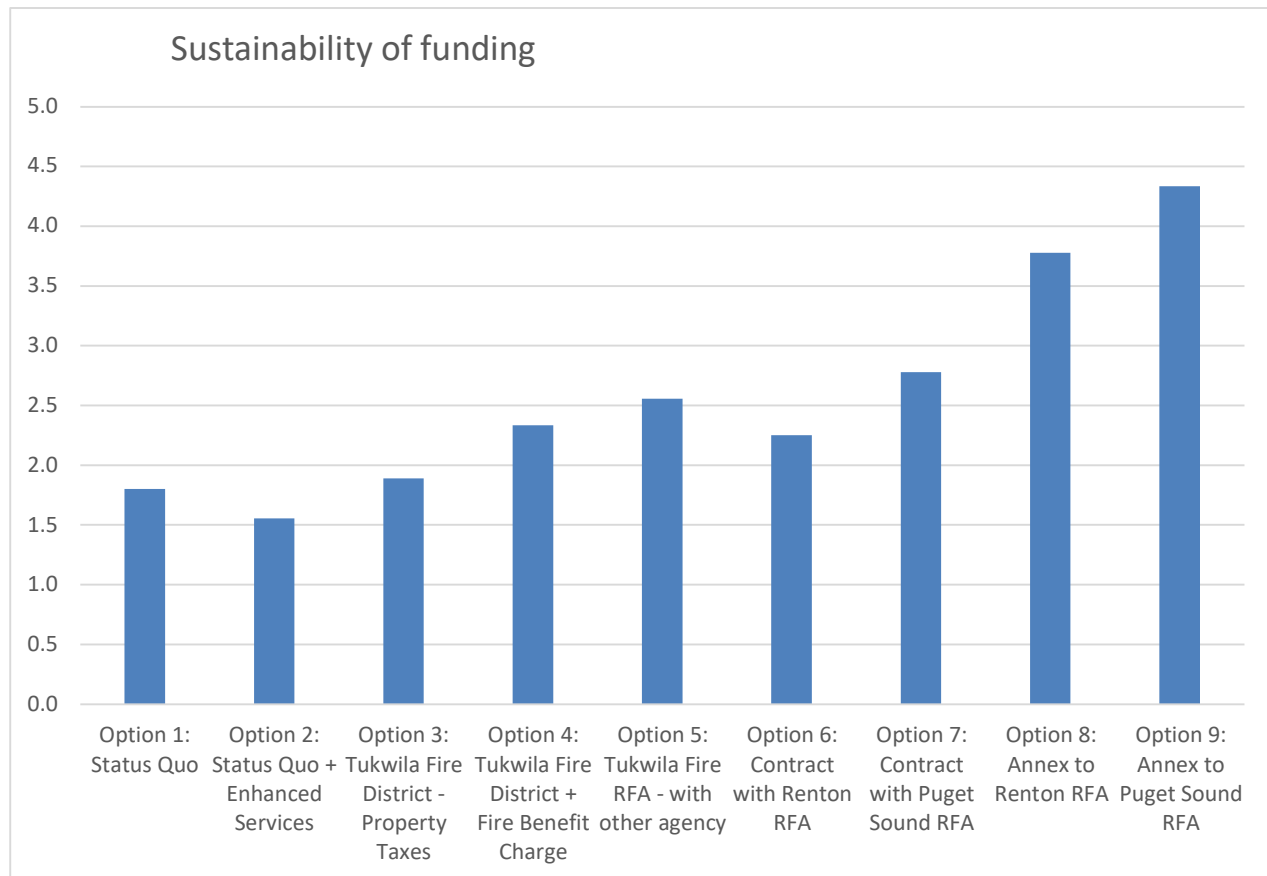
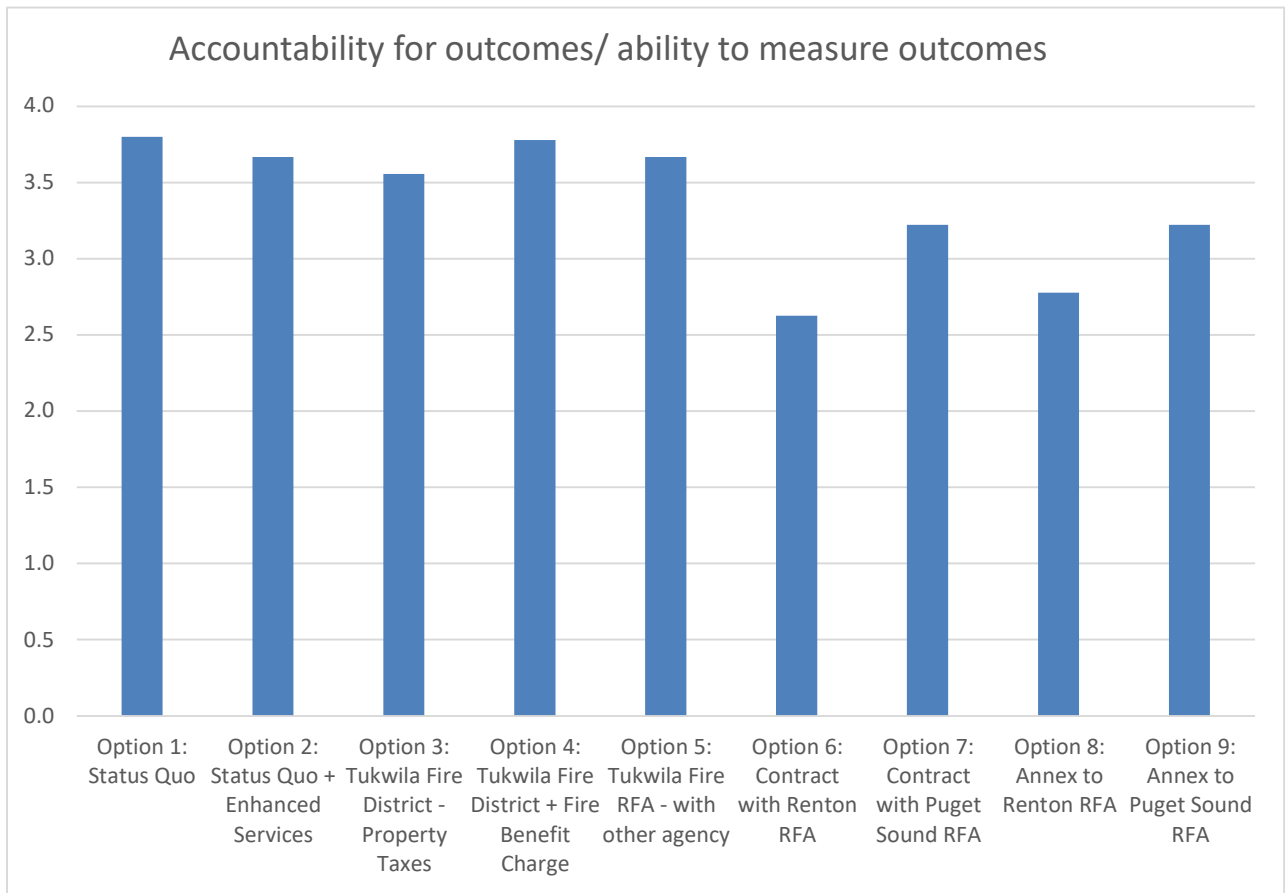
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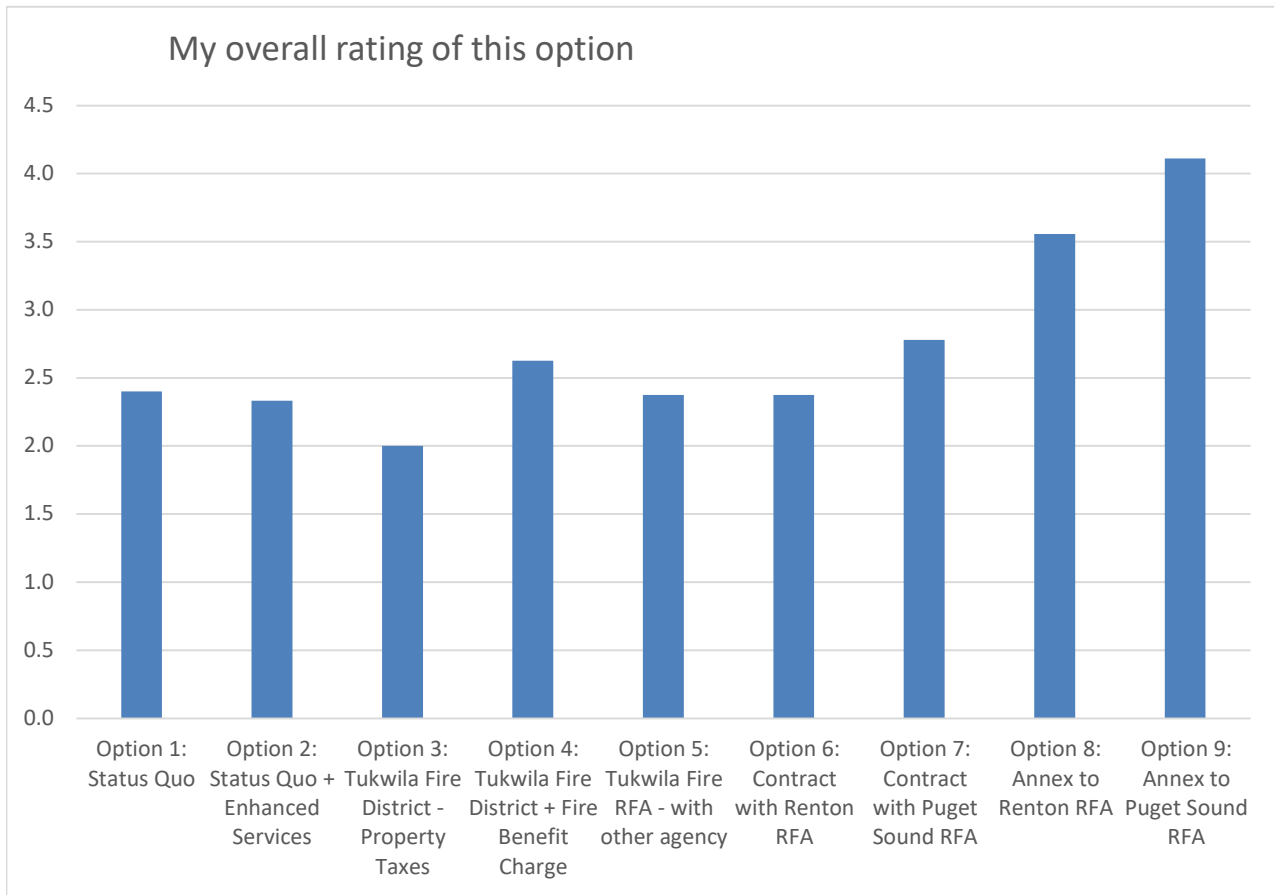
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Weighted Averages



City of Tukwila Future of Fire/EMS Community Advisory Committee

Survey Results Summary

Total Responses: 10

Numbers reflect Weighted Average by Response - 5 = 5 points, 1 = 1 point

#	Questions	Option 1: Status Quo	Option 2: Status Quo + Enhanced Services	Option 3: Tukwila Fire District - Property Taxes	Option 4: Tukwila Fire District + Fire Benefit Charge	Option 5: Tukwila Fire RFA - with other agency	Option 6: Contract with Renton RFA	Option 7: Contract with Puget Sound RFA	Option 8: Annex to Renton RFA	Option 9: Annex to Puget Sound RFA
1	Ability of provider to meet needs of diverse community	3.6	3.8	3.1	3.7	3.7	3.3	4.5	3.9	4.6
2	Ability of provider to meet needs of large business community	3.8	4.1	3.7	4.0	4.0	4.0	4.6	4.2	4.6
3	Total costs, considering both costs to residents and businesses	2.9	2.2	1.7	1.9	2.1	2.5	2.9	3.4	3.6
4	Impact on labor force, recruitment and retention	2.2	2.2	2.2	2.3	2.3	3.0	4.0	3.9	4.9
5	Control over operational and financial decisions	4.3	4.1	3.6	3.9	3.7	2.6	3.1	3.0	2.9
6	Overall quality of services (response times and more)	4.1	4.1	3.3	3.7	3.7	4.0	4.6	4.0	4.4
7	Accountability for outcomes/ ability to measure outcomes	3.8	3.7	3.6	3.8	3.7	2.6	3.2	2.8	3.2
8	Sustainability of funding	1.8	1.6	1.9	2.3	2.6	2.3	2.8	3.8	4.3
	My overall rating of this option	2.4	2.3	2.0	2.6	2.4	2.4	2.8	3.6	4.1

Cells are shaded to denote the two highest (green) and two lowest (peach) ratings in each row.