SOUTH KING FIRE & RESCUE

SPECIAL COMMISSIONERS MEETING
Retreat
Station 68
November 9, 2017

Commissioner Gates called the meeting to order at 0800 hours with Commissioners Fossos, Rickert and Thompson present. Commissioner Fuller is probably on his way. Board Secretary Lauri Perry recording.

Pledge of Allegiance was led by Commissioner Thompson.

COMMISSIONER COMMENTS

Commissioner Fossos noted that there needs to be a better way for the Commissioners to be notified of upcoming events. He is embarrassed that he missed the meeting last night at the PAEC regarding the potential to host the Olympic Diving Trials. He would like for all of these invitations to events to go through Lauri so she can make sure the Board gets the notifications in a timely manner.

Commissioner Thompson stated that he is glad to be here today, we have a number of things to get done today to pave the way for our future.

Commissioner Rickert reported that he is glad to be here today, he looks forward to the discussion on planning our future.

Commissioner Gates noted that he is also happy to be here today to discuss our future funding options. He added that he received an email Sunday evening, inviting him to the event at the PAEC last night to support hosting the Olympic Diving Trials.

Commissioner Fuller arrived at 0805 hours.

Commissioner Fuller had no comments.

PUBLIC COMMENTS

There were no public comments.

RETREAT

Chief Church reported that he was pleased to see everyone at the Retreat today; we have a lot of information to review and discuss. Chief Church proceeded to a PowerPoint presentation

- Sources of Fire Department Funding

    - Property taxes
    - Excess levies
    - Benefit charges
    - Sales tax – City only
    - Utility tax – City only
    - Business and Occupations tax – City only
    - Permitting Fees
    - Investment Interest
    - Fees for BLS Transports
    - Fees for ALS Transports
    - EMS Levies
    - Inspection Fees
    - Grant Funding
    - Bonds
    - Donations
- Funding Options – what is available for a fire district and RFA to maintain funding
    - Lid Lifts
        - Lifts the lid on the 101% mandated by I-747
        - Requires simple majority to pass (50% plus one vote) plus a 40% turnout
        - Must by run on the Primary or General Election
    - Multi-Year Lid Lifts
        - New tool signed into law on May 8, 2007
        - Allows Fire Districts and RFAs to run Lid Lift measures which can last up to 6 years in duration
        - Must be on either the Primary or General Ballot
    - Excess Levy/M&O Levy
        - Allows new taxes above the $1.50 to be collected
        - Can be authorized for 1 year up to 4 years
        - Requires super majority (60%) to pass plus a 40% validation requirement
    - Service Benefit Charge
        - Reduces property tax collected to $1.00 per $1000 AV
        - Allows 60% of budget to be funded through a service charge
        - Requires a super majority to pass (60%)
    - Service Benefit Charge Renewals
        - Must be renewed every 6 years
        - Fire Districts can renew with a simple majority (60% plus 1 yes vote)
        - As of 2017, Regional Fire Authorities can also renew with a simple majority due to a change in the law
        - Fire Districts and RFAs who fail SBC renewals have some protection (1% per year growth going back 6 years prior levies)
- Pro's and Con's

    - Lid Lifts are easiest to pass (50% passage)
    - Lid Lifts are good for 1 year up to 6 years
    - Lid Lifts can provide predictable funding (if assessed values hold steady) although the issue of temporary versus permanent tax base must be spelled out in the ballot
    - Excess Levies can by good up to 4 years
    - Excess Levies are a "new" tax (with a 60% passage)
    - The SBC is good for up to 6 years
    - The SBC reduces property taxes to $1.00 per $1000, with up to 60% of budget via benefit charge
    - The SBC is difficult to explain and requires a 60% passage for initial implementation
    - Once in place the SBC makes revenue collection very predictable
- What about Pro-Rationing
    - Fire Districts and RFAs are Junior Taxing Districts
    - The State, Cities and Counties are Senior Taxing Districts
    - There are a number of Junior Taxing Districts which can be bumped in their tax collection by Senior Districts or other Junior Districts
- Emergency Medical Services (EMS) Levies (King County Medic One)
    - Authorized by RCW 84.52.169
    - Can collect up to $.50 per $1000 AV
    - Authorized to 6 years, 10 years or permanently
    - It is a property tax and subject to the 101% lid
- EMS Levy Renewal
    - The State Attorney General's Office recently issued an opinion that EMS Levy Renewals only require a simple majority election IF and ONLY IF it is renewing the same levy rate imposed at the last election
    - An increase or decrease in the levy rate requires a super majority (60%)
- Bond Issues
    - Used for capital projects
    - Can be issued without a vote of the public (3/8 of 1% of AV)
    - Can be issued with a vote of the public (¾ of 1% AV)
- Where are we today?
    - Due to the 101% lid, we dropped to $1.43 per $1000 AV in 2018
    - We are leaving $1,200,000 on the bale in 2018
    - With 5% growth the 1% lid will cause us to lose $2,107,343 in 2019 and drop to a levy rate of $1.37
- Challenges in 2018
    - Sound Transit MVET
    - School District Bond, same levy rate but most will pay more based on AV increase
    - State Levy Swap in 2018 $.80 per $1000 AV of new taxes (reductions start for the swap in 2019)
    - Levy Fatigue Countywide

- Potential Options and Direction for 2018
  - Option #1
    - Run a multi-year lid lift in August of 2018. Collect full $1.50 first year and up to 106% the next 5 years. Prefile for November should August not validate.
  - Option #2
    - Run the Benefit Charge in April or August of 2018; pre-file back-up of multi-year lid lift in November
  - Option #3
    - Run multi-year lid lift in 2018, coupled with a larger M&O Levy in 2020.
    - For a $.25 levy rate =$4.2 M
    - For a $.30 levy rate = $5.1 M
    - For a $.40 levy rate = $6.7 M
    - For a $.60 levy rate = $9.5 M
    - To staff A63, we need $1.8 M
    - To staff E60 we need $2.4 M (still need to build station)
    - To have 4 person Engine Companies, we need $5.3M
  - Option #4
    - Run multi-year lid lift in 2018 coupled with running toe Benefit Charge in 2020 (or sooner if State expands Levy Swap)
  - Option #5
    - Run multi-year lid lift in 2018 coupled with closer work to see if annexation with VRFA makes sense
  - Option #6
    - Do nothing and wait while gathering public input in 2018 to determine what they'd likely support

At 0900 hours the meeting recessed for a 10 minute break

At 0910 hours the meeting reconvened

Chief Church noted that his first priority would be Option #1

Commissioner Fossos added that at this time, he supports Option 1 for right now, however he really likes Option #5.

Commissioner Thompson added that right now with everything going on he prefers Option #1, it busy us some time to look at other options such as a merger with Burien Fire.

Commissioner Rickert added that he supports a Benefit Charge Options #2 and #4 are the only way to solve our funding problems, we can do a lid lift and M&O Levy forever, it doesn't solve our funding problems, we really need a different way to provide funding.

Commissioner Fuller noted that he preferred Option #5.
Commissioner Gates added that he prefers Option #1 to be on the August ballot and pre-file for November and Option #4 for a Benefit Charge possibly on the ballot in 2020.

Commissioner Fossos made a Motion to direct the Chief to develop a plan for Options #1 and 5 with a 5 year plan. It is imperative that Option 1 is on the ballot next year; Motion was seconded by Commissioner Fuller. After a lot of discussion the motion passed unanimously.

- Bond Update by D/C Mataftin
    - One side of Station 61 has been completed the new Station Generator cut over should be completed by the end of the month. The project is about 2/3 completed; they are beginning the prep work for the new kitchen. The contractor is great and doing some great work. We ran into a problem with some Cottonwood Trees in the way of the sewer connection, so they will be taken down. King County Roads recently notified us that due to inclement weather we can no longer proceed with the plan to repave the road, we will have to wait for better weather. We will be drafting a letter to send to the neighbors so they know it is not our fault and we will have it paved as soon as we can, it was also discussed about having a community meeting at the station to discuss this.
    - Station 66 will lose power to the station next week until construction is almost done. During the days the crews will stay in the trailer, however in the evening they will move to Station 65 for the security of parking the Engine inside.
    - Station 64 will be the next Station up for bid in mid-December with construction to start late January. This is a pretty bid job so the crews will also be moving out of this station during construction.
    - Station 65 is tentatively scheduled to go out to bid in April of 2018, they are currently in the final design phase, this will be a much smaller scope.
    - Station 62 is tentatively scheduled to go out to bid in April of 2018, with construction to start in June
    - Station 60 is tentatively scheduled to go out to bid May of 2019.
    - We have received 2 new Engines, the other 2 new Engines should be here anytime. The B/C rig should be completed next week, we are waiting for some parts to arrive. We have also ordered some new staff vehicles.
- Update on Strategic Leadership Plan by A/C Chaney
    - The SLP is on track with the budget being designed around the plan. We are planning on starting a Focus Group in 2018 to focus on our funding options.
- Commissioner Open Discussion
    - Commissioner Thompson noted that it is difficult for staff to get all of the tasks completed when we have such a small staff compared to neighboring fire departments that serve the same or smaller populations than we do, we have limited resources and staff. Some of the ideas to step-up our community involvement and keep them informed are;
        - Station Open Houses when construction has been completed at the station
        - Push in Ceremony for new Engines

- Signs at the station “thanking the voters” while construction is being done
- Reader Board signs that scroll with new messages
- FF Resilience
    - Education in early 2018
- Stay back 500 feet signs on all apparatus
- More work with the school trade programs
- Funding Source for the Boat
    - RCW 82.04.450
    - Public Safety 3/10 of 1% sales tax
    - Fund Boat
    - City ILA 1/3 must go to Fire/Police

At 1043 hours the meeting recessed.

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CHAIR/COMMISSIONER VICE CHAIR/COMMISSIONER

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COMMISSIONER COMMISSIONER

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COMMISSIONER

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BOARD SECRETARY

SOUTH KING FIRE & RESCUE IS AN EQUAL OPPORTUNITY EMPLOYER