

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

Presentation to Tukwila City Council

May 23, 2022

Presenters:

Verna Seal, Committee Chairperson

Hien Kieu, Committee Vice-Chair

Karen Reed, Facilitator

Committee Mission – *per City Council direction*

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

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

Committee Members, Timeline

MEMBERS

Verna Seal, Chair

Hien Kieu, Vice-Chair

Sally Blake

Jim Davis

Katrina Dohn

Ramona Grove

Peggy McCarthy

Jovita McConnell

Ben Oliver

Andy Reiswig

Dennis Robertson

Abdullahi Shakul

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

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

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

Options 1-9

- The Staff Team identified these as potentially workable options

Blue cells are “Tukwila Only” options

Green Cells are options in which Tukwila partners with other agencies

Option 1: Status Quo

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

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

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

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

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

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

Option 8: Annexation into Renton RFA, after contract

Option 9: Annex into PSRFA, after contract

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

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

**Table 4: The Committee's Eight Criteria for Evaluating Fire/EMS Service Options
(not presented in priority order)**

- 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

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

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

*Minority statement appended at back of report

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

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

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

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

Annexation is Committee's ultimate goal

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

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

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

Option Cost comparison—all costs are estimates

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

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

LEOFF, debt service, cost to purchase fire marshal services

Notes on Costs

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

Notes on Regional Fire Authorities

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

	Tukwila Fire	Puget Sound RFA (PSRFA) – created in 2010	Renton RFA (RRFA)—created in 2016
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>
Governance Structure	The Mayor and City Council of Tukwila	<ul style="list-style-type: none"> • 3 elected officials from the City of Kent • 3 commissioners from FD 37 • 3 nonvoting members: one each from the two contract agencies, and one from the City of Covington 	<ul style="list-style-type: none"> • 3 elected officials from the City of Renton • 3 commissioners from FD 25. • 1 nonvoting member from FD 40
Square Miles	9.6	108	33.29
2022 Operating Budget	\$14.3M	\$68.3M	\$43.4M

Notes on funding sources

City of Tukwila

The City uses **General Fund revenues** to pay for the Fire Department operations.

2 fire station replacements funded with voter approved bonds; **2 more stations** will need to be replaced in next decade (+/- **\$30M**).

Apparatus, equipment funded through Public Safety Plan.

Firefighters get an inflation-based COLA each year. Staff costs are about 80% of the total department annual cost.

The Fire Department generates some fees for service (fire marshal office).

Fire Department budget in 2022 equates to 79.6% of all City property tax revenues. This will grow over time.

PSRFA and RRFA

Both have two major funding sources:

1. **Fire Levy** of up to \$1.00 per \$1,000 Assessed Value.
2. **Fire Benefit Charge (FBC)** – a fee, not a tax
 - FBC is a risk-based fee: structures that will need more fire resources to put out a fire will pay more. Tends to reduce costs for single-family residential structures.
 - FBC is not subject to +1% collections cap that is in place for property taxes.
 - FBC provides great **financial stability**—in times of inflation or recession, service levels can be sustained.

Service Levels, Staffing, Fire Assets

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

Summary of the Committee's Other Recommendations

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

Fiscal Sustainability

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

Service Enhancements

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

Engaging with the Community

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

In closing

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

Questions? Comments?

Thank you!