

OLYMPIA TUMWATER REGIONAL FIRE AUTHORITY PLANNING COMMITTEE
MINUTES OF VIRTUAL MEETING
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CONVENE: 5:30 p.m.

PRESENT: Chair/City of Tumwater Councilmember Leatta Dahlhoff, Vice Chair/Olympia Councilmember Yén Huỳnh, Tumwater Councilmember Michael Althaus, Olympia Councilmember Jim Cooper, Olympia Councilmember Lisa Parshley, Tumwater Councilmember Eileen Swarthout, Olympia Fire Union Representative Firefighter Steven Busz, Tumwater Fire Union Representative Firefighter James Osberg, Tumwater Fire Chief Brian Hurley, and Olympia Fire Chief Mark John.

Staff: Tumwater City Administrator John Doan, Olympia City Manager Jay Burney, and Tumwater Fire Department Administrative Assistant Erika Stone.

Others: Karen Reed, RFA Consultant and Karen Meyer, The Athena Group.

WELCOME: Chair Dahlhoff welcomed everyone to the meeting.

CHANGES TO AGENDA: Discussion on the Work Plan was deferred to the April 11, 2022 meeting.

Ms. Meyer referred to the meeting summary from the March 14, 2022 meeting. The format of the summary was revised to improve clarity.

Chair Dahlhoff recommended developing a master table of actions with assignments. The committee supported the suggestion. Ms. Meyer advised that the summary would be reformatted based on the feedback.

City Administrator Doan displayed the RFA webpage on the City of Tumwater's website. The City of Tumwater has committed to maintaining the webpage.

City Manager Burney reported on an upcoming meeting between communications staff from Tumwater and Olympia to work on communication strategies to connect with and inform the communities.

Fire Chiefs John and Hurley agreed to add an update on the status of the committee's efforts to the meeting agendas of Fire Chiefs in Thurston County.

Councilmember Cooper recommended scheduling a briefing on campaign rules and the planning committee.

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FINANCIAL FOLLOW UP: Ms. Reed followed up on the prior review of RFA funding approaches in the state. RFAs and fire districts generate revenue by seeking a fire levy up to \$1.50 per \$1,000 of assessed valuation and a share of a local or regional EMS levy up to \$.50 per \$1,000 of assessed valuation for a combined total of \$2 per \$1,000 of assessed valuation. If EMS allocation and a fire levy are insufficient, a Fire Benefit Charge (FBC) can increase revenue collections. In exchange for a FBC, the maximum fire levy drops one-third to \$1.00 per \$1,000 assessed valuation. FBC collections cannot exceed 60% of the annual operating budget and unlike property taxes; a FBC is not subject to the 1% collections cap. If an FBC is requested when the RFA is formed, the vote threshold to authorize the FBC is 60% approval. The FBC can solve the funding gap by allocating the cost to each parcel based on a formula to ensure the full gap amount is collected. The amount collected can change every year. Allocations are based on statutory requirements and confirmed by the RFA Board.

The team engaged a consultant to collect property information from the assessor's office to assist the committee if it elects to pursue a FBC. Ms. Reed reviewed a possible formula for establishing the FBC.

Ms. Reed reviewed a partial list of other RFAs located throughout Puget Sound. Four of 13 RFA's have a benefit charge in place, three included a benefit charge initially and were successful in passing the ballot measure. Two RFAs did not successfully pass its first ballot measure and neither included a benefit charge. One RFA added and passed a benefit charge after initially being created by the voters (South Snohomish County RFA).

The committee requested additional information on existing RFAs that established a FBC when formed and discussed how the boundary of the RFA is affected by future city annexations.

Ms. Reed outlined some key components of the RFA Financial Plan. Data are projected seven years at a minimum. The first five months of RFA (2023) operations is funded by the balance of each city's budgeted revenue for the fire department. During the next five months (2024), the RFA will need cash flow funded by a loan from the cities. When cash flow is critical, ending fund balance and reserves are critical. The strategic financial plan for the RFA will include recommendations to fund at least six different reserves. Existing reserves for fire departments are typically transferred to the RFA. Reserves can be used to support cash flow needs.

Ms. Reed shared information on an initial data review reflecting the

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combined departments cost results in a shared average tax cost of \$1.33 per \$1,000 of assessed valuation in 2022 across the combined area.

Discussion ensued on whether a resiliency reserve should be included in the financial plan and consideration of equipment replacements to accommodate growth.

Next steps include developing a draft RFA financial plan with inputs from the joint staff team to determine an estimated seven-year forecast of operating and capital costs of the RFA.

CHIEF STATEMENT:

Ms. Reed presented an updated copy of the Olympia/Tumwater Chief's Purpose Statement.

Chief Hurley spoke to key points of the statement emphasizing the joint working relationship between the departments, recognition of employees, and the importance of support by the councils and voters.

Committee suggestions included adding more information that speaks to (2) *Create an organization where our employees can thrive and be their absolute best*, provide more context as to the specific types of level of service with respect to (1) *Deliver the highest level of service in the most cost-effective manner for the public*, and improve readability and understanding of the sentence stating, *Combining the fire departments of the Cities of Olympia and Tumwater is one way to ensure continued service excellence while maximizing administrative and operational efficiency.*

Fire Chiefs Hurley and John agreed to update the statement based on feedback for review and posting on the RFA webpage.

**AGENCY COMPARISON
TEMPLATE:**

The committee reviewed an updated version of the *Comparison of Olympia and Tumwater Fire Dept. – Staffing, Service Area, Population, Calls for Service, Response Times, Stations, Programs, Apparatus & Vehicles*. Fire Chiefs Hurley and John responded to questions on the information that will be used by the committee as it works through the RFA planning process.

The committee's discussion and recommendations included consideration of Olympia's FSRB rate of 2 and how a future rating of the RFA could entail a rate increase or a potential rate delay, Tumwater's lack of a contract with the Port of Olympia for fire service for the airport, consider adding billings for transport as part of the revenue scenario for the RFA, Medic One BLS reimbursement is factored in Tumwater's numbers, the potential of adding a BLS

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transport could increase response times or adding a 7th station, questions on whether the CARES program is reflected in the numbers, and comments on the difference in the number of vehicles of each agency.

Fire Chief Hurley offered to update members on information received from the Washington Surveying & Rating Bureau (WSRB) in response to questions about the timing of the rating of the RFA and the potential of a rate increase.

Mr. Reed conveyed appreciation for the discussion and to the Chiefs for drafting the document, which will continue to be updated as the committee pursues its discussions.

GOVERNANCE POWERPOINT:

Mr. Reed outlined the key elements of the governance discussion.

Key issues are the number of board members, what vote each member has, how positions are filled (voters/appointment), length of term, allocation of seats of participating agencies, transition of the board over time, and changes to governance if other agencies join the RFA.

Basic governance rules:

1. All board members must be elected officials from a member jurisdiction or directly elected by the voters of the RFA.
2. The initial board must be entirely composed of elected officials from member agencies. This can change (but not necessarily) once there is an opportunity for an election (odd years).
3. There is no legal limit on the number of members—but there is a practical limit.
4. Terms must be staggered (end at different times) and may not exceed six years in length. Terms can be decided after the election.
5. If half or more of the board consists of elected members then the Board should be structured to comply with the one person, one vote principle. Members are considered “elected” if they are directly elected by voters or automatic appointments from member agencies - “Mayor”, or “Council President” or “Chair of Board of Commissioners”
6. A person may hold two different elected positions but may not run for both positions on the same ballot.

RFA governance examples include:

1. Elected officials from member agencies
2. Persons directly elected at-large by the voters of the RFA
3. Persons directly elected by District by the voters of the RFA:
 - Primary: only open to voters of the districts
 - General: entire RFA votes on all districted positions (top 2

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advance from primary)

- Board member districts must be roughly equal in population

4. A mix of any or all of the above

**COMPARISON OF
GOVERNANCE
STRUCTURES OF RFA:**

Ms. Reed shared information on the governance structures of North County Regional Fire Authority, Puget Sound RFA (Kent), Southeast Thurston Fire Authority, Renton RFA, and South Snohomish County RFA (Lynnwood).

Proposed approach for consideration by the committee includes:

1. Consider and propose values and principles
 - Share with City Councils (April)
2. Develop a small set of options that comply with these values and principles
 - Share with City Councils (May)
3. Select a preferred option
 - Share with City Councils (June)

**SAMPLE VALUES AND
PRINCIPAL
STATEMENTS:**

Ms. Reed reviewed a draft of the Statement of Shared Values and Principles and invited feedback and any suggested changes.

Firefighter Steven Busz left the meeting.

Members offered the following suggested changes:

- Reverse order – change #2 to #1, and change #8 to #2
- Emphasize public safety in #2
- Emphasize the importance of the RFA Board’s understanding and commitment to public safety, fire, EMS, and other ancillary programs
- Prefer Fire Commissioners versus another Council-driven Board
- Prefer the following reordering sequence of #2, #8, #5, #7, #9, #3, #4, #1, and #6
- Consider the trust level by the public of existing Councils versus establishing a new body. Ms. Reed clarified that the initial establishment of the RFA must include existing elected city officials

Ms. Reed reported the team will update the statement for presentation of a redlined version for review by the committee to finalize for presentation to the councils during April presentations.

FOLLOW-UP STATUS:

Administrative Assistant Stone review follow-up items:

- Update Action Item List based on feedback

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- Identify percentage of existing RFAs that pursued a FBC when initially formed
- Update Chiefs Statement based on feedback
- Revise the Draft Statement of Shared Values and Principles

COUNCIL TALKING POINTS:

Ms. Meyer invited feedback on the Council Talking Points.

Chair Dahlhoff recommended adding an RFA corner (update) to the Tumwater newsletter as one method of conveying the information.

City Administrator Doan recommended adding a reference to the RFA website to the Talking Points.

Discussion ensued on other effective ways of sharing updates with the councils.

ADJOURNMENT:

With there being no further business, Chair Dahlhoff adjourned the meeting at 7:31 p.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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