

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/Paramedic Lieutenant Rian Winter (for 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; Karen Meyer, The Athena Group; and Bill Cushman, Fiscal Analyst.

WELCOME: Chair Dahlhoff welcomed everyone to the meeting. Members provided self-introduction and shared where they would want to be anywhere in the world at the moment.

COMMUNICATIONS UPDATE: City Administrator Doan reported on the status of the RFA's website. The City of Olympia's website includes a link to Tumwater's RFA website. Planning efforts continue for a public workshop on May 19, 2022.

ACTION: CONFIRM TIMELINES – TIMING OF SUBMITTAL OF RFA PLAN TO COUNCILS, PROPOSED RFA EFFECTIVE DATE & LEVY START DATE: Ms. Reed reviewed timing for the delivery of a proposed schedule and work plan. Scheduling factors considered by the committee included dates for submittal of materials to the county for placement on the ballot, review of the Plan by each council for approval for placement on the ballot, and timing of the annexation and implementation of the RFA to assess taxes and fees to support operations.

Submittal of the Plan by October 2022 affords time for each council to review and consider impacts to budgets with placement on the ballot by late February for an April 2023 election with the RFA established August 1, 2023 and assessment of taxes to support operations beginning in 2024.

CONSENSUS: *The committee supported the proposed timeline as proposed.*

Ms. Reed reviewed an updated work plan and some changes in dates to reflect timing adjustments with the councils and the community.

Members discussed dates for a go-no go decision understanding the third week in February is the deadline to meet the April ballot deadline. Members discussed whether a needs assessment should be included to

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identify what the RFA would provide. Ms. Reed advised that the committee is scheduled to discuss and review service levels for inclusion in the Plan at its next meeting.

City Manager Burney shared information on a scheduled presentation to the Olympia Finance Committee on BLS Transport and OFD CARES and the cost to launch those programs. The information will be added to the financial model for the RFA.

Members discussed the importance of considering all programs/services that could be served more effectively through the RFA.

CONSENSUS:

The committee supported the work plan with the changes as proposed.

ACTION: GOVERNANCE PRINCIPLES AND VALUES STATEMENT:

Ms. Reed reviewed a draft statement of Shared Principles and Values incorporating input from members during the March 28, 2022 meeting. The document is the first of three steps with each council on why a RFA is the best option. Approval of the statement by the councils will enable continuation of committee meetings with the next presentation on a short list of governance options for consideration by each council. The third step is the final recommendation on the governance structure of the RFA. Briefings are scheduled with the councils on April 19, 2022. Following the committee's approval of the statement, the information will be included in the briefing for review by the councils.

The committee offered the following feedback:

- Several members recommended deleting “F. We will retain the history and identity of the Olympia and Tumwater [City] Fire Departments after the annexation, through maintaining existing [City] Fire Department signage on vehicles and stations in each member the City” and restating and adding it as Value #10, “Honoring the history and the identity of the Olympia and Tumwater Fire Departments while we build the culture for the new agency.”

CONSENSUS:

The unanimously committee supported eliminating “F” and adding the new suggested language as “Value #10 and moving the documents forward.

ASSET TRANSFERS:

Ms. Reed's review covered an overview on the outcome of each fire department's assets when an RFA is created. Some options include:

- Retain title
- Transfer to RFA as is/where is
- Transfer to RFA for a fee/sell
- Lease to RFA

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- Retain some use rights
- Retake title if facility no longer used for fire purposes (for free or a price, since it probably means a new station will be build)

Transfer of real property is exempt from Real Estate Excise Tax.

Options for Equipment include:

- Retain title
- Transfer to RFA as is/where is
- Lease to RFA
- Sell to RFA

Transfer of assets is not subject to sales/use tax.

Key issues:

- Conditions of transfer
 - “As is/where” is or?
 - Free or for a price?
 - “Don’t make taxpayers pay twice for the same asset”
- If there is debt associated with any facility/apparatus, legal review of debt terms is necessary to determine whether:
 - Asset can be transferred to RFA
 - If RFA can assume the debt, or debt would need to be paid off and the repayment assumed by the RFA
 - If debt cannot be assumed or asset cannot be transferred, plan on a lease arrangement.
- Underlying land – environmental/other liabilities assumed by RFA?
- RFA will need legal counsel to approve/review documents
- What is the basis/valuation of the asset on transfer?

City Manager Burney recapped highlights of conversations between the leadership of each city and fire department. Generally, the parties discussed the option of transferring assets “as is” to avoid burdening another cost to taxpayers while acknowledging that there would be some specific situations to work through and resolve.

Councilmember Cooper suggested each city should consider retaining capital facilities obligations for a specific period while the RFA becomes organized and operational. City Manager Burney added that some funds have been allocated in Olympia’s budget dedicated to facilities, which would likely require a rededication of those funds to the RFA at the same time assets are transferred.

The committee discussed incurring future debt obligations prior to the

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formation of the RFA. Ms. Reed discouraged the assumption of any new debt obligations for fire assets during RFA discussions.

Ms. Reed reviewed taxing obligation by each city if the RFA is approved by voters. The issue needs to be communicated to the communities during the election. The policy decision typically is not included in the RFA Plan as the decisions are the responsibility of each council. If the cost of the RFA is much more than the current separate options, it may not be possible to achieve a revenue-neutral outcome. She stressed the importance of each city ensuring visibility of how they plan to adjust city budgets if the RFA is approved. Additionally, if a city joins an RFA, the city's general property tax levy capacity is reduced by \$1 assuming the RFA assesses a Fire Benefit Charge and a \$1 fire levy to fund the joint operation.

City Administrator Doan addressed questions on how the creation of the RFA would affect the City of Tumwater's public safety levy lid lift. The levy lid was a promise to voters to fund four fire engines. If the RFA is successful, it may entail an ongoing commitment to the Tumwater community to purchase the last two fire engines or provide the funding to the RFA to purchase the two engines. The specifics of that financial process would need to be resolved as part of the financial structure of the RFA.

CONSENSUS:

The committee supported moving forward on the basis that taxpayers have already paid once for assets and that the transfer of facilities "as is/where is" is fairly common and that apparatus and equipment are typically transferred at no cost, as is/where is.

ADMINISTRATIVE SERVICES:

The briefing on Administrative Services focused on the purpose of an administrative structure for the RFA, initial actions/needs, examples of administrative structures from other fire agencies, and next steps.

Administrative Services is responsible for establishing and administering the agency's finances, establishing and providing human resources services, and managing and maintaining the agency's facilities and equipment.

The project schedule calls for an election in late April 2023, and if approved by voters, the RFA would be created no later than August 1, 2023 affording only three months between the election and the start date of the RFA. It is unlikely that all needed administrative staff and equipment could (or should) be hired/procured within that timeline. Consequently, short-term contracts for administrative support would be needed from the cities, while additional staff is hired and systems are put in place.

Ms. Reed shared four examples of other agency budgets for Administrative

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Services.

The next step is development of a proposal and rationale for review by the committee for inclusion within the financial plan.

Fire Chief John shared information on an earlier discussion with Fire Chief Hurley as part of the first attempt to develop an organizational chart. In the next two to four weeks, it is likely a draft could be developed for review by the committee. The Lacey Fire District 3 administrative model was selected as a “starting point” for the discussions as the fire district is comparable to the size of the RFA when formed.

Councilmember Cooper requested information on the statute for fire commissioner salaries.

**INITIAL PUBLIC
ENGAGEMENT:**

City Administrator Doan recapped current efforts with communications staff from both cities to identify a date and format for a public engagement event. A tentative date of May 19, 2022 at 6 p.m. was identified. The meeting would entail a virtual workshop format to receive information and answer questions from the community. Subject matter experts (RFA consultants), city administrators/managers, and fire officials would provide presentations. Committee members are invited to attend. Notice of the meeting will be published to avoid quorum issues.

Feedback from the committee included a desire to conduct polling prior to the ballot measure to ascertain the level of community support. Ms. Reed advised that the suggestion could be reviewed by the Communications Committee because the work plan does not include a polling process.

**PRESENTATION TO
COUNCIL:**

Ms. Reed outlined the format of the presentation to each council:

- **Regional Fire Authority (RFA) Overview** (separate independent unit of local government, created by the voters, with the authority to provide fire and EMS services, and impose taxes and collect fees and charges)
- **Mission of the RFA Planning Committee** (create and propose to the City of Tumwater and the City of Olympia a Plan for a regional fire authority encompassing the entire territory within the jurisdictional boundaries of the two cities, including the proposed governance, design, financing, and development of fire protection and emergency service facilities and operations, including maintenance and preservation of facilities or systems.
- **Issues the RFA Planning Committee is working through** (services and service levels to be provided, additional apparatus or facilities needs to achieve desired service levels, organizational chart, funding the RFA, RFA governance, timing of ballot measures, input from the councils on the issues, and input from the public on the issues)

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- **Overview of finance (funding) and governance options for RFAs**
(RFA's have 2 major options in terms of how they are funded):

Option 1:

- Fire Levy of up to \$1.50 (property tax)
- Emergency Medical Services (EMS) Levy revenue
- RFA would get a share of the County's EMS levy
- Fees for service

Option 2:

- Fire Levy of up to \$1.00 (property tax)
- Fire Benefit Charge
- EMS Levy Revenue
- Fees for Service

Option 2 can generate more revenue, but if a Fire Benefit Charge is part of the initial funding proposal, 60% voter approval is required to create the RFA. Under Option 1, only 50%+1 is required. Initial review indicates an FBC will be needed: \$1.50 will not generate sufficient revenue to support the combined departments.

- **Seeking Council support for:**
 - The proposed project schedule
 - The Statement of Values & Principles to guide work on governance
 - Plan for an initial round of public outreach

Planning Committee accomplishments to date:

- Committee Charter Approved
- Initial Communications Plan approved
- Work Plan approved
- Recommended project timeline approved
- General financing options reviewed
- General governance options reviewed

Member feedback included:

- A desire to seek information on reasons for not continuing with the process rather than framing the request as to whether the councils are comfortable with continuing the effort
- Afford adequate time for input from each council for concerns and/or positives
- Emphasize the importance of obtaining consensus for moving forward
- Include presentation slide on the Statement of Guiding Values and Principles for the benefit of the public
- Include the timeline information with the multiple options

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- Include information on the reason(s) as to why the jurisdictions are pursuing a RFA (refer to Tumwater Study)
- Consider ways of streamlining information within the presentation slides

**ACTION AND
QUESTION LOG:**

Ms. Meyer referred to information on the RFA Committee Action, Decision, Question Log. She invited feedback on ways for improving the distribution of meeting materials.

ADJOURNMENT:

With there being no further business, Chair Dahlhoff adjourned the meeting at 7:20 p.m.

Prepared by Valerie L. Gow, Recording Secretary/President
Puget Sound Meeting Services, psmsoly@earthlink.net