

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 Councilmembers Jim Cooper, Tumwater Councilmember Eileen Swarthout, Olympia Councilmember Lisa Parshley, Tumwater Fire Chief Brian Hurley, Tumwater Fire Union Representative/Paramedic Lieutenant James Osberg, Olympia Interim Fire Chief Todd Carson, and Olympia Fire Union Representative/Firefighter Steven Busz.

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

Others: Karen Reed, RFA Consultant; Bill Cushman, Fiscal Analyst; and Neil Blindheim, FBC Consultant.

WELCOME, Chair Dahlhoff welcomed everyone to the meeting.

AGENDA &

SCHEDULE RECAP: Karen Reed reviewed the agenda and future meeting schedule:

- Thursday, September 22 - Next Town Hall (in-person)
- Monday, September 26 - Next RFA Planning Committee meeting: provide direction to staff to finalize draft RFA Plan and forward to councils
- October (date TBD) – Joint Council meeting to review draft RFA Plan
- Mid-late October (date TBD) - RFA Planning Committee meets if needed to consider any revisions; approves and transmits final RFA Plan
- Late October - November - Councils deliberate on revised draft RFA Plan
- End of November - Target for Council action on RFA Plan (approve, modify, reject)

Schedule update: RFA start date can be October 1, 2023 (vs. August 1, 2023) if approved by voters in April 2023 election based on recent state statute.

DEBRIEF AUGUST 9 COUNCIL PRESENTATIONS & AUG. 15 TOWN HALL: City Administrator Doan and City Manager Burney said the Council conversations centered on the fire benefit charge (FBC) and the importance of a thorough process to ensure the FBC formula is as least regressive as possible, as well as equitable.

FBC FORMULA: Ms. Reed reported the discussion would consider structuring of the FBC formula with the understanding that the basic formula has been successfully

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used over the last 20 years throughout the state and staff is reluctant based on legal guidance to recommend changing the basic components while recognizing that some elements of the FBC are based on policy decisions. The discussion is important, as the details of the FBC must be finalized for inclusion in the RFP Plan.

Neil Blindheim shared a graphic of the FBC formula and invited questions or concerns:

Fire Benefit Charge = Fire Flow x Cost Per Gallon Factor x Building Weight Factor x Hazard Reduction Factors x Hazard Increase Factors x Exemption Factors:

- Fire Flow = Square Root (Total Square Feet) x 18
- Cost Per Gallon Factor = Total FBC ÷ Fire Flow x .01
- Building Weight Factor = weight for building type/size.

Hazard Reduction Factors:

- Sprinklers • Smoke Detectors • Automatic Alarms

Hazard Increase Factors:

- Flammable Materials • Multiple Stories • Response Density

Exemption Factors:

- Religious Status • Senior /Low Income • Disability Status

The consultant team and staff responded to questions, comments, and requests from the committee:

- What is the multiplier for fire flow of “18” based on? Mr. Blindheim advised that the source of the computation is from ISO, the Insurance Services Organization comprised of industry experts/mathematicians. The calculator of “18” is a coefficient value based on empirical tests by ISO for calculating the water or fire flow needed to extinguish a fire.
- Several Councilmembers recommended developing a one-page summary for voters explaining and defining each of the formulas comprising the FBC. Ms. Reed confirmed a draft is in progress.
- A request to recompute the FBC without the weighting element based on the total square footage for all beneficiaries paying the same price per square foot citywide. Mr. Blindheim explained that the initial premise for including the weighting factor is the example of 80% of all square footage from residential sources paying 80% of the revenue. Much larger structures, such as commercial uses, typically require a much larger response in the event of a fire.
- In response to comments on the legal risks associated with changing a well-established FBC used throughout the state, it would create

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uncharted territory by using a formula not used by any other RFA in the state, which could create issues and challenges.

- In response to comments for easily describing to voters the FBC formula and the three factors of Hazard Reduction, Hazard Increases, and Exemptions, Mr. Blindheim identified the factors the proposed FBC includes for sprinkler discounts of 10% and exemptions of 25%, 50%, or 75% for churches, senior/low income, and disabled low income based on level of income, per state law.
- A request to prepare an infographic on common types of structures, to include single-family homes, apartments, and commercial.
- Concerns the FBC will not be an easy “sell” to constituents who are experiencing the affects of high home values, higher property taxes, and inflation. It was pointed out that to maintain and enhance existing service levels in the cities, the FBC in combination with a lower property tax, is the only path available to the RFA.
- It is important to articulate the benefits of the RFA clearly within public education efforts to offset what many may perceive as a significant increase in cost with no increase in service level.
- It is important the committee understands that the FBC is a necessity if the RFA is to be successful. It will be important to paint a picture of need unless another resolution is identified. Through the FBC formula and \$1 in property tax, it will be possible to create a more progressive and sustainable fire service in the next decade.
- City Administrator Doan offered to post on the RFA website, a 57-page scientific document explaining how a fire benefit charge is calculated (summarized on page 8).
- Emphasize to residents and businesses what they receive in benefits through the RFA.
- Consider a contingency strategy if voters do not support the RFA. Identify the implications to city budgets, fire departments, and service levels if the regional effort fails.
- The website should include information that is compelling and succinct on why the RFA is important, and, if not approved, identify the consequences.
- Highlight information on what the RFA provides to residents and businesses.
- Mr. Cushman offered to meet with any member to review information on how the FBC is calculated.

Ms. Reed reviewed potential adjustments to Fire Benefit Charge factors of *Classifications* (residential, apartments, etc.) and *Weighting* as policy choices considered by agencies deploying a FBC. She emphasized that the staff team is not proposing changing the underlying formula used by all other fire agencies in the state, and that the RFA Plan will need to include the details of the FBC formula weights and classifications.

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Some possible formula options include:

- **Option 1** - FBC is distributed proportionately to the square footage of each building class, e.g., 66% of total square footage is single-family residential so single-family residential pays about the same percent of FBC. Includes sprinkler data for apartments and commercial. (an existing option in the FBC formula).
- **Option 1-A** - Option 1 with residential sprinkler data added. Revenue lost to the sprinkler discounts shifted to residential properties resulting in a slight increase in the Residential Building Class Weight, increasing to .582 from the original .58.
- **Option 2** - Residential Sector share reduced by 6%; Commercial share increased by 6%.
- **Option 3** - Divide residential into 3 classes, weights increasing with square footage. Breakpoints at 2,000 and 3,000 square feet. Residential and Commercial shares same as Option 2 (+/- 6% over Option 1-A)
- **Option 4** - Major reduction for Small Residential (1,500 square feet maximum) and Small Commercial (1,000 square feet maximum). Total Residential share lowered by 8% and Commercial share increased by 8% as compared to Option 1-A.

Options Summary: Classifications & Weights

	Option 1 Original	Option 1-A	Option 2	Option 3	Option 4
	Building Weights approximately proportional to Square footage	Add Sprinkler Data; Minor increase in Residential Weights	Larger decrease in Residential Building Weights; Larger increase in Commercial Weights	Differentiate Residential Weights	Major reduction in Small Residential and Small Commercial Weights
MH	0.450	0.450	0.450	0.450	0.450
Res 1	0.580	0.582	0.5466	0.510	0.300
Res 2	0.580	0.582	0.5466	0.550	0.500
Res 3	0.580	0.582	0.5466	0.590	0.650
APT	1.450	1.450	1.450	1.450	1.450
Com 1	1.000	1.000	1.000	1.000	0.500
Com 2	1.500	1.500	1.700	1.700	1.200
Com 3	2.000	2.000	2.500	2.500	2.500
Com 4	3.000	3.000	3.500	3.500	3.500
Com 5	4.000	4.000	4.500	4.500	4.500
Com 6	5.000	5.000	5.500	5.500	5.500

The consultant team and staff responded to questions, comments, and requests from the committee:

- Include a row designating price per square foot. Mr. Blindheim

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explained that including that information would be regressive as the formula reflects a regressive calculation because of the square rooting of the square footage. The current chart reflects a lessening of the regressivity because it is not possible to eliminate regressivity. Councilmember Cooper requested the addition of a column reflecting the price per square foot by structure type to determine the extent of regressivity for each classification. Ms. Reed added that regressivity reflects the reality of what occurs when the fire department responds to a call.

- Councilmember Parshley supported the request because of the importance of identifying cost per square footage as messaging within the community could potentially distort the information. She offered that based on her discussions with other Councilmembers, the preference is for Option 4 because of concerns surrounding regressivity.
- Consider questions surrounding whether the increase in the RFA budget of \$14 million a year is necessary.
- Chair Dahlhoff asked how equity is incorporated into each option. Ms. Reed advised that the formula is not well suited to address social equity but rather the reality of the resources required to serve particular types of properties married with provisions in state law as to who pays less.
- Concerns with increasing the weights on larger houses compared to smaller houses as the amount of fire resources responding to a fire/EMS call is at the same level for each structure. Weights are based on square footage and a smaller home would pay less than a larger home; however, despite the formula, a homeowner would receive the same amount of resources regardless of the size of the structure for a fire or EMS call.
- Questions as to whether the different options available to change the formulas could provoke any legal challenges. Ms. Reed affirmed that the adjustments as presented would be allowed based on prior practices of other RFAs in the state.
- Concerns with attempts to build the policy around the desired outcome as opposed to determining the best policy to achieve the desired outcome. Ms. Reed advised that if policy goals were to reflect commercial fires require more resources, the policy could include shifting some costs to commercial structures.

Ms. Reed reviewed FBC preliminary estimates for all classifications based on the current draft RFA budget and 2022 data. Assessed value data will change and new construction will add to the inventory of properties subject to the FBC changing the FBC for all properties. One example is a number of large commercial buildings under construction in Tumwater. She asked for input on future modeling and whether to focus on messaging and retaining Option 1.

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Feedback from the committee included:

- Councilmember Huynh preferred not retaining Option 1 and recommended considering Options 3 or 4 (Option 4 accounts for both small residential and commercial).
- Councilmember Swarthout cited previous successful campaigns that focused on the monetary equation in terms of the monthly cost to voters versus an annual cost.
- Councilmember Cooper offered that if had to select an option, he would prefer Option 4. He cited the cost per square footage for mobile homes, which reflects nearly double the residential property classifications. He questioned why the formula could not be based on a flat fee per square foot. The formula is extremely complicated resulting in the likelihood of not achieving voter support of 60%. He suggested forming a subcommittee of several members to meet with the attorney, Mr. Blindheim, and Ms. Reed prior to the next meeting. He volunteered to serve on the subcommittee to prepare a proposal based on the committee's conversation. Mr. Blindheim noted that some RFAs have elected not to assess a FBC on mobile homes. He offered to model the \$.15 per square foot.
- Councilmember Althaus supported recalculating the numbers with mobile homes exempted. Mr. Blindheim pointed out that exempting mobile homes would equate to a revenue loss of approximately \$87,000. Councilmember Althaus said Option 1 makes sense in terms of the 66% perspective as it is tied to the need with the understanding of lowering the FBC for residential. Option 3 is appealing as well, as the option has some precedent with Snohomish County. However, Option 4 is concerning as it could create a potential of a court challenge. He suggested receiving legal clarity in the form of a legal memorandum or a legal opinion.
- Councilmember Parshley supported receiving information on cost per square footage as Option 4 is close to the square-footage calculation. She is leaning toward Options 3 or 4 because of the opinions of the Olympia City Council. She also supports a conversation or an executive session with legal counsel to discuss risks if the RFA was challenged.
- Chair Dahlhoff acknowledged the committee's feedback and noted that the basic question is determining the cost for first responders to provide services to save a life, home, or possessions. That cost represents an X amount of dollars. The cost includes a baseline response with other factors contributing, such as standby resources in either Tumwater or Olympia. The regional option provides a better chance of having those resources available quicker because of the regionalization of those resources. It speaks to the comments about what is the baseline in terms of residential and commercial response. Experts have indicated commercial response requires more resources.

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She supports Option 1 but is willing explore Option 3.

Ms. Reed summarized that a majority of the committee supports Option 4 followed by Option 3, and Option 1, respectively. She acknowledged the request to model the scenario of exempting mobile homes and square footage cost for each classification. She cautioned that a square footage calculation is not a linear function in terms of the required resources necessary to respond to a call. She requested direction on securing a legal opinion or assigning a subcommittee.

Chair Dahlhoff said a subcommittee is unnecessary as each Council is represented by three Councilmembers.

Councilmember Cooper suggested addressing constituent questions as to whether Olympia's Class 2 Department insurance rating would transfer to the RFA. Olympia Fire Chief Carson advised of a recent meeting with representatives from the rating bureau. The Olympia Fire Department would retain its Class 2 rating and the Tumwater Fire Department would likely increase its rating to Class 2. Part of the rating process considers the city water system capacity and dispatch.

Chair Dahlhoff noted that Councilmember Swarthout supported Options 1 and 3.

Councilmember Parshley commented on the importance of the committee supporting an option, which she would support to ensure consensus by the committee. Ms. Reed affirmed Option 3 has the top number of votes as well as exempting mobile homes. Councilmember Cooper said he could also support Option 3. Ms. Reed said the team will present a proposal for Option 3 along with the other options with an iteration including an exemption for mobile homes, as well as the square footage calculation for the committee's consideration.

**RFA PROPOSED
NAMES:**

Fire Chief Hurley reported on the polling of Tumwater fire union members with the top two choices selected of Capital City RFA and South Sound RFA.

Olympia Firefighter Busz reported IAFF Local 468 membership was polled on the names. Following a discussion during a union meeting, none of the five options received support by membership. A subsequent poll to include an option of "none of the above" resulted in 70% of the membership not supporting any of the five names. The top option supported by membership was Olympia Regional Fire Authority. However, he personally believes that using the name in a campaign would affect the outcome if Tumwater voters were asked to approve a regional fire authority that only has one of the names. He asked whether the statute requires a name prior to placement on

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the ballot. Ms. Reed affirmed a name for the RFA is necessary for the ballot.

Chair Dahlhoff supported South Sound RFA as it represents both departments and affords an opportunity for growth, expansion, and inclusion.

Tumwater Fire Lieutenant Busz noted that when Tumwater members were polled, membership received the five names with no option to submit another name. However, there was a contingent of IAFF Local 468 membership that did not have a problem with Olympia Regional Fire Authority.

The committee agreed to defer the discussion on the name to the next meeting.

GOVERNANCE:

Ms. Reed deferred discussion on the staggering of RFA Board terms and length of terms. The next step is developing proposals for the administrative organization of the new agency. The next meeting is scheduled on September 26, 2022. An updated schedule will likely reflect additional committee meetings.

Chair Dahlhoff thanked the consultant team for their efforts and expertise. The next town hall meeting is scheduled on September 22, 2022. She plans to attend the in-person town hall.

ADJOURNMENT:

With there being no further business, Chair Dahlhoff adjourned the meeting at 7:34 p.m.

Prepared by Valerie L. Gow, Recording Secretary/President
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