

OLYMPIA TUMWATER REGIONAL FIRE AUTHORITY PLANNING COMMITTEE
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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 Althausen, Olympia Councilmembers Jim Cooper, Tumwater Councilmember Eileen Swarthout, Tumwater Fire Chief Brian Hurley Olympia, Tumwater Fire Union Representative/Paramedic Lieutenant James Osberg, Olympia Interim Fire Chief Todd Carson, and Tumwater Fire Union Representative/Firefighter Steven Busz.

Excused: Olympia Councilmember Lisa Parshley.

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

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

**WELCOME,
AGENDA & SCHEDULE
RECAP:**

Chair Dahlhoff welcomed everyone to the meeting.

Karen Reed reviewed the agenda. The committee approved a minor reordering of agenda items to accommodate schedules.

**DECISION:
GOVERNANCE -
CONFIRMING
COMMITTEE'S OPTION
RECOMMENDATION:**

Ms. Reed reviewed the request for the committee to agree on the governance model to present to the councils on August 9, 2022 and to share with the community during the public meeting on August 15, 2022.

The initial RFA board must be comprised of city elected officials. The city councils conveyed support for the committee's recommendation of an initial board with 3 councilmembers from each city. The initial board will serve from August 2023 through December 2025. The first election cycle for directly elected board members will be in 2024. Both councils expressed support for moving to a 7-member structure.

Ms. Reed reviewed the governance options presented to the councils and the tally of votes reflecting majority support for Option 4 comprised of 7 seats with membership of 1 councilmember from each city and 5 fire commissioners. Alternatively Option 3 was supported by several councilmembers comprised of 7 seats with membership of 2 councilmembers from each city and 3 fire commissioners.

Ms. Reed queried members on their preference of an option.

Chair Dahlhoff summarized feedback from the Tumwater City Council with most supporting either Option 3 or 4 with the sticking point centered on

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majority council or majority fire commissioners. She personally prefers Option 4 as it would represent both communities equally but she also understands the concerns of representation by each jurisdiction.

Councilmember Huynh supported moving forward with Option 4 for many of the same reasons and as discussed at previous meetings.

Councilmember Althaus said Option 3 or 4 would likely be successful but he prefers Option 3 (60/40) because including more councilmembers is preferred by the public because they perceive councils as more knowledgeable in establishing policies and services for fire services based on his sense from conversations with neighbors and community members. Both cities have done a good job of communicating to the public the importance of services and the nexus between municipal governments, public safety, and fire services.

Councilmember Cooper supported Option 3 as it would be more popular to voters but he would also support the majority preference of Option 4.

Councilmember Swarthout favored Option 4 but asked about the possibility of selecting Option 3 initially and transitioning to Option 4. Ms. Reed replied that one option for the committee's consideration is transitioning to a 3-commissioner board and phasing out four councilmembers over time to form a five-member commission board.

Councilmember Huynh said that knowing the initial board is comprised of three councilmembers from each jurisdiction and transitioning to Option 3 might appear as a compromise to avoid making a decision. However, she believes strongly in council representation but also believes more representation in government is important by having a board that is representative of the community. It is also likely fire commissioners would be retired firefighters and others who have experience in the fire service. It is for those reasons that she prefers Option 4.

Councilmember Cooper commented that regardless of the final recommendation he prefers phasing council representation from 3 to 2 to 1 rather than a phasing immediately from a 3-council scenario to a 1-council scenario.

Ms. Reed shared and described a chart depicting the phasing of Option 3 to Option 4 over time. Achieving an ideal staggering pattern would be possible by slowing the transition of council positions.

Members shared feedback on the option phasing chart:

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Firefighter Busz supported the phasing option and can appreciate diversity in governance by have more elected at-large commissioners. He also supports Option 4 but also questioned the purpose of forming the RFA if the board is comprised of a majority of city governance.

Fire Lieutenant Osberg said that from a labor perspective he favors an option with no council representation with an all elected board. In terms of Option 4 as discussed during previous meetings, he views that option as a compromise. References to voter trust can be a positive or a negative depending on how voters view councilmembers. However, he does not believe that should be the driving force to select one option over another.

Fire Chief Hurley said he has gravitated to Option 4 for many of the same reasons as previously stated. It would be important to have council involved in the beginning while also having some concerns to ensure that representation from Tumwater is consistent if the positions are appointed and some members leave the Council.

Councilmember Cooper offered that the RFP Plan could include a provision for appointment of councilmembers by each respective city council rather than by the mayor.

Interim Fire Chief Carson conveyed appreciation for the discussion. Based on prior conversations he shares some similar concerns surrounding councilmember representation because of workload. Union members have been clear that boardmembers should be intuitive and present and not overburdened by other responsibilities. For those reasons, he prefers Option 4.

City Administrator Doan suggested another factor of consideration is the cost associated for elected positions. The initial board is governed by the Council and during that period the RFA organization would be established with ongoing coordination and relationship with each city. The issue is whether that continues at a significant level beyond the initial 2.5 years.

City Manager Burney said that based on the feedback from both councils, the majority preferred Option 4. It appears the discussion is still focused on Option 4 with an alternative of a six-year phasing plan for Option 4.

MOTION:

Councilmember Althaus moved, seconded by Councilmember Cooper, to recommend and endorse Option 4 with a six-year phase-in. Motion carried 4-1. Councilmember Huỳnh voted against.

Chair Dahlhoff noted that Councilmember Parshley had previously conveyed a preference for Option 4.

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Ms. Reed advised that the action would be included in the briefing to the councils on August 9, 2022.

DISCUSSION:
KEY MESSAGES -
REVIEW OF PROPOSED
MESSAGES:

Tumwater Communications Manager Ann Cook presented a draft of key messages to the community. Key messages convey information to target audience (residents and businesses) and should be concise, active, positive, clear, honest, and specific.

Four key messages with additional bullet points supporting the messages were drafted:

- Fire and emergency medical services are among the most important services we provide to our residents.
- Providing 21st Century fire and emergency services to a growing community
- Firefighters and their unions are involved in the planning and are in support of the RFA.
- RFAs use a different funding model than City fire departments.

Comments and suggestions offered by the committee included:

- Within the first key message include information that reflects how level of service has eroded by growth and lack of funding.
- Emphasize how needs of the community are shifting and changing.
- Bullet points should be in “plain talk.”
- Describe unions as “labor unions.”
- Provide clarity that property tax is shifting from cities to the RFA.
- Spell out acronyms.
- Add that both labor unions support the merge into one organization.
- Emphasize how taxpayers will not pay twice.
- Ensure messaging is accurate because the committee has not agreed to assess a hazardous surcharge.

The committee was encouraged to submit additional suggestions and comments to staff by August 1, 2022 to enable an update of the messages for presentation to the councils on August 9, 2022 and during the public meeting on August 15, 2022.

Manager Cook advised that an existing Q&A will be revised based on feedback from the committee. The committee’s website is located at www.olympiatumwaterRFA.com.

Ms. Reed revisited the committee’s previous action on phasing and requested input on how to frame phasing within the key messages. Councilmember Swarthout suggested emphasizing how phasing benefits a smoother transition moving forward.

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**DISCUSSION:
FBC FOLLOW-UP
FROM JULY 11 - STAFF
TEAM Q & A;
RECOMMENDATIONS
DATA ON RANGE OF
FBC CHARGES FOR
RANGE OF
RESIDENTIAL
STRUCTURE SIZES:**

Ms. Reed advised that there are no recommended changes to the Fire Benefit Charge (FBC) structure as previously reviewed other than additional information is available on residential structures.

Ms. Reed recapped prior information presented on RFA financing, RFA revenue sources, structure and purpose of FBC, and the FBC formula encompassing square footage, classifications, and weights for the different classifications. The committee agreed to add a FBC as it avoids major cuts in operations and enables growth and increased level of service. The FBC does not include a recommendation to include a hazardous surcharge. Discounts would apply to all structures with sprinklers. Discounts have not been factored in the FBC financial model but based on estimates would represent a 2% reduction in FBC revenue for commercial uses only. Discounts for residential have not been calculated because of the lack of data. The consultant team can work on the calculations over the next month to determine how discounts would affect the FBC model.

Ms. Reed reviewed follow-up questions by the committee and the team's response and recommendations:

Should a classification be included for residential hotels? Would inclusion create a disincentive to convert those to apartments? The team recommends against adding residential hotels. The apartment weight proposed is 1.48. The smallest commercial category weight proposed is 1 (for structures under 5,000 square feet). Larger commercial structures are weighted 1.5, 2, 3, 4, and 5. Only one hotel exists in the smallest category (that would be less than an apartment). All other hotels would be weighted more heavily than apartments. Overall, the team is very reluctant to add new categories that are not found in other FBC structures, given the statutory limitations and the scrutiny the changes might draw.

What about adding classifications for theatres and nightclubs? The team recommends against this, as data are unavailable to support that the uses are different from other similarly sized commercial structures. The team is not aware of other jurisdictions creating similar classifications.

Instead of showing the average home size and related FBC, what is the median home size and the FBC that would result from the proposed formula? The team recommends using a home size example of 2,000 square feet. The team will provide an online calculator so community members can confirm their exact FBC based on their square footage.

How does the FBC increase for single family residences? A chart (to be shared) shows how the FBC increases for single family residential structures.

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Are the mobile crisis units integrated into the proposed RFA organization? No, it has never been part of the discussion. Those are fully funded through separate means today but could be added to the RFA in the future. Interim Fire Chief Carson noted that neither fire department has vetted the addition of mobile crisis units because of the number of unknowns, such as the potential of reimbursement through Medicaid. Until the departments have had an opportunity to vet the service, he would recommend against adding because of so many unanswered questions.

Should a communications staff position be added to the RFA structure? The team recommends against this. Adequate staffing is in place to cover those duties through other means. City Manager Burney said he believes the RFA admin structure included some communications staff with initial reliance on contracting communications services with agencies. Ms. Reed noted that initially, the structure may have included those resources, but with reductions in the admin structure, those resources were not included. City Manager Burney suggested continuing discussions on adding some level of a public information officer (PIO) in the RFA at the beginning based on the volume of communications by each fire department with each community. Staff agreed to pursue additional discussions. Councilmember Cooper added that he believes the communications position should be an executive level position.

Councilmember Cooper added that he believes several members were under the impression that mobile crisis units were included within the RFA model. He acknowledged that more time is required to explore options but urged consideration for including the service because it provides medical response for people experiencing a mental health crisis. He strongly believes that a bare bones budget has been developed rather than engaging in a strategic conversation about the levels of service the jurisdictions are seeking for the new RFA, as current levels are not meeting needs. He acknowledged the pending deadlines and does not want to belabor the issue but it continues to be worrisome to him.

Ms. Reed contended that the concerns about the proposed level of service as inadequate should entail a pause by the committee to consider how to fund the desired level of service. The RFA includes funding for BLS Transport and CARES units, which represent an increase in service levels that will avoid further decline in response times. However, if the belief is that the committee should aim for an even higher service level then that is a significant change in what we have been working towards. It is important that we are able to communicate accurately about what benefits the RFA will provide. If the committee does not believe the proposal is one that they can support in terms of service levels this needs to be addressed.

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Fire Lieutenant Osberg conveyed some frustrations as the comments speak to issues with service level the RFA would provide yet there are no plans in either city to provide a better level of service than available today. At this time, there is no plan to build a fire station. Although annexation will require service, other areas are lacking services, such as west Olympia and other areas near Tumwater. Neither jurisdiction is in a position to move forward to add stations/services today. The RFA option is the pathway to create financial solvency to begin making necessary improvements. It will take several years to transition to the RFA but it would create a much better managed program that is funded.

Councilmember Althaus agreed because he foresees the RFA as establishing the policy and governance structure of a mechanism by which the jurisdictions can achieve desired goals.

Councilmember Huynh agreed with the comments. The RFA will serve the communities well. She expressed interest in learning more information about the communications position discussion. She noted the City's crisis response unit has been very successful and has worked very hard to create relationships with the community and works in tandem with police officers and firefighters. She is not opposed to extending the unit to the RFA recognizing more coordination would be necessary. She views the unit as an extension perhaps serving a larger area with additional staff.

Councilmember Dahlhoff said the crisis response unit has been of foremost importance to her from the beginning. It is another valuable component in addition to the communications staff position. She suggested documenting the comments and including them within the RFA document for messaging and marketing.

Councilmember Cooper commented on efforts by the Olympia City Council to establish a reserve account for apparatus and two EMS units. Both cities have strong support from voters and both cities could likely seek a permanent levy lid lift to operate the fire departments.

Ms. Reed thanked members for the feedback.

Ms. Reed reported the next discussion will focus on FBC costs and the RFA funding schedule.

If approved by voters, the RFA will be established in August 2023. RFA 2023 costs are funded from the balance remaining in city fire department budgets. In 2024, new RFA funding begins. The 2023-2024 city budgets need to plan for the possibility of voter approval of the RFA.

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The cost of the RFA for residents and businesses can be communicated by explaining that RFA funding comes primarily from two components; a fire levy, a property tax that cannot exceed \$1.00/\$1,000 AV without voter approval and a fire benefit charge, a fee, imposed annually, based on structure size/type. The net cost to residents and businesses depend on what each city does with its city property tax levy when the fire department cost is removed from city budgets. The current city fire department costs, translated to a property tax equivalent, are not the same, and both exceed \$1.00/\$1,000 AV.

The net cost impact is the result of property tax and the FBC. The assumption is that each city will reduce its general property tax levy by an amount equal to the new RFA property tax (minus \$1.00/\$1,000 AV from the city, plus \$1.00/\$1,000 from the RFA) Based on that assumption, there would be no change in property tax collections in 2024 as a result of the RFA. To the extent current fire department costs exceed \$1.00/\$1,000, each city would redirect those revenues to other priority programs. In Tumwater, public safety programs would be the focus. In Olympia, the focus is largely public safety and homeless response. Those choices would be confirmed in the 2023-2024 budgets.

At the last meeting, an example for communicating the FBC for an average city resident was based on a single-family house with an average house size (including garage) of approximately 2,575 square feet. The committee requested examples based on a median house size. The median house size is just under 2500 (including garage). Most people consider their house size as living space and do not factor a typical garage of 375 to 625 additional square feet.

Ms. Reed shared examples of the FBC for mid-range size homes:

Single Family Residential Square Footage	2022 Estimated FBC
1500 square footage	\$337
2000 square footage	\$389
2500 square footage	\$435

Assuming the cities both reduce their property taxes by \$1.00/\$1,000 AV (equal to the RFA fire levy), and regardless of the assessed value of a home, this is the net estimated increase in cost to a homeowner from the RFA in year 1.

City Manager Burney recommended eliminating the paragraph that speaks to assuming the cities will reduce their property tax because both cities intend to reduce property tax.

Ms. Reed reported the RFA will have a fire levy of \$1.00 plus the FBC. The fire levy is based on the assessed value of a home/structure She displayed a

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graph of a combined estimated FBC with a range of assessed values for single family homes. Residential properties in total are 66% of the total square footage in the RFA and would pay 63.3% of the total FBC under the formula we are looking at now. Commercial properties are 27.7% of the square footage and would pay 30.6% of the total FBC. The largest commercial properties pay about 2.6 times the FBC cost on a square footage basis as compared to a small commercial property. Apartments are 5.4% of the square footage and would pay 5.3% of the total FBC.

Ms. Reed cited other information in the agenda packet for review by the committee.

Councilmember Cooper suggested that communicating a better level of service for a specific amount each month would make a difference in voter support at the ballot box.

**OUTLINE OF AUGUST 9
COUNCIL
PRESENTATION:**

Ms. Reed reviewed an outline of the presentation scheduled for August 9, 2022 with each council.

Councilmember Huynh inquired about the opportunity for the committee to discuss the go/ no-go recommendation. Ms. Reed recommended deferring the discussion to the next meeting on August 8, 2022 to enable sharing the committee's discussion/decision during the council briefings. No objections to the recommendation were conveyed by the committee.

City Manager Burney recommended revisiting the phrasing of reducing the property tax as it may convey an incorrect message to the community that the cities are reducing their property tax. He suggested additional conversations surrounding language that speaks to no annexations or new fire stations. Councilmember Cooper recommended eliminating "annexations" as the RFA will be configured on current city boundaries. Ms. Reed offered to follow up with Councilmember Parshley as she addressed the issue of annexation. City Manager Burney said he would follow up with Ms. Reed on framing the talking points for the council briefing.

ADJOURNMENT:

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