VASHON ISLAND FIRE & RESCUE
BOARD OF FIRE COMMISSIONERS

Minutes

Date: 10/25/16
Time: 6:30 p.m.
Place: 10020 SW Bank Rd, EOC Room

REGULAR MEETING

Present: Candy McCullough, Chair
Brigitte Schran-Brown, Vice-Chair
David Hoffmann, Commissioner
Ron Turner, Commissioner
Robert Larsen, Interim Assistant Chief
Susan Wolf, Minute Taker

Absent: Camille Staczek, Commissioner (excused)

Guests: Rick Wallace, Susan Reimer, Vashon Beachcomber; attorneys Joe Quinn and Eric Quinn arrived at 7:00 p.m.

Amendments to Agenda

- It was noted that Rick Wallace was in attendance to address the status of the Strategic Plan and Public Information Support Team.

Approval of 10/11/16 Minutes

Motion by Commissioner Hoffmann:

"I make a motion to approve the minutes of 10/11/16."

MINUTES APPROVED, 4-0

Approval of 10/12/16 Minutes

Motion by Commissioner Hoffmann:

"I make a motion to approve the minutes of 10/12/16."

MINUTES APPROVED, 4-0

Approval of 10/13/16 Minutes

Motion by Commissioner Hoffmann:

"I make a motion to approve the 10/13/16minutes."

MINUTES APPROVED, 4-0

Voucher Approval

Motion by Commissioner Hoffmann:

"I move that we approve the referenced vouchers as detailed in Administrative Memorandum 10.25.2016-1."

MOTION PASSES, 4-0

September Financial Report

- Chief Larsen advised the Board that at 75% of the year we have received 67% of revenues and have spent 75% budgeted expenditures. The District will receive more revenue in after October.

Motion by Commissioner Turner:

"I move that we accept the September Financial Report."

MOTION PASSES, 4-0

Chief's Report

Chief Larsen:

- The new SCBAs will be placed in service this week. The last few people needing training will receive it this Saturday. Retro brackets are being installed on the trucks to accommodate the new air packs.
- Chief Larsen is meeting with Chief Keith Keller (South King County EMS) tomorrow and his MSO. They will walk the building, talk about parking, rooms and discuss who owns what. He spoke to Michelle Plorde who is writing the resolution for the King County Council so it is ready when the transition is positioned to move forward. The unions are setting a date for a meeting.
- The District is getting on National Testing's hiring list next week so that those who test there can get on here when the medics leave. They have a list of about thirty; we would get a list of 10 names and keep for two years.
- Chief Larsen has been working on the promotional process for the Captains. One captain is a medic who will be transitioning out. There was a general order that stated the Captain list was good until December 31 of 2015. Although the Collective Bargaining Agreement has different language, that contract ends the end of the year, before the medics will leave. This process will need more discussion.
- We have had 112 calls so far this month: 79 were Aid calls and 33 other with 1336 calls year-to-date. At that pace we would reach 1630 for the year. At this time last year we had 1328 calls.

Old Business

Q/A Committee

Nothing to report.

[Susan left the room to make copies for 5 minutes or so.]

Strategic Plan Update

- Rick Wallace gave a summary of who comprised the groups and what they worked on. He passed out a handout showing a diagram of a two-track path. There were two groups assayed for SPOT who underwent three steps which provided a huge public input process.

- During discussions there was a white board full of words. But the thought experiment was dominated with people familiar with the fire service, EMS and disaster preparedness. This pointed out a need to talk to the public. They planned to identify issues and scope through individual interviews and focus groups to collect themes. This dialog was a "Cadillac" process of public input with persons having decades of experience.
- Unfortunately large changes came about with the medic transition, chiefs retiring and the clinic closing. There were so many uncertainties that would be difficult to gain public input because they'd have questions when there were no clear and timely answers. So the bottom line is there was a joint decision to halt the process. They are now ready to go, but holidays are coming so Rick suggested a start in January.
- There would be three steps outlined in the handout. The goal would be to find issues that people care about, write it up and consider a plan. A matrix would be made with alternatives by staff or a professional considering the level of taxes (revenue) and level of service. Those issues could be graded as to importance.
- The result would not be a plebiscite, not a vote and it would take about six months. Alice Larson and Rick have met a couple of times; Craig Harmeling they haven't spoken to.
- There is risk taking if we are going out for more taxes, to do the strategic plan now. It would look like you steered the process to raise taxes. Rick asked the Board to consider having a couple of commissioners come meet with the public input team, go over information and then make suggestions to the Board. A lot of hours were put in, and the team is ready to work. There are Board members willing to meet with them and have dialog. But the Board needs to get a better look at our financials. The District can't continue to facilitate the SPOT team. If there's a way to do it simpler, more efficiently, quicker that needs to be examined.

ACTION ITEM: Brigitte and Candy will let Rick and company know when they are ready to meet.

New Business

2017 Budget Presentation

- Chief Larsen provided a two page handout of his proposed budget. At this point it is a snapshot of the departments. There are some small increases; for Administration there is an 18% due to eliminating two part-time positions and add a fulltime position.
- For the Legislative Division, election charges are not defined. King County extracts funds electronically and sends us notification, but we need to show it in the budget.
- Suppression increased due to the need to add a couple of firefighters; a 16% increase. Our Dispatch fees went up a little.
- For EMS, Chief Larsen figured the medics would be here for six months. Without them at all there would be a 90% reduction in costs.
- For the Volunteer Program – Chief Larsen increased it a little bit (4%) and if it is altered to a part-time program, we could save a little.
- In the Prevention area, it looks like a large increase but is only $1,000. It is for materials for address signs.
- External Training; no change.
- Employees' Training shows a decrease due to dropping the medics' training.
- Facilities and Maintenance are the same.
- Capital Expenditures – contains facilities work that has to get done.

Chief Larsen asked that the Board review this general proposal. He will be working on a more detailed version for the next meeting to be reviewed, along with public comments.

Revenue Alternatives – Joe Quinn

- Attorney Joe Quinn described the several revenue streams available to fire districts. The current one, and most prevalent, is from property taxes. Our current rate is $0.95 per $1,000 of assessed value. King County has been providing the funds to run Advanced Life Support (ALS) response. His clients in Pierce County have used the statutes in RCW 52.16 to get $1.50 (per $1,000) plus another $0.50 for EMS (see RCW 85.52.069) but if the county provides ALS as in King County, then the fire districts here can only get about another $.15 for EMS. He explained there are layers of funding. When excess levies are added to the above-mentioned $2.00, some Districts are receiving $3.25 per $1,000 through these different avenues. It is described in RCW 52.16. VIFR under 52.16 may be eligible for another 50 cents - $1.50 but would need a levy lid lift. He explained the calculations that the county Assessor's tax levy worksheet outlines. Revenue equals Assessed/Value times the rate.
- Growth in the tax levy only goes up 1% due to inflation. If the values are going up 3-5% then total AV will also, and then the rate goes down. Property taxes are not stable due to fluctuating values. If home values go up and the rate drops, the revenue doesn't keep up with inflation and rising District expenses.
- It is advisable to have diversity in the revenue stream. Adding a benefit charge or a Maintenance and Operations levy are two ways.
- Out of the $5.90 allowed for local (not state or schools) property taxes, our full portion of the current rate is .95129 this year. When the $5.90 total looks like it is being approached, the statute sets up priorities. The county and county roads get the top or highest level of protection. The Fire District gets .50, then the library, and then the Fire District gets another 50 cents (in VIFR only .45129). Cemetery gets $0.04, Parks and Recreation gets another $0.50 still which leaves $0.89 left, but Parks took some of that - $0.39. Due to a statute, the Fire District can protect $0.25 from the $5.90. The Board can pass a Resolution to place 25 cents outside the $5.90 without a vote of the public.
- The District would probably not want to create a significant increase residential property taxes, but we could make a resolution every year to protect 25 cents of the levy outside the $5.90 and the public can't say no. Another way would be to go from the $0.95 cents to $1.25 per thousand (lid lift), but we would want to protect 25 cents of that from pro-rationing.
- Benefit charges are a whole other subject. It's not a tax; it's based on the benefit properties receive from the fire district. It's based on fire flow calculations of water. It's different for residences than commercial properties. When you adopt a benefit charge you cannot levy $1.50 in property tax, but only $1.00. Typically the benefit charge totals enough to replace that third "fifty cents" (or a bit more, or why do it?) Central Pierce, during the recession, ratcheted up their benefit charge a bit to make up for lost property taxes, even with the full $1.50 as the total AV dropped so much. Valley Regional Fire Authority uses it. King 10 in Issaquah and Central Pierce and a few Snohomish fire districts and North Highline adopted it. If you diversify by using a benefit charge then you are not so dependent on property taxes.

- Majorities and elections: You need a simple majority for lifting the levy lid; 60% for a benefit charge. The county collects and assesses the benefit charge as they do for property taxes for a small fee from the district.
- A Maintenance and Operations (M&O) or excess levy is a voter approved specific dollar amount and rate. The state constitution was amended to allow fire districts to do M&O levies as schools have done for many years and the statute allows up to four year levies; for equipment up to 6 years. Mr. Quinn has several clients whose voters passed a $1.50 levy and an EMS levy $0.50. M&O levies do not affect pro-rationing.
- For Emergency Medical Services (EMS) levies for ALS and some basic life support (BLS) the District could request $0.17 of the $0.50 EMS property taxes. A more modest rate would be to assess an EMS levy of $0.17 cents of $0.50; Vashon could assess that. The drawback is that you don't know when King County could levy $0.35 and you'd be over the $0.50 and you couldn't get all of your 17 cents any longer. The District should determine how much they need to get solvent in dollars and to maintain solvency. It would be based on needed staff, increased call volume, replacing necessary fleet/apparatus. So perhaps you request a lid lift, and then apply a limit factor of 6% after that.
- Budgets and levies are annual. So if the budget was to be approved in November, you should present two budgets on election night: the preferred budget and an alternate if the levy fails. You put it on the ballot and if passed, it is levied one year, collected the next. Resolutions and election documents need to be submitted 85 days before the election for general elections.
- LIDs are used for roads and underground utilities under the Law of Special Assessments. It involves a distinct service area – for instance, if Burton needs a new station. You create a boundary for a local improvement district, then figure the costs for a new engine, station and figure the first due area. You draw up a resolution, hold two hearings on the formation of the district, and see whether the public accepts it. They can protest it but it doesn't require an election. If 60% (by land area) of the parcels reject the idea, the district is not formed. During a second series of hearings, you would produce a roll or list of properties. For the total costs needed, typically 20% would be provided by VIFR; 80% by the property assessments. Then bonds are sold to provide the cash for the project and the bonds are retired over the years by the assessment payments. The District assesses the properties but spread over a 20 year period. If people don't pay it, they would have a lien placed on their house. The benefit is that the cost is spread over 20 years.
- King County EMS (if they are not planning to go higher) we could assess an EMS levy. A levy of $0.17 would be used for EMTs and vehicles.
- For Capital Expenses, you issue bonds for capital purposes. With an M&O levy you could raise enough for two fire engines to be paid over a four year period at $0.16 per thousand. Key Peninsula (Pierce 16) fire district did that and it was approved.
- You can borrow LOCAL State of Washington funds through a program called a state bond. The state sells you a portion of it which is at the lowest interest. You don't want to borrow from a bank because of cost of interest.
- A levy lid lift for $0.15 would not impact parks. You can protect up to $0.25 outside the $5.90.
- If there was a hospital district (or flood) that will impact pro-rationing. Sometimes a fire district can reach an agreement with another district to buy your fire district support. So for Browns Point they were going to be impacted by pro-

rationing so Parks gave them $95,000 a year, but the hospital district caused the problem. San Juan hospital is taking over the local paramedics. Multi-care entered into a joint venture with nurses and physician assistants.

- You can raise the lid lift for more than one year. Burien just did. So you start at the $1.50 limit but can go up to 6% year over year – or 2% or whatever the Board decides. At the end of the sixth year at whatever the dollar amount is, that then becomes the levy floor. Permanency but not permanent – multi-year lid lift. Mr. Quinn left a number of document with information on these different revenue streams for Susan to copy for the Board.

General Comments

The clinic eventually wants to provide Urgent Care.

For the Good of the Order

Nothing.

Documents Signed

EXECUTIVE SESSION

The public meeting moved into Executive Session at 8:25 p.m. The session was held pursuant to RCW 42.30.110(1)(g): To evaluate the qualification of an applicant for public employment or to review the performance of a public employee. The session ended at 8:35 p.m.

Motion by Commissioner McCullough:

"I move that we accept three candidates and an alternative if Prothman has one other recommendation to interview for Chief position (up to five candidates)."

MOTION PASSES, 3-1.

At 8:36 p.m. the meeting was adjourned.

*The next **Regular Meeting** will be on 11/8/16 at 6:30 p.m. at 10020 SW Bank Rd, Vashon, EOC Room*

Approved this 8 day of November, 2016.

Candy McCullough, Chair

Susan Wolf, District Secretary