

**City of Bellingham – Fire District 8
Regional Fire Authority Planning Committee
Meeting 12**

Date: **Monday, February 5, 2018**

Time: 3:00 P.M. – 5:00 P.M.

Location: Bellingham City Hall - Mayor's Boardroom

Proposed Agenda

1. Approval of Minutes from January 29th, 2018 (5 minutes)
2. Section 4, Jurisdictional Boundaries, follow up - Hewett/Ruffatto (15 minutes)
3. Discussion on the Why behind the RFA - Mayor Linville (30 Minutes)
4. Planning Committee Items? (20 Minutes)
5. Next Agenda (5 minutes)
6. Closing Comments/Adjourn

The Regional Fire Authority Planning Committee meeting was called to order by Bellingham City Councilmember Terry Bornemann at 3:07 P.M. The meeting was held in the Mayor's Boardroom at Bellingham City Hall, 210 Lottie Street, Bellingham.

Present: Kelli Linville, COB Mayor
Bill Hewett, Assistant Fire Chief
Rob Neher, Fire District 8 Commissioner
Terry Borneman, Bellingham City Council
Roger Buswell, Fire District 8 Commissioner
Dave Pethick, Fire Captain, IAFF L106 VP
Kristi Clift, FD Admin Services Manager
Brian Henshaw, COB Finance Director
Brian Heinrich, COB Deputy Administrator
Rob Glorioso, Local 106 President
Rick Sepler, COB Planning and Community Development Director
Peter Ruffatto, COB Attorney
Andy Asbjornsen, COB Accounting Manager
Tara Nelson, Citizen
Marty Mulholland, IT Director

1. Approval of Minutes January 29th, 2018

The January 29th, 2018 minutes were unanimously approved.

2. Section 4, Jurisdictional Boundaries, follow up (15 minutes)

Chief Hewett said this item was brought before the committee previously and there were some questions. To remind everyone about what this document details, Chief Hewett provided the following summary:

Section 1.1 is mainly about how the boundaries might grow or change. An example of this is if the City were to annex parts of District 8 - since the District would already be within the established boundaries of the RFA and therefore there would be no required mitigation.

Section 1.3 is mainly regarding how if another City annexed into the RFA; State law and previous practice would prevail.

Section 1.4 addresses if the RFA were to decide to annex an unincorporated territory, specifically land that is not currently part of a fire district or city that is adjacent to the RFA. This language follows the state law (RCW 52).

Section 1.5 and 1.4 both follow the RCW which addresses merging with another fire district. What was added to 1.4 and 1.5 is that if during the time that the City and the District have an interlocal to provide services and if the RFA wanted to expand they would have to consult with the City for approval.

The big change is in Section 1.2 regarding if the City initiates an annexation that is not covered by the RFA boundaries - example: Geneva or Yew Street Road.

City attorney Peter Ruffatto said the section 1.2 language that he drafted for consideration states ... "The RFA will provide all operational and service delivery with respect to fire protection, emergency medical services, and contracted services in the newly annexed territory, unless agreed otherwise in the Inter-Local Agreement or subsequent interlocal agreement." Although we may have specific ideas about what the Inter-Local should say, the RFA Plan should say what we intend so he is trying to put something generic in the plan to guide them without being specific. He reminded the committee that at the end of the previous meeting we discussed the 97 agreement regarding annexations into fire districts - with RFA coming into existence it would need a new set up of agreements. New language states with respect to those district the RFA will work with the City to try and mitigate those impacts.

Councilmember Borneman said this all seems to make sense.

Finance Director Henshaw asked about if we could be more specific in the plan since this doesn't seem definitive.

City Attorney Peter Ruffatto replied that it seems to be a judgement call versus putting the details in the ILA.

Assistant Chief Hewett replied to address Finance Director Brian Henshaw's concern and said that if he's looking for specifics of what mitigation should be he believes these details should be in the ILA because that is the enforceable document and it cannot be modified. The planning document is meant to be less specific. The ILA is an enforceable contract between all parties.

Mayor Kelli Linville commented that what she saw happening later down the road when there is a newly elected RFA board that wasn't part of the original board, the ILA would be the controlling factor as to whether they should make changes and the City wouldn't be giving away all the decision and enforcement power by putting the details in the ILA.

District Commissioner David Lehmann made a motion to accept the revisions, Mayor Kelli Linville, 2nd - Section 4 revisions were approved unanimously.

3. Discussion on the Why behind the RFA - Mayor Linville (30 Minutes)

Mayor Kelli Linville said she wanted to speak to everyone to be sure we are all on the same page. For her, the first meeting regarding RFA was held at the EOC which was the first step towards a county wide regional fire authority; which she believes in. She also supports the RFA as this option was identified by a recent consultant for the Sustainable Funding Committee. Her main concern is the funding and long term loss of taxing capacity for the City for new services. She wants to make sure the City is able to respond and fund necessary new services in the future.

District Commissioner Roger Buswell said the commissioners have been aware of the need for this for a long time now. The District will need additional funding as they will likely not be able to continue funding the District independently

Councilmember Terry Borneman said during his many years of experience on the Public Safety Committee he has recognized the revenues have been struggling to keep up with the level of service that the citizens expect and we are struggling to keep up with this in the City's budget. Police and Fire do take up the biggest part of the General Fund. Regionalization does seem to be like the best way to go. The City's general fund has limited abilities to deal with some of the other issues within the City. Freeing up some of the general fund may allow the citizens to prioritize specific funding for Fire.

Mayor Kelli Linville asked Fire Captain Pethick if as a labor union representative what he believes is the biggest driver to find a method to get to the service levels? Captain Pethick said he believes the public expects a level of service from the Fire Department and we (the Fire Department) have a responsibility to not only maintain those response times but let the public know when we are in danger of not regularly achieving them. We see our response times becoming longer. This is directly related to increasing call volume and needs to be addressed. Increases in staffing will help.

Finance Director Brian Henshaw said he also wants to clarify that there are other methods to find solutions. Every day we are learning more about splitting one organization into 2 separate agencies. In the short time we've been looking at this we are learning the complexities of splitting them apart, and now we realize the large scope of this potential process. From the Finance and Payroll side it will be extremely difficult to accomplish. The other realization is that the GF property tax capacity would be given over to the RFA and long term consequences of this for the City which will ultimately reduce their ability to collect and continue the currently diversified taxes for the GF and the City would lose that. Those impacts are forever and compounded over the years. Depending on the how the ILA is constructed there are many considerations.

District Commissioner Robert Nehr said he agrees with District Commissioner Roger Buswell said the commissioners have known this day was coming one way or another for many years.

IT Director Marty Mulholland said she would also like to follow up on some of Finance Director Brian Henshaw's comments. She would like there to be thoughts about having the appropriate

staffing in place to facilitate the transition. She would like to recommend the following - identify funding needed, if we believe this will move forward, to hire additional personnel to set up all the transitional processes. The budget needs to be bolstered to stand up a significant transitional period.

Councilmember Terry Borneman agrees these are all things that will need to be considered as we move forward.

Mayor Kelli Linville said this all gets down to the transition. Those discussions are important. The ILA will detail how we transition

Assistant Fire Chief Bill Hewett - said ILA is the nuts and bolts and the dollars of the services provided. It will identify anything associated with money or trading of services.

Planning and Community Development Director Rick Sepler said he agrees there should be an element of service consideration into the future, identifying the risks and how we move into the future - the RFA is one device to continue the specific services and funding that were identified early on. We should be thoughtful regarding the details. It is solvable though.

Assistant Fire Chief Bill Hewett wants to emphasize the sustainability for funding, recognizing the Finance section is still not complete. This RFA process creates a funding model that allows the RFA to keep up with the cost of inflation. The City does lose some taxing capacity, and ultimately drops the ceiling for the City, but the RFA also takes approximately \$18 million off the City for obligations from GF. Alternatively, the City and Fire District could continue stay in a contractual relationship for a long time. There is also a dwindling volunteer work force in the District. The volunteers currently save the District approx. \$1.5 million per year but unfortunately they are in serious decline as there is not a lot of interest. As we look forward to sustainable funding and this possible opportunity to provide a better level of service, he also wants awareness that this is a new tax for Whatcom County. A Fire Benefits Charge (FBC) is likely more impactful for businesses and housing and this could have other effects. He doesn't want to hide from some of the concerns that may come up.

Mayor Kelli Linville asked about whether a visual map of what we have now and the transitional period could be developed? Funding is clear for the RFA, but it isn't clear regarding the sustainable for the City. Mayor Kelli believes we are all on the same page.

4. Planning Committee Items? (20 Minutes)

Councilmember Terry Borneman asked if there are any additional items from the committee to be discussed. None presented.

5. Next Agenda (5 minutes)

Assistant Fire Chief Hewett said the only thing left is to finish Section 6 - Finance. The next meeting is in 2 weeks. Chief Hewett hopes to have a better draft of a budget as well as a draft organization chart. The Finance section is not only about the budget, but we will also need to determine policy direction for funding and start-up costs, which would include other monies that would move from the City to the RFA. He asked the committee to look over

these items and start having conversations so we can talk at the next meeting. We will send out an updated copy of the draft plan without the Finance section. Everything will be cleaned up before we adopt the plan.

Mayor Kelli Linville wants to look at sustainability and unintended consequences for the City.

Chief Hewett said he believes the discussion about the City capacity for taxing should also be had and concerns shared.

6. Closing Comments/Adjourn

The RFA Planning Committee adjourned at 3:54 P.M.

Recorded by Kristi Clift.