

**City of Bellingham – Fire District 8
Regional Fire Authority Planning Committee
Meeting 13**

Date: **Friday, February 16, 2018**

Time: 3:00 P.M. – 5:00 P.M.

Location: Bellingham City Hall - Mayor's Boardroom

Proposed Agenda

1. Approval of Minutes from February 5th, 2018 (5 minutes)
2. Fire Benefit Charge Presentation, Neil Blindheim (30 minutes)
3. Organizational Chart, Captain Pethick (10 minutes)
4. RFA draft budget - Forrest Longman/Bill Hewett (20 Minutes)
5. Planning Committee Items? (20 Minutes)
6. Next Agenda (5 minutes)
7. Closing Comments/Adjourn

The Regional Fire Authority Planning Committee meeting was called to order by Bellingham City Councilmember Terry Bornemann at 3:03 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
Brian Henshaw, COB Finance Director
Brian Heinrich, COB Deputy Administrator
Rick Sepler, COB Planning and Community Development Director
Peter Ruffatto, COB Attorney
Marty Mulholland, IT Director
Neil Blindheim, Outside Consultant
Forrest Longman, COB Finance Officer
David Lehman, Fire District 8 Commissioner

1. Approval of Minutes February 5th, 2018

The February 5th, 2018 minutes were unanimously approved.

2. Fire Benefit Charge Presentation, Neil Blindheim (30 minutes)

Assistant Chief Hewett said the agreement with Neil Blindheim, an outside consultant, was renewed to pull new data and gain new information. Chief Newbold was injured this morning during physical training and is not able to make it today. Captain Pethick cannot be here today because of a family emergency. We have talked about the Fire Benefit Charge (FBC) before and have shown examples but that was based off of formulas and things that Neil wrote and produced based on information we gave him. We thought today would be a great opportunity for him to walk through the FBC how it works and mechanics that goes into it.

Neil Blindheim gave a PowerPoint presentation on the FBC administration in Bellingham. He said he has been in the FBC business for 20 years. He has done studies for places like Spokane, Snohomish and now Bellingham. Collecting county data can be all over the map and each county is different. Whatcom County has a better handle on their data than other counties. He pulled the various types of county data into one screen so that the planning committee could see for any one parcel how the fire benefit charge effects that parcel. Fences, decks and porches aren't charged because they lead to confusion and appeals. Detached and attached garages are charged. We look at this year's tax statement with the assessor and treasurer to make sure they have capacity to add another line to the tax statement.

The FBC is a voter approved measure requiring a 60% favorable vote and only a simple majority for re-authorization. It can be authorized for up to six (6) years at a time. With voter approval of the Fire Benefit Charge, the Regular Levy is reduced by \$0.50/\$1000 to \$1.00/\$1000 of assessed value (AV). Only improvements to property are subject to the Fire Benefit Charge. Annually, the governing board (Board of Fire Commissioners) sets the amount to be collected (by way of the Fire Benefit Charge) with the limitation not to exceed 60% of the operating budget. Fire Benefit Charge for individual parcels is calculated by the district but is submitted to the County for actual collection at the same time and in the same manner as property taxes.

The formula only uses total square footage of improvements and one of four basic use categories: commercial, apartments, residential, and mobile homes. The FBC comes up with a percentage of the square footage based on the total square footage throughout the entire district. If 40% of the total square footage in the district is residential, residential units would pay 40% of the FBC.

Mayor Kelli said some communities do it different – would you say the majority do it equitably across everybody?

Neil said yes. As long as you are similar to most others, there won't be questions or legal problems.

Neil said data and factors were established last year by him and Fire Department staff. The data is loaded into a Microsoft Access program and will reside on fire district computers for ease of

inquiry. The factors must be established by the district. Once established they may be changed from year to year depending upon the composition of the district. The program is designed to perform iterative “what-if analysis” by parcel as well as by complete district.

Councilmember Lilliquist asked: What is the difference between the highest and lowest commercial rate?

Neil said the lowest rate is .5 and the highest is 6. It’s a big difference and it’s interesting to see the graphs of individual parcels and it’s a steep line.

Assistant Chief Hewett said it is a steep factor but the FBC we’ve talked about before is based on the amount and the specialized resources we need. If you look at a 1,500 square foot commercial area, the amount of equipment needed isn’t that different from a single family house. If hazmat teams, multiple pump capabilities, etc. are needed your FBC would increase.

Mayor Kelli asked: Is #10 a big box store?

Assistant Chief Hewett said 8, 9 and 10 are going to be. #10 would be properties like Wood Stone Corporation or Zodiac Aerospace, or other large manufacturing locations. Most of our big boxes would be in the 1-2 range.

Mayor Kelli said on the far right chart, what would Wood Stone’s charge be?

Neil said we could bring up the database individually and see.

Assistant Chief Hewett said Zodiac was at \$32,000 a year. Wood Stone is bigger but it would be in that max category too.

Councilmember Lilliquist said you have a factor tied to sprinklers, is that single-family, multi-family or what?

Neil said we are trying out a 10% sprinkler discount for everybody and it is represented in that factor. Mostly, it is used for all. That is a modest discount. Some other districts do a 30% or 50 % discount.

Neil said in November, we download information from the county, it gets approved by the district in December and by January they would get a tax payer notice, which is a trifold the size of a letter. Mailing software goes through and prints mailing addresses and barcodes and includes individualized information. North Highline gives rate structure and levels. Other districts put the bare minimum on there, but you can put as much information as you want. These go out in the mail in the first couple weeks in January. A company in Tumwater puts it together and we pay them postage to do the mailing in bulk. Data is uploaded to the county and is converted into tax statements. It would have tax code information, assessed value, total value, and taxable value. There is also a tool that staff would use to answer taxpayer calls. They can type in comments and track any issues or changes. Over time, the history tab would fill up with previous years FBC statements. Microsoft Access has a spreadsheet view and you can sort it, filter it and group it. There are some entities that we don’t want to assess the FBC but we still

want to contract with them. This program is also used for budgeting and contracting in those kind of situations.

Mayor Kelli asked who are we considering not putting in?

Assistant Chief Hewett said government agencies. The information that comes from the assessor includes everything, such as the Port of Bellingham properties, Whatcom County properties and State of Washington properties, and those would be pulled out. We would use the FBC tool to define the contract amount with them, but they would be exempt from the FBC. They would still have a fair share to pay through this tool. Tribal properties is the other big one.

Neil said the appeal process opens after taxpayer notices go out in January. The taxpayer calls the fire district to request an appeal form, which can be mailed or picked up. They fill out their form and return it by the deadline. The RFA governing board makes ruling at an Appeal Hearing. Changes are then sent to the county. People can dispute things like square footage or structures that are demolished, etc. A lot of data the county doesn't have is sprinklers and this process would allow us to gain that data through people requesting the sprinkler discount. Things can move fast. A structure can be demolished one day and something new could be built the next day.

COB Deputy Administrator Brian Heinrich asked: To accommodate for new construction, when would you account for that?

Neil said in mid-November. For King County or Peirce County, it's October. If the information from the county is out there, we will get it ASAP. The law requires we have the best info available so we wait until the county has that ready for us. As new construction comes in, it spreads the FBC among more properties and the burden can be spread out more.

Councilmember Bornemann asked: Do we have contracts in place?

Assistant Chief Hewett said Fire District 8 has a contract for services with Whatcom County for the Gooseberry Point Peninsula, The Port of Bellingham for the Bellingham Airport, City of Bellingham for the Locust Beach property, and the Lummi Nation for their reservation.

Councilmember Bornemann asked: With this as a tool, would we use that with other government entities to establish their rates?

Assistant Chief Hewett said historically, that's how Fire District 8 worked with their contracts. The starting point is showing them the amount they should be paying for their fair share and what other people are paying, so they understand how much they should pay.

Fire District 8 Commissioner David Lehmann said in my insurance I have money available to pay if there's an instance, have you ever looked at that? Doing the math on the rate, it would be cheaper to pay a higher insurance rate to lower the price of the FBC.

Neil said a couple districts are looking at calls and they don't allow people to be exempt from the charge.

Assistant Chief Hewett said the state legislated that you can't charge the housing authority.

Fire Commissioner Rob Neher said with the interstate, if we have a big wreck that requires hazmat, the City or the District can bill for the cost of the response, correct?

Assistant Chief Hewett said my understanding is that we have the ability to bill for EMS and a spiller/responsible party on a hazmat response. RCW allows us to bill for fire if it was started intentionally and illegally, such as burning brush without a permit. I am not aware of our ability to bill for regular fire suppression efforts. We can bill for EMS and hazmat, but fire suppression we don't have the ability to bill.

Commissioner Neher said it has been a few years since I was a responder, but back then it was brought up at meetings that if we so choose we can send a bill to somebody who lives in BC or California for the cost of the response they were involved in. I could be wrong here.

Assistant Chief Hewett said I know there was talk of it but I don't think legislation passed.

Neil said Snoqualmie has people passing through so they wanted to charge an FBC.

Councilmember Lilliquist said it would make more sense to bill.

Assistant Chief Hewett said we had that conversation with the Port. They wanted to look at a method where they were paying based on response number. Your taxes at home pay for us to be here in case you have a fire, whereas if all you want to do is pay when you have a fire, that bill would be astronomical and it doesn't guarantee we will be there.

Mayor Kelli asked Neil to talk a little bit about the success of the FBC. I know that it doesn't charge more than 60% of the total budget because it wouldn't pass, but is it very infrequent when it doesn't pass?

Neil said districts who have it in place already are getting easy renewals. Central Pierce County, Woodenville and North Shore are passing easily. Year before last, Maple Valley was charging 59% or 60% of their budget and someone had a negative campaign against them. They did it again and it failed terribly last year, with 43% support.

Assistant Chief Hewett asked: have you seen a district fail a renewal yet?

Neil said I've seen districts with high senior citizen population who made it hard to administer, so they took away the FBC themselves. Two Mason County districts decided not to. Thurston 9 decided not to. Lacey never had it passed. South King and Federal Way tried to get it passed a couple times and it didn't work.

Cob Finance Director Brian Henshaw asked: The year they stop the FBC, can you levy the \$1.50? Say three years into it, can you levy \$1.50 and drop the FBC?

Neil said you have to see the FBC through its 6 year term before dropping it.

Assistant Chief Hewett said somebody asked about multi-unit vs regular residential. We also pulled out mobile homes from single family. The reason as to why multi- and single-family are different is resources. We pulled mobile homes separately from residential.

Neil said the rates are pretty much the same.

Assistant Chief Hewett said the South Snohomish Fire Authority explained that they pulled mobile homes separately based on the fact that the majority of our mobile home owners are in a lower income bracket and tried to give a nod to some sort of affordability for them. We have mobile homes on parcels that are the same size as other single family homes which is essentially what they are. A mobile home burns the same as a single family residence.

Councilmember Lilliquist said one factor that we are looking at is what happens on the City's end, like savings for the City after an RFA is formed. If the RFA is passed or not, did people notice that there was a change, good or bad, to the city?

Neil said I'm not sure.

COB Finance Officer Forrest Longman asked: What percentage of the budget does it usually come out to?

Neil said the FBC usually charges about 20-30% of the budget.

3. Organizational Chart, Captain Pethick (10 minutes)

Assistant Chief Hewett presented the organizational chart in Captain Pethick's absence. He said this is a layout of organizations. Yellow boxes are new FTEs that would be added with the RFA. There are 6 FTEs needed in internal services to help with HR, finance, and IT. There are also 2 additional training captains needed, and 1 public education position. There are 9 positions highlighted in green, and those positions are to deal with annexations. They would be new positions in the RFA, but would be needed with upcoming annexations and part of a phasing plan if we took in all the annexation areas.

Planning and Community Development Director Rick Sepler said we are not certain if we will take them in or not and we have to find that out.

Assistant Chief Hewett said those would also go away if those annexations aren't coming in. This organization chart identifies what the anticipated organization would look like. Highlights are where we intend to add those FTEs and they include 36 new positions.

Councilmember Bornemann asked: Would the 36 new positions be brought in right away?

Assistant Chief Hewett said it would take some time to hire all those people.

Councilmember Bornemann asked: The levy would be to hire 36 new people as well as current operations?

Assistant Chief Hewett said we would build our levy based on what we would need to fund based on those new positions. Savings in first couple years would help to build our reserve and stable funding for the RFA going forward.

Mayor Kelli said if there wasn't going to be an RFA, you said we would still need some of those positions. Would the 6 administration positions would still be needed?

Assistant Chief Hewett said those 6 are based on what other City departments already do for us. Those 6 positions would not be needed for the fire department without the RFA.

Mayor Kelli said if we decided to do BLS internally rather than externally, we wouldn't be buying 18 firefighters immediately. The training captain, there's two positions - if we wouldn't be getting 18 more firefighters, would we still need two more training captains?

Assistant Chief Hewett said my training captain would say yes. Part of it is for the City and part of it is for the RFA. We would not have put these positions in if we did not need them. One is for recruitment and retention of volunteers. Without the RFA, it becomes a more important position. District 8 has a \$1.9 million budget and \$1.5 million savings per year.

Mayor Kelli asked: Would we need two training people regardless of if the RFA is formed or not?

Assistant Chief Hewett said for training, yes, but not each and every position.

Mayor Kelli asked: Would an inspector be needed no matter what?

Assistant Chief Hewett said yes we are behind on that need today.

Mayor Kelli asked: Even with the change in Life Safety?

Assistant Chief Hewett said yes.

Mayor Kelli asked: What about public education?

Assistant Chief Hewett said we have been advocating for that and will continue to.

Mayor Kelli said 24 of these positions would be needed on day 1 of the RFA. And then the other 12 would be needed no matter what.

Finance Director Brian Henshaw said you are expanding the level of service based on what we are not doing today and what we need to be doing. With annexations we are catching up on employees that are needed. If we annex into Fire District 8, we are going to get more staff. We already provide that service today, so it's all increased level of service.

Councilmember Bornemann said a lot of it is maintaining current level of service rather than increasing it. Right now we are falling under our level of service and we are unable to meet the current level of service so we need to put on additional staff to raise to the level of service we are expected of.

Assistant Chief Hewett said four of those annexation fire fighters are a service we are already providing today and represents a switch. Another four of them are an agreement we have that won't change the level of service, but it satisfies the labor agreement we already have.

Finance Director Henshaw said it's not a requirement, it's an MOU. It would require a building inspector to do the inspections we aren't doing. We function today with the staff we have.

Mayor Kelli said if we have a level of service with buildings that we want to inspect more, we need a building inspector. We can use that inspector with or without the RFA. Those are increases in service because we simply don't have an employee for certain areas, such as public education.

Assistant Chief Hewett said the 18 is where we see the big increase – this is where we can differ a little bit, because it is an increase in the level of service.

Mayor Kelli said we need to talk about how the level of service applies to the City, not just the RFA.

Councilmember Lilliquist said if you look at this organizational chart, it shows two scenarios super imposed. The current situation is without the boxes, the second scenario is with the RFA. What would it look like if the City alone tried to achieve level of service on their own? There is an unspoken third scenario: what is the alternative for not forming an RFA? The alternative is to try to do more. That is the strain we are trying to get around.

Mayor Kelli said if we are looking at levels of service and things we aren't doing now – police, fire, everybody – that is why we are looking at the sustainable budgeting model. The RFA is the way we decided to look at first before looking into other options. That's more of the internal conversation we need to continue to have.

4. RFA draft budget - Forrest Longman/Bill Hewett (20 Minutes)

Finance Officer Longman presented the RFA draft budget, which is a high level view of what has been proposed from the Fire Department. This is loaded with various assumptions and if they change, it changes everything. The table has a picture of the status quo (without the RFA) and what it would look like with the RFA. Operating expenses is the level of service that we currently supply. The various expenses are fleet repair, IT, HR, etc. It is broken down into programmatic services and new or expanded services, for a total budget of \$36 million.

Finance Director Henshaw said contracts for services is currently \$520,000. That is what they basically are achieving now and that number could go up or down.

Finance Officer Longman said we would expect that to double.

Finance Director Henshaw said there are a lot of assumptions. Allocated expenditures are internal services or will be taken by the RFA if it passes and would transition into a new staff. It's not duplicative, it transitions into a new staff.

Finance Officer Longman said it is additive for what we are already paying for, such as legislative services.

Mayor Kelli asked: The new programmatic services are the increase in service we would get if we raise the FBC right?

Assistant Chief Hewett said yes.

Mayor Kelli said the things that are more in question is the discussion over new expanded services.

Assistant Chief Hewett said some of them, yes. For administrative services with 6 FTEs, we would be moving away from the City and would need pieces of the departments that are currently doing that. Things like fleet replacement, you could add those to the new program list. It is the fully funding of fleet and facilities maintenance and replacement.

Finance Officer Longman said this is an expense of it being its own entity, but if it doesn't pass, they would have to plan for those things more actively than the City because they have a stricter funding model.

Councilmember Lilliquist said the floating number of FBC has been changed. Why is it so high?

Finance Officer Longman said as we've gone through the process and fleshed out these things like fleet replacement and capital maintenance, the FBC has changed.

Councilmember Lilliquist said that is the number that needs to be justified to the voters. Charging taxpayers \$10 million is very different than \$13 million for an RFA.

Finance Officer Longman said there are choices that can be made to make it more palatable, but those decisions would have to be made. The Fire Department told me what they wanted and I figured out what it would cost.

Assistant Chief Hewett said we talked about the services and he went and fleshed them out. The actual fleet and facilities numbers were underestimated in first calculations

Deputy Administrator Heinrich asked: Do administrative costs carry over year to year?

Finance Officer Longman said yes, that number would continue inflating. Some of that would be paid to the City for IT fiber, radio, etc.

Planning and Community Development Director Rick Sepler asked: Can you tell me more about allocated to COB section?

Finance Officer Longman said they would be paying for emergency management, life safety costs, permitting, etc.

Planning and Community Development Director Sepler asked: How much was the life safety cost?

Finance Officer Longman said the total we got to was \$750,000 and it's about \$500,000 each for life safety. There is also \$200,000 for permits that you are not seeing here.

Finance Director Henshaw said \$750,000 and \$450,000.

Deputy Administrator Heinrich asked: BLS transport doesn't go up even if you add additional BLS aid cars?

Assistant Chief Hewett said it would go up because the GEMT legislation that is out there. It is not accurate enough to be able to predict what that would look like and we didn't want to overestimate. The other part of BLS revenue will go up a little bit, and Medic One will lose transport revenue because our medics are doing some of the BLS transports. BLS cars would transport them.

Finance Director Henshaw said it's a moment in time. We combined it to simplify it and show you the way it is right now at this level of service. It's not this or that, it could be anything in between, and it could be phased in a lot of different ways or areas. This is a simplistic view for demonstration purposes. BLS transports change each year. New legislation hopefully will pass for retroactive BLS transports. There are positive upsides that would offset future RFA expenditures that wouldn't increase the FBC each year.

Mayor Kelli said I heard Neil say changing the FBC after it passes instead of passing it as a renewal could have negative consequences. We need to be realistic about how we pay for level of service we want instead of trying to increase it later.

Deputy Administrator Heinrich said for facilities capital maintenance and fleet replacement, can you explain how we got there?

Finance Officer Longman said fleet replacement is 100% replacement less the boat. We are looking at \$1.4 million in fleet replacement costs. The facilities number is somewhere between \$1 million and \$2 million. It is a long term thing. This is to keep things they have functioning in good condition.

Finance Director Henshaw said these needs are City wide. We have identified all of the Fire Department's needs and we are seeing them here. When we talk about the budget, we take into account all of our buildings and vehicles. Every year when we do the budget, we do this for all of the departments and then we balance those. It's unfair to say this is all that's needed. We are changing to correct fleet replacement we haven't done in the past and we are taking steps to get caught up regardless of the RFA or not. When generating revenue, you have to allocate it across the different needs.

Assistant Chief Hewett said in the RFA budget, we are not just looking at the City Fire Department, we are looking at Fire District 8 too. Some of these replacements are directly attributed to District 8. I do want to point that out here. We've got a lot of talk about the City going on, but looking at that final column at one of the training captains, that's a Fire District 8 item to address their needs. Part of the PPE gear needs, facilities, fleet, etc. is in conjunction with Fire District 8 needs.

Finance Director Henshaw said there is a decrease in the district for their property taxes.

Assistant Chief Hewett said the commercial properties would be paying more.

Finance Officer Longman said it does shift the tax burden to the City and lessens the tax burden of Fire District 8.

Commissioner Neher said raising it up to find a number that is sustainable, the way I look at it, you find the number that will work for you and hopefully over the 6 years the board could drop that number down a little bit. Even with funding your reserve and other stuff. Because our assessed valuation goes up, the rate goes down. Ideally you would be able to do that so that when you go back 6 years you could stay within 5% either way. I would hope that there wouldn't be heartburn when you go back to the voters.

Finance Officer Longman said for property taxes we project a 1.5% increase per year. A highly unionized labor force exceeds that gross annually. We can try to set it at a rate that will be sustainable for a couple years, but the FBC fills the gap. I don't see a scenario that it won't go up at least 2% each year.

Commissioner Neher said you don't want to pick a number that you know will pass and then jack it up later on down the line. As our AV goes up as a district, our rate goes down.

Finance Director Henshaw said we can increase the levy by \$1.50, but it is the division and math of it. The levy rate generates the same amount. Your \$1.6 million with levies will maintain. You're generating x number of dollars and it takes the levy rate to do that. If the assessed valuation goes up, it doesn't get transferred over there. The City's limit is \$3.60, or \$2.60 with the Fire District, and continues to go down with the FBC and allows to maintain the capacity.

Assistant Chief Hewett said the 1% is on dollars collected, not the levy rate.

Councilmember Lilliquist said I thought the dollar transferred, which would go up with inflation, but it drops after the first year.

Commissioner Neher asked: We have our resolutions to collect the maximum that we can take, correct?

Assistant Chief Hewett said we have been taking 1% from the District each year.

5. Planning Committee Items? (20 Minutes)

Councilmember Bornemann said the item we still have to do is the finishing touches with the budget. These are some items we can't do with this committee until those final additional discussions happen within the City. I'm not sure how far we can go with our regular scheduled meetings until we get that part resolved. How do we want to approach that? For us as a committee to make our decisions, we need to know those implications. It sounds like from asking questions, those conversations haven't been fleshed out and internal debates about what those implications are need to happen.

Mayor Kelli said it makes sense to me. Internal conversations need to happen to talk about if the City can move forward with its capacity with the RFA. If we are looking at supporting fire service, everything else is decided other than how the money works and the effect it has on the City to do more. We should have internal meetings with the City to talk about this. It's about

what's happening with the City and not really what's going to affect District 8. Can we delay the next meeting for those discussions?

Councilmember Lilliquist asked: Two weeks is not enough to have those internal discussions?

Mayor Kelli said I don't think between now and March 5th we would be ready to talk about how this is affecting the City.

Assistant Chief Hewett said the District 8 meeting isn't until the March 8th and they need to discuss amongst themselves about finances. My suggestion to the committee is to put off our next RFA Planning Committee meeting until March 19th. If we are still shooting for April to get resolutions passed and have public comment, waiting until the 19th is a bit long. Last week, Deputy Administrator Heinrich and I spoke with all firefighters and the majority of them were concerned with finances. There weren't very many questions about the services and their concerns were on how to tell their neighbor about the Fire Benefit Charge. If the City and District can get on the same page by the March 19th meeting, we can make decisions and get started on public outreach. Captain Pethick and COB Communications Director Vanessa Blackburn have had one meeting to talk about communication outreach. Captain Pethick will start to identify open houses and community outreach on an informational basis.

Mayor Kelli said we can't use government resources to fund a campaign, so it will have to be purely informational.

Councilmember Lilliquist said there are two questions: feasibility and advisability.

Assistant Chief Hewett said we have decided as a committee that it can be done, then we are saying here's how it can be done and here's how much it will cost. The advisability piece includes the public process.

Councilmember Bornemann said it becomes more complicated when we talk about what the implications are if we do this. What's the implications with the City? We need to unravel that so that we can see if it makes sense before I can vote to say yes let's pass this. I need that information to make a decision.

Councilmember Lilliquist said by the 19th meeting we need to have internal discussions and further iterations on these numbers.

Finance Director Henshaw said the biggest changes to numbers are going to be the level of service. It's the plugs that will just keep changing. The maximum Fire Benefit Charge is \$13 million, is that acceptable to go forward for elected officials? If not, we need to work on changing it. What do you need as we answer these questions? The bigger problem is preparing for it to go forward and we have to be ready to implement on October 1st. We need to work on that immediately because there are a lot of software and internal issues we are having.

Councilmember Bornemann said the decision I'm looking at are the questions that there are other issues like IT, which has been talked about internally. We haven't been in any of those internal discussions. Until I understand that, I don't know what the implications of what those are. Until we have those and are included on knowing what those concerns are, I can't make a decision.

Assistant Chief Hewett said the numbers aren't going to change. The only way they change is by changing the level of service. We may be able to fluctuate them two or three hundred dollars.

Councilmember Lilliquist said you can make it feasible by getting more money. If we can actually deliver the level of service, it sacrifices the other dimension.

Assistant Chief Hewett said if you reduce the level of service than you create a new government agency that is hamstrung.

Councilmember Lilliquist said this isn't a sexy story. A \$13 million Fire Benefit Charge for \$7 million of level of service doesn't look good to the taxpayers.

Assistant Chief Hewett said one of them was looking at a \$45,000 increase.

Mayor Kelli said this is why we need to talk now internally. The time is coming quickly. I want to do it right, and not do it fast if we don't have the story to tell. I think it's worth taking that time to have our own internal discussions and meet on March 19th to see what we come up with.

Finance Director Henshaw said we need to schedule one or two meetings next week internally.

Mayor Kelli said I would like to get the framework of us talking about it set before I'm gone on vacation.

Councilmember Lilliquist said internally in the City, we need to meet in the next two weeks. Maybe next week.

Deputy Administrator Heinrich said Councilmember Lilliquist and Bornemann and Mayor Kelli need to find a time to meet and the rest will follow.

The next RFA Planning Committee meeting will be on March 19th.

6. Next Agenda (5 minutes)

Assistant Chief Hewett said the only thing left is Section 6 of the plan, which is Finance. Captain Pethick gave a list of questions we need to consider individually. We will bring a fresh copy of that to the next meeting. Our goal is to look at those questions and how it affects our individual agencies. For the next agenda, we will report on where we are and finish Section 6.

7. Closing Comments/Adjourn

IT Director Marty Mulholland said there will be revisions to Section 7 in combination with Section 6, such as the IT transition being over 5 years.

The RFA Planning Committee adjourned at 4:46 P.M.

Recorded by Monea Kerr.