

**City of Bellingham – Fire District 8
Regional Fire Authority Planning Committee
Meeting 16**

Date: **Monday, February 4, 2019**

Time: 3:00 P.M. – 4:00 P.M.

Location: Bellingham City Hall - Mayor's Boardroom

Proposed Agenda

1. Approval of Minutes from April 30, 2018
2. Next steps for the RFA Planning Committee

The Regional Fire Authority Planning Committee meeting was called to order by Bellingham City Council member Terry Borneman at 3:05 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, COB Assistant Fire Chief
Bill Newbold, COB Fire Chief
Terry Borneman, Bellingham City Council member
Roger Buswell, Fire District 8 Commissioner
Andy Asbjornsen, COB Finance Director
Brian Heinrich, COB Deputy Administrator
Moshe Quinn, COB Planning Department
Peter Ruffatto, COB Attorney
David Lehman, Fire District 8 Commissioner
Shelley Halle, COB Mayor's Office
Michael Lilliquist, Bellingham City Council member
Rob Neher, Fire District 8 Commissioner
Jay Comfort, COB Assistant Fire Chief
Forrest Longman, COB Finance Officer

1. Approval of minutes from April 30, 2018

The April 30, 2018 minutes were unanimously approved.

2. Next steps for the RFA Planning Committee

Bill Hewett summarized the April 30, 2018 meeting regarding the basic plans and basic dollar amounts. Looking at the magnitude of what would be, the planning committee decided to take a break and let both the City of Bellingham and District 8 go through their normal budgeting process for next year. Commissioners and City staff have talked to their boards to determine if

the RFA is a direction they want to head in or to investigate other possibilities. If the planning committee is of the consensus that the RFA is not the direction to go in at present, then discussions whether to have a planning committee should happen. To give you some relevant information: the RFA was formed under RCW 52.26.030 and indicates that the planning committee members may dissolve itself at any time by a majority vote of the total membership and, separately from that, any fire protection jurisdiction can withdraw within 30 days of written notice. Those are the facts. If dissolving the planning committee is the direction we choose to go in then I would not look at it as an end point for the RFA discussions and just acknowledge that it is not where we are at right now. There is nothing that would preclude us from coming back to this discussion 3 months, 6 months, 2 or 10 years down the road.

Discussion:

Mayor Kelli agreed with this summary and said that our Council is looking at other opportunities to support our whole budget and our public safety budget at the same time. When we first looked at the RFA we were looking at it as a whole City to boost our entire budget by increasing taxes and shifting some of those taxes to the Fire Departments. We looked at other options and wondered if there would be something that wouldn't be such a systematic change as the RFA would be; which is much different from raising revenues while continuing our relationship with District 8. We had all agreed at the last meeting that it was something important to do because we had already started down that road. Mayor Kelli didn't see stopping this particular planning groups' activities as affecting the relationship with District 8.

Terry Borneman has been a big proponent of the RFA and still thinks it is the right way but doesn't think the votes are there in the Council to back it. He also thinks that a Regional Fire District is something that must happen in the future for Whatcom County Fire services.

Michael Lilliquist's understanding of District 8 is that they have reached the limits of their funding potential under this current model. If District 8's need become greater they will be pinched even more. Whereas the City theoretically has room, but actually does not and this may put the District in a difficult position and would not be good for the County. In our Council during the budget session proposal, some of us felt there was still an acute need to fund a fire service through a different model or different way. Unlike Terry, I have never been clearly convinced for or against RFA and I think we will need to decide soon if it is appropriate at this time to discontinue the planning committee. I would like some assurances on how we will keep working on this problem on either side of the City or District 8.

Bill Hewett said the Fire District continues to be squeezed by a dwindling tax base, but they do have options available. Thanks to increased assessed values we are no longer sitting at the edge of our taxation limit and we anticipate that the renewal of our M&O levy will allow us to continue in a contractual relationship. Both the City and the District share problems when it comes to capital facilities. It's not going to get us over that hurdle but it's not necessarily an urgent 'do or die' method right now with the existing contract in place. The District is included in our strategic planning process as we go forward. While this process may be put on temporary or indefinite hold, the strategic planning process will help both the City and the District better

understand where we are going. We originally put the strategic plan on hold because we were getting into the RFA planning process due to the FCS study that came out and, hindsight being what it is, I wish we had finished the strategic plan process first before we started the RFA process.

Bill Newbold said when we talk about the needs going forward of Fire District 8, we could end up with other players at the table with regards to the RFA in the future. We will recognize opportunities as we continue down the road. This is one option that is afforded to us in the future if we choose to explore it and is something meaningful to the City, District 8 and potentially others.

David Lehman asked if there is a way to continue with the RFA with a date to be implemented that was flexible so that when everything is done, it could be quickly put in place rather than having lost ground and starting from scratch?

Bill Hewett answered that the short answer is, not really. If we were to spool up again in 6 months or a year, we would know where we have been, and we wouldn't have to start over. It's like watching a television series and the beginning of the next season begins with a short recap of what happened last year. I could see us picking this up within the next few years. Last time we started with Renton's plan and so next time we wouldn't start with that, but would start with the draft plan that we had at the last meeting. Starting the strategic plan would help provide better clarification on why we went that route and, as we continue as a City and a District, look at different funding models. The City is looking at different options for increasing revenues from all City services and the District will have a conversation soon about the M&O levy as well as other models that are out there and we won't have to go through 6 months of relearning.

Mayor Kelli stated that, to her point earlier was to look at other funding source options now and look at our strategic plan and figure out what to buy and how we are going to pay for it which is a conversation we did not have before. But, we would have the conversation with a broader audience. She clarified that we have exhausted our options trying to figure out what is the right fit with our economy and the budget. We don't have to start over as we can reconstitute our committee from the people sitting here. Mayor Kelli then asked Roger Buswell if he thinks we are ready to close this conversation.

Roger Buswell answered that it just might not be the right time, but it will be down the road. The RFA is the best way to go in providing emergency services to the population. He said to look at some of the districts down south that have been in the business for a while and that it is going well.

Andy Asbjornsen said we are working on closing 2018. We are working on the last checks and trying to close out all the expenses for 2018 and closing for the year so we are getting closer.

Michael Lilliquist said he wants a solid picture of our finances and a projection on how much breathing room there is left.

Andy Asbjornsen said we are trying to true up our expenses and our projections. The budget release starts with our estimates, we true them up and bring that back to Council.

Forrest Longman said Andy is correct. He thinks we are in a similar situation to what we presented before. We won't know what the expectations for stability are until we look at the end of the year.

Mayor Kelli said that at the state level, they are not predicting a recession this year and not really predicting one next year. She said the City of Bellingham is stable and going up slightly. It does not feel like we are heading to a hole right now and we are performing better than statewide because of our retail sales, construction and Canadian shoppers. When we first started talking about the RFA and our budget, it felt more desperate and now I think we have the luxury of making choices which I don't think we had before, at least for the City.

Bill Newbold said it's been very complimentary between the City and District 8. We are far ahead in our relationships than I have witnessed in others. It gives me confidence that whenever the date to pick up is, the two agencies will pull together if they choose to do so. Compliments to the planning committee.

Mayor Kelli said there is a difference between having the planning committee do something and continuing our conversations after we have our personal conversations about taxation. She thinks it is appropriate to sunset this planning committee. In understanding the next budgeting process, they are going to be looking at a lot of options for taxation and budgeting and other ways to raise funds and talk about this outside of a planning committee. It is not difficult to reconstitute the planning committee and we already have a structure that is in place. If we put a timeframe on it, it might be artificial.

Bill Hewett replied the year 2020 when the contractual arrangement between the City and District 8 ends. City and District need to communicate in 2020 either through a contract or RFA so there is a point in time that we need to decide if it is a planning committee. At any time, we can get the governing bodies together to discuss where we are at and I am going to look at the City Attorney and set a time if there are some joint things we want to talk about, but there is a clock in 2020 and we will have to get together to talk about this.

Mayor Kelli said that once we finish looking at our options and what we want to buy for our fire service, the work groups would work fine. But, she said, these are all going to be public meetings so the District Commissioners from District 8, aside from our Chiefs, are welcome to come to those meetings and watch it on BTV10. This is not going to be discussed outside of the public purview because this is who we are going to ask to raise the funding and it's important. Mayor Kelli said she is willing to meet anytime if there is an issue and it does not have to be a formal meeting.

Mayor Kelli made the motion to dissolve the RFA and it was seconded by Robert Neher.

The motion was passed unanimously.

Questions and Closing Comments:

Bill Newbold asked if this is something you can bring back to your meetings as new or old.

Terry Borneman replied that he had not heard anything from the General Council saying we needed another report.

Brian Heinrich said he looked at the Council meeting for March 26, 2018 and there was a discussion on the RFA going forward and a financial element.

Terry Borneman said we will be putting an agenda item on Public Safety for March 25th. It was a real privilege serving with you on this committee.

Meeting adjourned 3:49 PM