



King County Fire District #40

Washington

Fire Service Options Analysis

July 2020



Emergency Services
Consulting International

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King County Fire District #40

Board of Fire Commissioners

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EXECUTIVE SUMMARY

King County Fire District #40 (District #40 or District) engaged Emergency Services Consulting International (ESCI) to conduct a Fire Service Options Analysis. After the District gathered the information and data requested by ESCI in preparation for the study, the project team began to validate information and interview stakeholders. The two primary ESCI consultants conducted their work remotely. This was done to meet the requirements of social distancing set forth by the governor due to the COVID-19 pandemic.

Purpose and Approach

The District #40 Board reported to ESCI that despite years of effort, District #40 and Renton RFA could not come to an agreement on a new contract necessitated by the formation of the RFA in 2016. Emergency Services Consulting International (ESCI) was commissioned to conduct an analysis of the conditions in place in and around District #40 to assist elected officials in identifying options and alternatives to contracting with the Renton RFA. The District has served notice to the Renton RFA that it intends to terminate the service contract, which will now expire at midnight on December 31, 2021. What follows are observations and findings, as well as recommendations for the District #40 Commissioners to consider.

The approach used by ESCI in conducting this analysis includes interviews with the elected officials of District #40, the Chair and Vice-Chair of the Renton RFA governing board, the RRFA Fire Chief, the RRFA Union President, and potential partner agencies (Puget Sound RFA and its subsidiaries, and King County Fire District #20). A significant amount of data was requested from District #40 and the Renton RFA. Since the RRFA is the service provider for the District, all operational and support activities germane to the Renton RFA's contracted services were provided by the Renton RFA.

The findings of these analyses are contained in this report. Recommendations are contained in the report as well as factors to consider and broad opportunities or challenges are identified for each potential partner option identified.

Summary of Analysis

Facilities & Equipment

District #40 owns its fire apparatus and the fire station those apparatus operate from. Personnel used to staff the apparatus (a first response engine and first response aid unit) are provided by the Renton RFA via contract. Front line (primary response units) are appropriate for their mission and are due for replacement. The facility has recently received a significant remodel (2012) and is in good condition. It should meet the needs of its current mission for the foreseeable future.

Service Demand

Demand for service is typical of communities throughout the state, with Emergency Medical incidents making up 80.4% of total responses, and fires making up 2.3% of total responses. The call volume within District #40 has increased by 22.6% over the last five years, which is a greater rate of service demand growth than that of the rest of the Renton RFA.

The largest concentration of all emergency response types within the District is located within a 1.5-mile radius around its Station 17, with a particularly concentrated hot spot between Station 17 and the intersection of 140th Avenue SE and SE Petrovitsky Road. The close proximity of the units serving the District to these concentrations is optimal for response performance and is consistent with Washington Surveying and Rating Bureau criteria for fire engine response distance.

EMS demand for service is more evenly distributed throughout the District. The concentration of greater than 100 medical incidents per square mile covers a large area of Fairwood and a secondary cluster of demand in the Boulevard Lane area. District #40 is home to several frequent users of the 9-1-1 system for non-emergent, medically-related responses, many of which are handled by the FD CARES Car operated by the Renton RFA.

Staffing for Response

The national consensus standard for response performance by career staffed fire departments is NFPA 1710. That standard calls for a minimum of 17 firefighting personnel to be assembled at a moderate risk structure fire (defined as a 2,000 square foot, two-story home, with no basement and no exposures). Given that Station 17's resources is a total of five when fully staffed, it is clear that the District must rely upon additional assets from other stations in RRFA or from other automatic aid agencies nearby to achieve 17 personnel.

Response Reliability

The workload of emergency response units can impact response time performance. The busier a given unit, the less available it is for the next emergency, thus the slower the response performance. If Station 17's response units are unavailable handling their own emergencies or are being moved to other response areas to assist other stations, the Station 17 area would need to rely upon a unit(s) from more distant stations to respond, increasing overall response time.

A certain amount of unavailability is expected; it is not cost-effective to attempt to maintain a 100% response availability. However, the higher the percentage of unit reliability (the percentage of time a first due unit is actually the first to arrive to its own calls), the more reliable the service that unit provides to its first due service area. A norm in the industry calls for unit reliability of 90% or greater. District #40 is served by units with very high reliability, as illustrated in the following chart.

Unit Reliability, 2015–2019						
Station	Unit	2015	2016	2017	2018	2019
Sta 17	E17	95.89%	96.07%	95.88%	95.63%	95.52%
	A17	89.68%	89.50%	89.62%	88.59%	89.22%

In 2019, there were 2,444 unit responses within the District #40 service area. This is the lowest total of the four two-unit stations in the RRFA. Engine 17 is the least active engine company in the RRFA, and Aid 17 is the least active aid unit in the RRFA.

Lower unit responses typically equate to higher unit reliability. Engine 17 has the highest unit reliability of any engine company in the RRFA. Likewise, Aid 17 has the highest unit reliability of any aid unit in the RRFA. Therefore, District #40's constituents can reliably count on the two units assigned to Station 17 being available to respond to their emergencies and can be expected to arrive first in single- and multi-unit emergency incidents.

Response Equity

In terms of equity in responses *from* the District to the RRFA and responses *to* the District from the RRFA, the total number of response requests show 251 responses received by District #40 in 2019 and 526 responses from the District to the RRFA (a two-to-one ratio). However, a closer look reveals a more balanced exchange of assistance. The following chart illustrates the total elapsed time District units (Engine 17 and/or Aid 17) spent in the rest of the RRFA as compared to the elapsed time RRFA units spent in District #40.

Unit Hours Given to/Received from District #40				
Unit Type	*Hours into District	*Hours out of District	Percent in	Percent Out
CARES	109	0	100%	0%
Aid	128	510	20%	80%
Engine	251	306	45%	55%
Ladder	52	0	100%	0%
Quint	6	0	100%	0%
Other	553	69	89%	11%
Total	1,099	885	55%	45%

*Rounded to the nearest hour

While District #40's aid unit is assisting other areas much more frequently than it receives assistance, its engine assistance (given versus received) is much more balanced. When considering RRFA's additional resources sent to District #40 to support multi-unit responses, handle calls when the Station 17 units are unavailable, or handle calls instead of Station 17 units to keep them in service and available for emergencies (CARES calls), the total unit hours given to District #40 by the RRFA is slightly more than the total hours provided by District #40 to the RRFA. The numbers are close enough to be considered balanced support.

Response Performance

Response time performance is measured against NFPA 1710, which calls for a full first alarm assignment (all of the units assigned to an incident on the initial alarm to deliver the Effective Response Force of 17) arriving in eight minutes travel time or less at a fire suppression incident, 90% of the time. The Renton RFA has an internal benchmark of 7 minutes, 30 seconds for all emergency response types, 90% of the time without regard to call type.

There are three separate elements that make up total response time. They are:

- **Call Processing Time:** The amount of time between when a call is received at the dispatch center and resources are dispatched.
- **Turnout Time:** The time interval between when units are notified of the incident and when the apparatus begins traveling to the incident.
- **Travel Time:** The amount of time the responding unit spends traveling to the incident.

The regional public safety dispatch center for most of South King County was tracking call processing times in a manner inconsistent with fire service industry norms, according to RRFA. Renton RFA has experienced a call processing time of 2 minutes, 28 seconds (2:28) consistently, therefore ESCI uses that datapoint for call processing.

Turnout time for Station 17 is 2:33 or less 90% of the time for 2019. Travel time for Station 17 is 7:10 or less 90% of the time.

Finances

In Washington State, a fire district's ability to levy property taxes is normally limited to a maximum of \$1.50 per \$1,000 of assessed value. However, due to the fact District #40 also assesses a benefit charge, the maximum property tax levy is reduced to \$1.00 per \$1,000 of assessed value.

Benefit charges are authorized under RCW 52.18 and limited to a maximum of 60% of the operational budget. The District has used the benefit charge method of funding since originally authorized by the voters of the District in 1990. The voters have reauthorized the use of the benefit charge every six years thereafter.

The combination of property taxes and benefit charges provide the District with a very stable and reliable funding source. This combination of funding sources also provides the District with the flexibility to keep pace with inflation, something that could not be achieved with property taxes alone.

The following chart illustrates the two primary revenue streams for District #40 between 2016 and 2020.

District #40 Property Tax and Benefit Charge Rates, 2016–2020

	2016	2017	2018	2019	2020
Regular Property Tax Levy Rate	1.00000	1.00000	1.00000	0.97656	0.96570
Benefit Charge Assessment	\$2,475,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
AVG Benefit Charge Rate	1.03831	0.78802	0.71905	0.61880	0.59253
Total Rate for Taxes and Benefit Charges	2.03831	1.78802	1.71905	1.59536	1.55823
*Total Operating Revenue	\$5,192,928	\$5,951,345	\$5,054,393	\$5,419,805	\$5,503,397

*Includes contract payments, Station 13 loan payment, and miscellaneous revenues

The majority of the District's expenses are fees paid to the Renton RFA for services it provides. The other District expenses are primarily related to legislative and administrative functions of the District, such as commissioner and secretary wages, commissioner training, legal fees, insurance and miscellaneous repairs, and maintenance of the facility and apparatus. The following chart depicts the historical expenditures for District operations from 2016 through 2020.

District #40 Operating Expense Trend, 2016–2020

	2016	2017	2018	2019	2020
RRFA Contract for Services	\$4,768,457	\$4,728,603	\$4,757,087	\$5,190,769	\$5,326,632
Fire District Expenses	\$130,889	\$168,650	\$214,273	\$213,292	\$282,950
Total Expenses	\$4,899,346	\$4,897,253	\$4,971,360	\$5,404,061	\$5,609,582

The fee paid to the Renton RFA for the contracted services is determined annually by a funding model that was established in 2008 between the District and the City of Renton. When the Renton RFA took over service delivery in 2016, the use of this legacy model for determining contract fees was continued. The model uses the wage and benefit costs for 24 fire service personnel of various ranks as a base for determining the total contract cost. Overhead for administrative and support staff and non-personnel items is added to the direct labor costs to determine the total annual cost. In 2020, the overhead costs were 60% of the direct labor costs.

ESCI requested information from both the District and the Renton RFA to gain a better understanding of the original intent behind the methodology built into the model used to determine costs. Surprisingly, both parties admitted they had very little knowledge of the history behind the model or understanding of the methodology it was built upon. The lack of clarity and resulting inability to understand how fees are established contributes to a lack of trust for both parties.

In 2005 and 2006, the District issued voter-approved Unlimited Tax General Obligation (UTGO) Bonds for the construction of a new headquarters fire station located at 18002 108th Ave. South East. The location of this station is in the Benson Hill area of the Fire District. However, the Benson Hill area was annexed into the City of Renton in March 2008.

After the annexation, the City of Renton and the District negotiated the transfer of the station to the City. The City of Renton agreed to purchase the District's share of the building in 2009. Payments are made semi-annually by the City of Renton. The scheduled annual payments are reduced by the estimated amount of bond proceeds collected from the tax parcels located in the Benson Hill area. Payments from the City of Renton are scheduled to continue through 2028. Although the City of Renton will continue to pay according to the agreement, the City transferred ownership of the station to the Renton RFA in 2016.

Voter approval of the UTGO bonds authorized the District to assess additional property taxes in the form of an "excess levy" for the sole purpose of retiring this bond debt. The 2005 and 2006 bond issuances will be fully retired by December 2021.

In 2007, the District issued \$1,320,000 in councilmanic bonds for the purpose of funding fire service equipment and an extensive upgrade to Station 17. Councilmanic Bonds or Limited Tax General Obligation (LTGO) Bonds are issued by the vote of the legislative body. The funds used to pay off these bonds must come from operating funds or other sources. In this case, the District used a combination of general funds and proceeds from the sale of a surplus facility to pay off the bonds well ahead of schedule, saving the taxpayers a significant amount in interest had the loan gone full term.

The District is on the lower end of the scale of effective tax rates for fire service agencies in the region at equivalent to \$1.56 per \$1,000 of assessed value.

Regular Levy and Benefit Charge Collections by Local Area Jurisdictions

Jurisdiction	Assessed Value	Levy Collection	Levy Rate	Benefit Charge (BC)	BC Rate	Effective Tax Rate
Fire District #40	\$3,375,364,657	\$3,259,590	0.96570	\$2,000,000	0.59253	\$1.56
Renton RFA	\$21,427,648,269	\$17,579,457	0.82041	\$17,156,621	0.80068	\$1.62
Fire District #43 (Maple Valley)	\$7,423,545,882	\$11,135,319	1.50000	\$0	0.00000	\$1.50
Fire District #20 (Skyway)	\$2,305,233,191	\$3,480,372	1.50977	\$0	0.00000	\$1.51
Valley Regional RFA	\$11,289,367,505	\$8,542,890	0.75672	\$12,405,568	1.09887	\$1.86
Puget Sound RFA	\$25,344,189,695	\$25,344,190	1.00000	\$21,960,319	0.86648	\$1.87

Community Risk

The District is predominantly a residential area with small commercial areas serving the residents there via grocery and convenience stores. The District's service area is currently 5.99 square miles, with a population of 21,196. This makes the District significantly urban in its makeup, with a smaller suburban density in the eastern portion of the District.

Flooding has been an annual issue for the Cedar River, but not for the District due to its elevation. Landslides and mudslides have been noted along a very small parcel of land in the extreme northwest corner of the District where it borders the southern edge of the Cedar River, but the risk of landslide and flooding is otherwise very low within the District #40 jurisdiction.

Earthquakes are a well-documented regional risk, but not an unusual risk as compared to the rest of the region. There are identified faults, north and south of the District, that have been active within the last 15,000 years. The greatest seismic risk is the Cascadia Subduction Zone, which runs from northern California to north of Vancouver Island, approximately 700 miles off the Pacific Coast.

Sixty-one separate commercial businesses are located within the District, but many of these are situated within strip malls. There are 6,072 single-family residences within the District, plus 742 multi-family residential units within the District in the form of condominiums and apartments. Other noteworthy occupancies include seven churches and five (or six) schools.

There are several pipelines in the general vicinity of District #40, but at the time of this writing, mapping by the owners of the pipelines was not available. The utility lines and pipelines that go through the District include Northwest Pipeline (natural gas), Puget Sound Energy (natural gas and electrical), and Seattle Public Utilities (water pipeline from Lake Youngs).

The Lake Youngs Water Treatment Facility at the Lake Youngs Watershed is one known user of hazardous materials in which the District must contend. The plant stores up to 24 one-ton cylinders of chlorine gas in an enclosed treatment building equipped with a scrubber system, a sump, and gas detectors. The plant is staffed 24 hours a day by one Water Treatment Operator. A chlorine release occurred there in 1983, when an improperly filled one-ton cylinder was delivered to Lake Youngs and, due to the improper filling, a fusible plug discharged allowing chlorine gas to escape. Two people were injured on site but the gas cloud stayed within the Lake Youngs Watershed.

Findings

1. District #40 is financially healthy.
2. District #40 does not have sufficient funds set aside in its replacement fund to replace the apparatus in need of replacement now, nor does it have a dedicated capital reserve adequately funded for scheduled apparatus replacement in the future. It does intend to move the excess funds from the LTGO Bond Fund for this purpose.
3. The contract between the District and the Renton RFA has been a source of conflict since initially renegotiated in 2018, and remains an unresolved point of contention.
4. Resource concentration within the District is robust, with a staffed engine and a staffed aid unit handling the calls within the District area. Unit reliability is high for the engine (95.52%) and acceptable for the aid unit (89.22%).
5. Response equity is balanced when considering unit hours versus numerical count of responses.
6. Response performance in the District is below industry standards and below RRFA standards, but is consistent with performance throughout the RRFA and the response performance of other agencies in the region.
7. District #40 is within the City of Renton's Potential Annexation Area, making annexation by the city a significant risk to the District and future partners if it partnered with any agency other than the Renton RFA.
8. Negative labor implications would likely result (for the new partner agency) as an outfall of any partnership pursued by the District if the change has an adverse impact (real or perceived) on positions within IAFF Local 864.
9. District #40 could pursue a new contract for services with the Renton RFA, rescinding the letter of intent to terminate.
10. District #40 could pursue annexation into the Renton RFA, which necessitates modification of the Renton RFA plan (RCW 52.26.300), followed by a vote by the District #40 electorate.

11. District #40 could pursue a merger with King County Fire District #25, which essentially integrates District #40 into the Renton RFA. As a practical matter, the RFA plan would need to be modified to factor in District #40 and would require RFA governing board cooperation in that regard.
12. District #40 could pursue a contract for services with Puget Sound RFA. This requires the implementation of a contract similar to the SeaTac model. Further, this requires the District to pay PSRFA upfront to hire 24 firefighters to staff the District #40 station and be fully operational by January 1, 2022 (the day after the expiration of the Renton RFA contract).
13. District #40 could pursue a merger with King County Fire District #37, which essentially integrates District #40 into the Puget Sound RFA. As a condition of the RFA plan itself, the RFA plan would need to be modified and would require RFA governing board cooperation and concurrence with the Puget Sound RFA electorate. A merger does not net additional seats on the governing board for the Puget Sound RFA and would require voter approval by a majority vote of the electorate of the PSRFA to expand the service area.
14. District #40 could pursue a merger with King County Fire District #43. Merging with District #43 would cause District #40 to lose its benefit charge in favor of District #43's funding model of \$1.50/1,000 AV plus a multi-year levy lid lift through 2023. This creates a deficit for District #40. Numerous other disincentives exist.
15. District #40 could pursue a contract for services or a merger into King County Fire District #20. In either case, to maintain existing service levels, District #40 would have to pay for the hiring and training of 24 firefighters to staff the District #40 station and be fully operational by January 1, 2022 (the day after the expiration of the Renton RFA contract). Numerous other disincentives exist.

Recommendations

ESCI recommends re-engaging with the Renton RFA to negotiate a performance-based contract. Both parties would benefit from obtaining the services of a neutral third party to facilitate this. The City of SeaTac contract with the Puget Sound Fire Authority is an excellent model to follow. It is a performance-based contract, and while it has unique features not necessary for District #40, the main elements shore up areas of weakness in the existing RRFA-District #40 contract. Specifically, the SeaTac model contains service level performance with metrics and the cost allocation formula is attached as an addendum so it can be replicated in future contracts. The SeaTac contract is attached to this study as an addendum.

Key contract elements should include, but not limited to:

- Service level performance metrics (at least to the current level of response performance)
- Staffing level to the current level
- Cost allocation formula detailed (see SeaTac model for example)
- Loss of revenue due to annexation offset in cost of contract
- Transfer of assets, specifically all apparatus (elimination of redundant reserve apparatus)
- Communication directly to District patrons from Renton RFA to include a portion of the communication reserved for Commissioner comments

Once trust is regained and relationships restored (after operating under contract smoothly for a few years), ESCI would recommend approaching the Renton RFA to pursue annexation into the Authority. By doing so, the District is no longer subject to contract renegotiation and has a full voting representation at the table of governance (consistent with the amendments of the RFA plan).

CURRENT CONDITIONS

This portion of the study provides context for the operating environment of King County Fire District #40 (hereinafter referred to as District #40, or the District). The evaluation and analysis of data and other information are based significantly on the internal data provided by the District, along with supporting information from the Renton Regional Fire Authority staff, and other external sources. To the extent appropriate, the current conditions are compared to industry benchmarks and best practices, such as National Fire Protection Association (NFPA) standards, Commission on Fire Accreditation International (CFAI) self-assessment criteria, health and safety requirements, national mandates relative to emergency services, and generally accepted best practices within the emergency services community.

Each element of the current conditions is intended to provide the reader with general information as well as observations and analysis of any significant issues or conditions that are pertinent for the elected officials to consider. Finally, specific recommendations may be included to address identified issues or to take advantage of opportunities that may exist.

Organization & System Overview

King County Fire District #40 (District #40) was formed in 1949 by a vote of the people in the area then known as Spring Glen, alternatively as Benson Hill. It is a special purpose district as established under Title 52 of the Revised Code of Washington (RCW). At its height, District #40 operated three fire stations, which covered over 13 square miles stretching from Talbot Road/SE Carr Road to SE 196th Drive/Shady Lake west to east, and from SR 169/Maple Valley Highway to SE 192nd Street north to south. The area has shrunk due to subsequent City of Renton annexations. Not included in the District #40 boundary but served under contract by the District is the Lake Youngs Watershed, which is owned and operated by the Seattle Public Utilities.

Prompted in large part by the annexation of the Benson Hill area, District #40 entered into an interlocal service agreement with the City of Renton on February 8, 2008, to provide Fire and Emergency Services to the District. All District personnel were transferred to the City of Renton Fire Department. The City of Renton was subsequently a party to the formation of the Renton Regional Fire Authority along with King County Fire District #25 in April 2016, and began operations on July 1, 2016. Upon formation, the fire personnel from District #25 and the City of Renton (including those transferred from District #40) were transferred to the Renton Regional Fire Authority (RRFA) to provide emergency services to the combined area along with District #40 through the interlocal service agreement. The service agreement was further revised in January 2018.

Since all line personnel were transferred from the District to the RRFA, the District no longer employs any full-time personnel, instead relying upon the RRFA to provide response personnel and administrative support consistent with the contract. The District is now made up of five elected commissioners forming the board, and a part-time District Secretary.

Washington Surveying & Rating Bureau

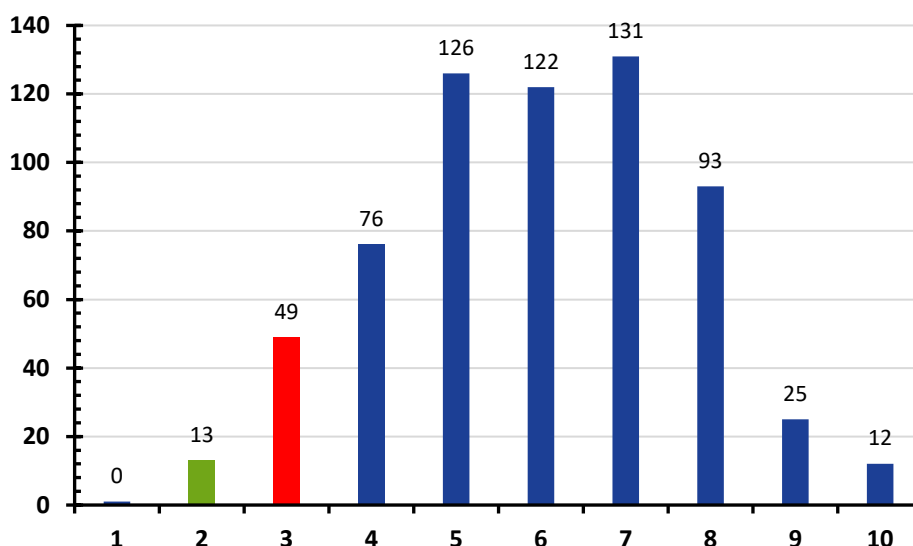
The District has received a public protection classification assessment by the Washington Surveying & Rating Bureau (WSRB), which is an independent, not-for-profit, public service organization serving Washington State.

The WSRB rates fire departments by risk level between 1 and 10, with a low score reflecting superior protection (1 indicates exemplary fire protection; 10 indicates no recognized fire protection). Many insurance companies use the WSRB rating classification to determine insurance premium rates for residences and commercial properties. The Public Protection Class designation is determined by WSRB's assessment of the fire department's ability to suppress fires and manage fire risk. Categories include:

- **Fire Department** (40% of score): distribution of fire stations, engine and ladder companies, pumping capacity, apparatus maintenance, department personnel staffing, and training.
- **Water Supply** (35% of score): adequacy of firefighting water supply, including water flow, hydrant locations, and system maintenance.
- **Emergency Communications** (9% of score): evaluation of the community's 911 system ability to receive and handle calls for emergency services.
- **Fire Safety Control** (16% of score): fire prevention, public education, and building code enforcement.

The most recent WSRB evaluation for District #40 (effective February 1, 2019) resulted in a WSRB Public Protection Class 3 (red bar). The Renton Regional Fire Authority enjoys a Class 2 protection rating (green bar). The following figure reflects these two ratings as a ratio of the fire service in Washington State.

Figure 1: WSRB Public Protection Classifications of Fire Departments, WA

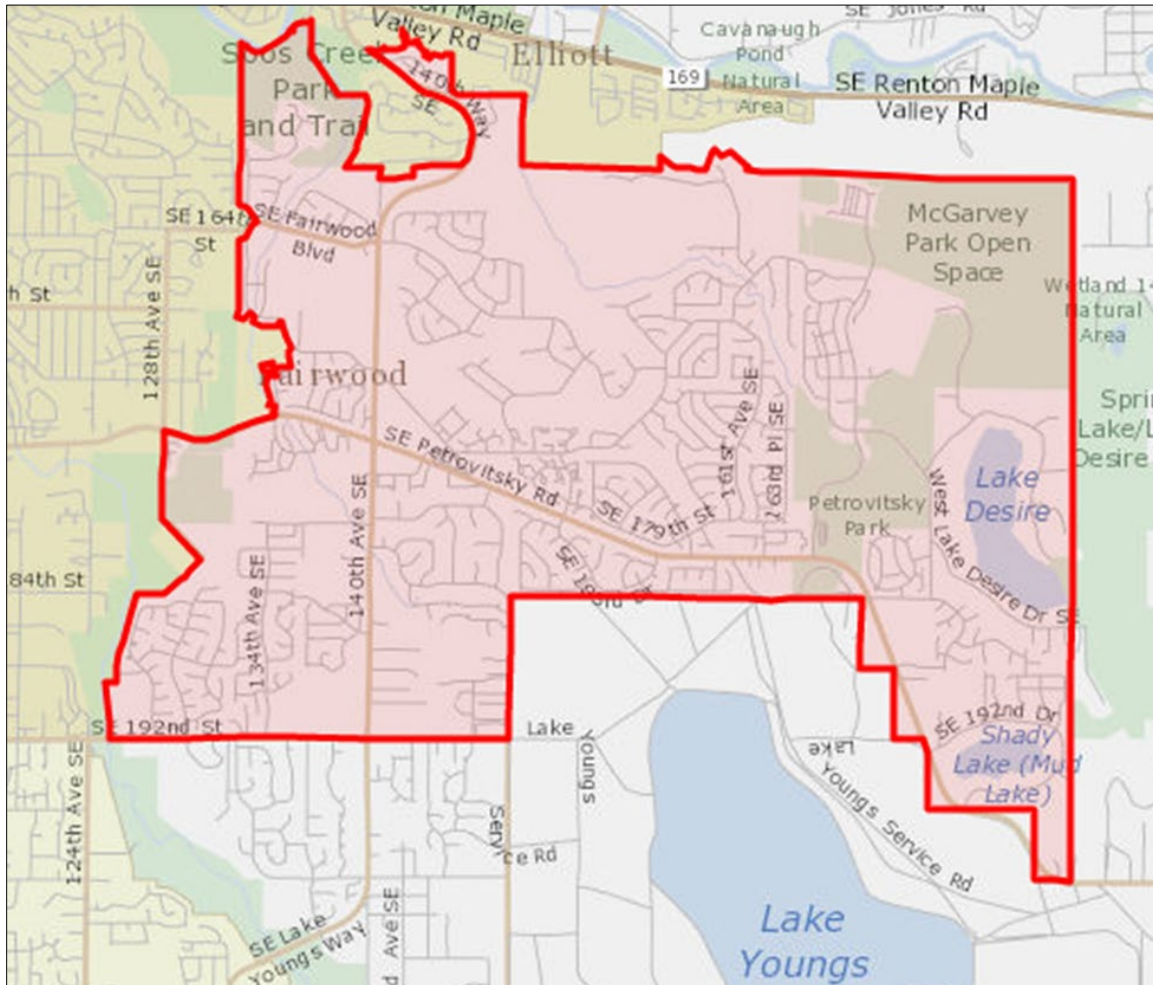


The difference in classification would likely only affect commercial businesses in terms of annual fire insurance premiums. Additional illustrations of the protection class ratings and their correlation with fire loss and fire insurance premiums for residential and commercial properties are included in Appendix C of this report.

Geography & Demographics

The District is, on average, approximately 515 feet above sea level. It lies somewhat centered in the developed portion of King County, but southeast of and contiguous to the Renton Regional Fire Authority. The District is predominantly a residential area with small commercial areas serving the residents there via grocery and convenience stores. The District's service area is currently 5.99 square miles, with a population of 21,196. This makes the District significantly urban in its makeup, with a smaller suburban density in the eastern portion of the District. The District's current footprint is illustrated in the following figure.

Figure 2: District #40 Boundaries (Source: King County Assessor)



Infrastructure

The District is served from one fire station, which is owned and maintained by the District. The District does not have a formal capital improvement plan in place. With Station 17 recently undergoing a significant remodel, ESCI does not anticipate a need for major outlay of funds for capital improvement other than routine facility maintenance such as re-roofing, ramp repair, HVAC and other mechanical system repairs that should be anticipated and budgeted for in a dedicated reserve fund and listed in a capital facilities maintenance fund. The specifics of the station and equipment are detailed in the following figure.

Figure 3: Station 17
14810 SE Petrovitsky Rd., Renton



General Description:

Station 17 has the following features: District Board office, 3 back-in bays, 7 bedrooms, exercise equipment, kitchen, individual lockers, a training/meeting room to accommodate eight, gender-specific restroom/shower facilities, and a washer/dryer. In addition, the building is sprinklered with smoke detection, contains a decontamination/biohazard mitigation room, and apparatus exhaust system. Exterior doors are secured with combination locks and perimeter security fence.

Structure

Construction Type	Brick
Date of Construction	1971, major interior remodel in 2012
Seismic Protection	Yes, completed during 2012 remodel
Auxiliary Power	Yes
General Condition	Good
Special Considerations (ADA, etc.)	ADA upgrades completed during 2012 remodel
Square Footage	7,000 sq. ft.

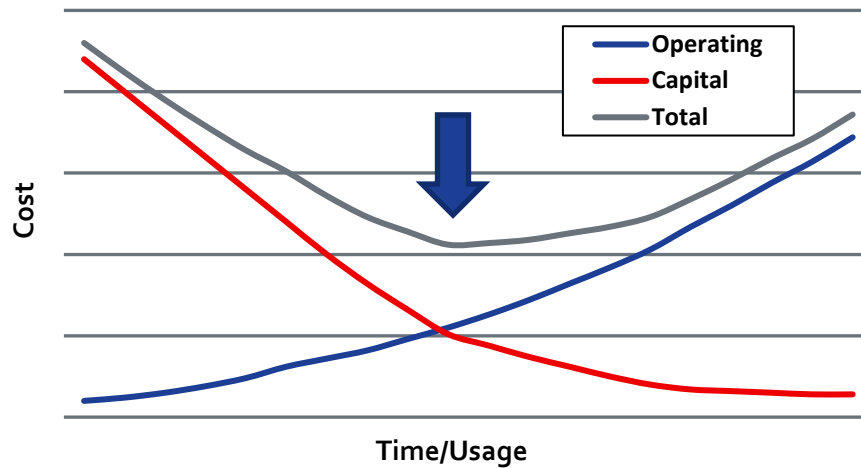
Assigned Apparatus/Vehicles

Apparatus	Min. Staffing*	Comments
Engine 17 (2006 H&W Spartan)	3	84,887 miles
Aid 17 (2011 Navistar NorthStar)	2	104,717 miles
Brush 17 (owned by Renton RFA)	CS	Housed at Station 17
Decon 17 (owned by Renton RFA)	N/A	Trailer (requires tow vehicle) for use on hazmat incidents
Engine 317 (2003 H&W Spartan)	N/A	Reserve – mileage not provided
Aid 317 (2002 Ford/Braun)	N/A	Reserve – 88,919 miles
Total Minimum Station Staffing:	5	

*“CS” indicates a typically unstaffed unit that, if needed, is cross staffed (crewmembers from a staffed unit cross over to staff the usually unstaffed unit, leaving the normally staffed unit unstaffed or understaffed).

The District does not have a formal apparatus replacement plan in place. The District’s front-line apparatus currently meets replacement criteria. The District has set funds aside each year to contribute toward apparatus replacement, intending to move excess funds from the LTGO Bond Fund in 2020 (see *Fiscal Analysis* section of this report). It is important to establish a formal apparatus replacement schedule and dedicate funding to it annually.

A conceptual model utilized by many fire departments is the *Economic Theory of Vehicle Replacement*. The theory states that, as a vehicle ages, the capital value diminishes and its operating cost increases. The combination of these two elements produces a total cost/value curve. The model suggests the optimal time to replace any piece of apparatus is when the operating cost begins to exceed the capital value. This optimal time may not be a fixed point, but rather a range of time. The flat spot at the bottom of the total curve in the following figure represents the replacement window.

Figure 4: Economic Theory of Vehicle Replacement

Shortening the replacement cycle to this window allows an apparatus to be replaced at optimal savings to the department. If an agency does not routinely replace equipment in a timely manner, the overall reduction in replacement spending can result in a quick increase in maintenance and repair expenditures. Fire officials who assume that deferring replacement purchases is a good tactic for balancing the budget need to understand two possible outcomes that may occur as a result of that decision:

- Costs are transferred from the capital budget to the operating budget.
- Such deferral may increase overall fleet costs.

Regardless of its net effect on current apparatus costs, the deferral of replacement purchases increases future replacement spending needs, impact operational capabilities, and efficient use of the apparatus.

The *Life-Cycle Theory of Vehicle Replacement* establishes vehicle benchmarks based on practical, empirical information that is easy to observe and verify. This method is often used by fire departments due to its simplicity and ease of understanding. One example of vehicle classification is shown in the following figure.

Figure 5: Life-Cycle Theory of Vehicle Replacement

Condition	Characteristics	
Excellent	<ul style="list-style-type: none"> • < Five years old. • < 800 engine hours. • < 25,000 miles if not used in stationary applications. • No known mechanical defects. 	<ul style="list-style-type: none"> • Very short downtime and very little operating expense. • Excellent parts availability. • Very good resale value. • Meets all NFPA 1911 safety standards.
Very Good	<ul style="list-style-type: none"> • > Five years but less than 10 years old. • > 800, less than 1,600 engine hours. • > 25,000 but fewer than 50,000 miles if not used in stationary applications. • No known mechanical or suspension defects present. 	<ul style="list-style-type: none"> • Short downtime and above average operating costs. • Good parts availability. • Good resale value. • Meets all NFPA 1911 safety standards.
Good	<ul style="list-style-type: none"> • > 10 years but less than 15 years old. • Some rust or damage to the body or cab. • > 1,600 but < 2,400 engine hours. • > 50,000 but fewer than 75,000 miles if not used in stationary applications. • Some existing mechanical or suspension repairs are necessary. 	<ul style="list-style-type: none"> • Downtime and operational costs are beginning to increase but not significantly above the average. • Parts still available but difficult to find. • Resale value decreasing. • Meets NFPA 1911 safety standards.
Fair	<ul style="list-style-type: none"> • > 15 years but less than 20 years old. Should only be used in reserve status. • Rust, corrosion, or body damage apparent on body or cab. • > 2,400 engine hours. • > 75,000 but fewer than 100,000 miles if not used in stationary applications. • Existing mechanical or suspension repairs necessary. 	<ul style="list-style-type: none"> • Downtime is increasing, and operational costs are significantly above the historical average. • Parts are becoming harder to find and/or obsolete. • Very little resale value. • Does not meet all NFPA 1911 safety standards.
Poor	<ul style="list-style-type: none"> • > 20 years old but less than 25 years old. Should only be in reserve status if still operational. • Rust, corrosion, or damage to body of cab impacting apparatus use. • 3,200 engine hours • > 100,000 miles • Existing mechanical/suspension problems affecting apparatus operation. 	<ul style="list-style-type: none"> • Downtime exceeding in-service availability. • Operational costs are exceeding the resale value of the apparatus. • Parts are obsolete. • Does not meet NFPA 1911 safety standards. • Strong candidate for replacement.
Retire	<ul style="list-style-type: none"> • 25 years old and/or not meeting NFPA 1911 standards. 	

Service demand, training and drilling sessions, and other activities can all impact the service life of fire apparatus and other vehicles. The following figure represents a basic recommended replacement policy by apparatus and vehicle type. Using this, planning for apparatus replacement should be based on age and/or mileage; whichever the apparatus attains first, but in any case, should comply with NFPA 1911 Annex D as a safety standard.

Figure 6: Heavy Apparatus Replacement Formula

Evaluation Components	Points Assignment Criteria
Age	One point for every year of chronological age, based on in-service date.
Miles/Hours	One point for each 10,000 miles or 1,000 hours.
Service	1, 3, or 5 points are assigned based on type of service unit receives. (For instance, fire pumpers would be given a 5 because it is classified as severe duty service.)
Condition	This category takes into consideration body condition, rust interior condition, accident history, anticipated repairs, etc. The better the condition, the lower the points assignment.
Reliability	Points are assigned as 1, 3, or 5 depending on the frequency that a vehicle is in the shop for repair. (For example, a 5 would be assigned to a vehicle in the shop two or more times per month on average, while a 1 would be assigned to a vehicle in the shop an average of once every three months or less. Maintenance shop should be consulted to determine points.

Point Ranges	Condition Rating	Condition Description
Under 18 points	Condition I	Excellent
18–22 points	Condition II	Good
23–27 points	Condition III	Considered Replacement
28 points or higher	Condition IV	Immediate Replacement

In addition to the criteria in the replacement formula in the previous figure, the criteria contained in the National Fire Protection Association (NFPA) 1911: *Standard for Automotive Fire Apparatus; Annex D Guidelines for First-Line & Reserve Fire Apparatus* should be included as a minimum. Essentially, this standard recommends that heavy apparatus (engines, ladders, and tenders) should be in front-line service for a maximum of 15 years and up to a maximum of 10 additional years in reserve before being replaced. The purpose of this recommendation is to ensure that contemporary safety elements are built into the apparatus being relied upon to serve the community, such as rollover protection or seatbelt warning systems.

Recommendation:

- Adopt an apparatus replacement schedule and annually contribute to a dedicated apparatus replacement reserve fund, adjusting contribution rate to reflect target replacement cost annually.

Staffing

The RRFA provides the personnel assigned to operate the District units by contract. This includes a three-person engine company and a two-person aid unit. The remaining two vehicles assigned to Station 17, Brush 17 and Decon 17, are considered support units and are cross staffed by elements of the crew normally staffing Engine 17 and Aid 17 if needed. The RRFA owns these support units.

The Renton RFA, which provides the staffing for District #40 via the interlocal agreement, operates a four-platoon system (four 24-hour shifts) with five firefighters per platoon assigned to Station 17. The Renton RFA provides specialty services to its service area with technicians (e.g., hazmat technician, rope rescue technician, or water rescue technician), but these technicians are not routinely assigned to Station 17. Instead, they are assigned to stations where the equipment they rely upon is located.

Service Delivery & Performance

This section of the report focuses on how well service is delivered within District #40 from a response performance standpoint.

Service Demand

The demand for service (the number of times 9-1-1 is called requesting an emergency response) has a significant impact on the availability of static resources (in this case, an engine and an aid car assigned to Station 17).

The following figure uses the National Fire Incident Reporting System (NFIRS) incident categories to examine the nature of service demand in the entire Renton RFA area.

Figure 7: Service Demand by NFIRS Category, 2019

NFIRS Category	Count	% of Total
1—Fire	46	2.3%
2—Rupture/Explosion	4	0.2%
3—Rescue/EMS (516 transports)	1,628	80.4%
4—Hazardous Condition	36	1.8%
5—Service Call	62	3.1%
6—Good Intent Call	116	5.7%
7—False Alarms	130	6.4%
8—Severe Weather/Natural Disaster	2	< .1%
9—Other Incidents	0	0.0%
Total (2019)	2,024	100%

In Figure 8, the nine NFIRS incident categories are aggregated into three primary categories of Fire, EMS, and Other.

Figure 8: Service Demand Categorized as Fire, EMS, and Other, 2019

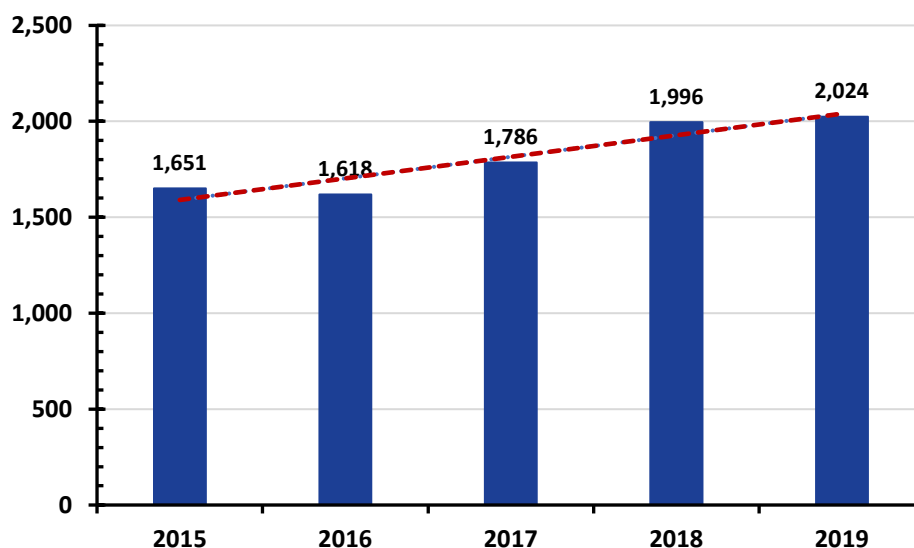
Incident Category	Percentage
EMS	80.4%
Other	17.3%
Fire	2.3%

Using the NFIRS incident type definitions, ESCI categorizes incidents as “Fire” (structures, vehicle, brush, any 100 series incident in NFIRS), “EMS” (all calls for medical service including MVAs and rescues, any 300 series incident in NFIRS), and “Other” (false alarms, HazMat incidents, service calls, all other NFIRS incident series).

EMS incidents represent over 80% of the service demand, which is consistent with the fire service nationally. Fire incidents represent less than 3% of the total emergency responses, which is also consistent with the fire service nationally.

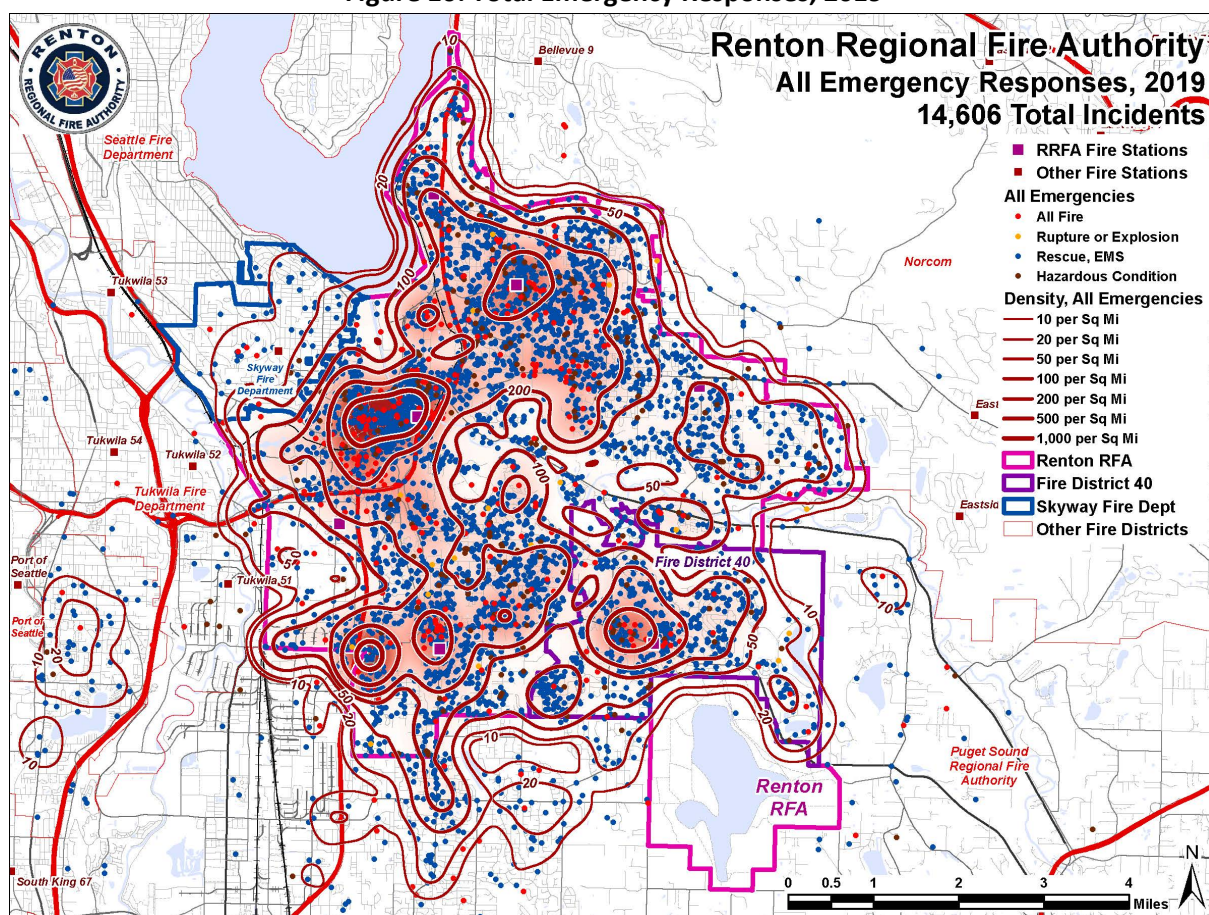
Call volume is steadily increasing over time within the District as well. The call volume within District #40 has increased by 22.6% over the last five years, which is a greater rate of service demand growth than that of the rest of the Renton RFA.

Figure 9: District #40 Service Demand Trend, 2015–2019



The response area within the District is generally rectangular, with Station 17 well positioned to the response area. Incident distribution within the District (and the RRFA) is depicted in the following figure. The figure represents incidents within the entire Renton Fire Authority, including District #40 and the Lake Youngs Water Shed. While the Lake Youngs Water Shed is part of the Fire District, it is adjacent to the District and is contractually obligated to protect it. The District #40 area is highlighted in purple boundaries.

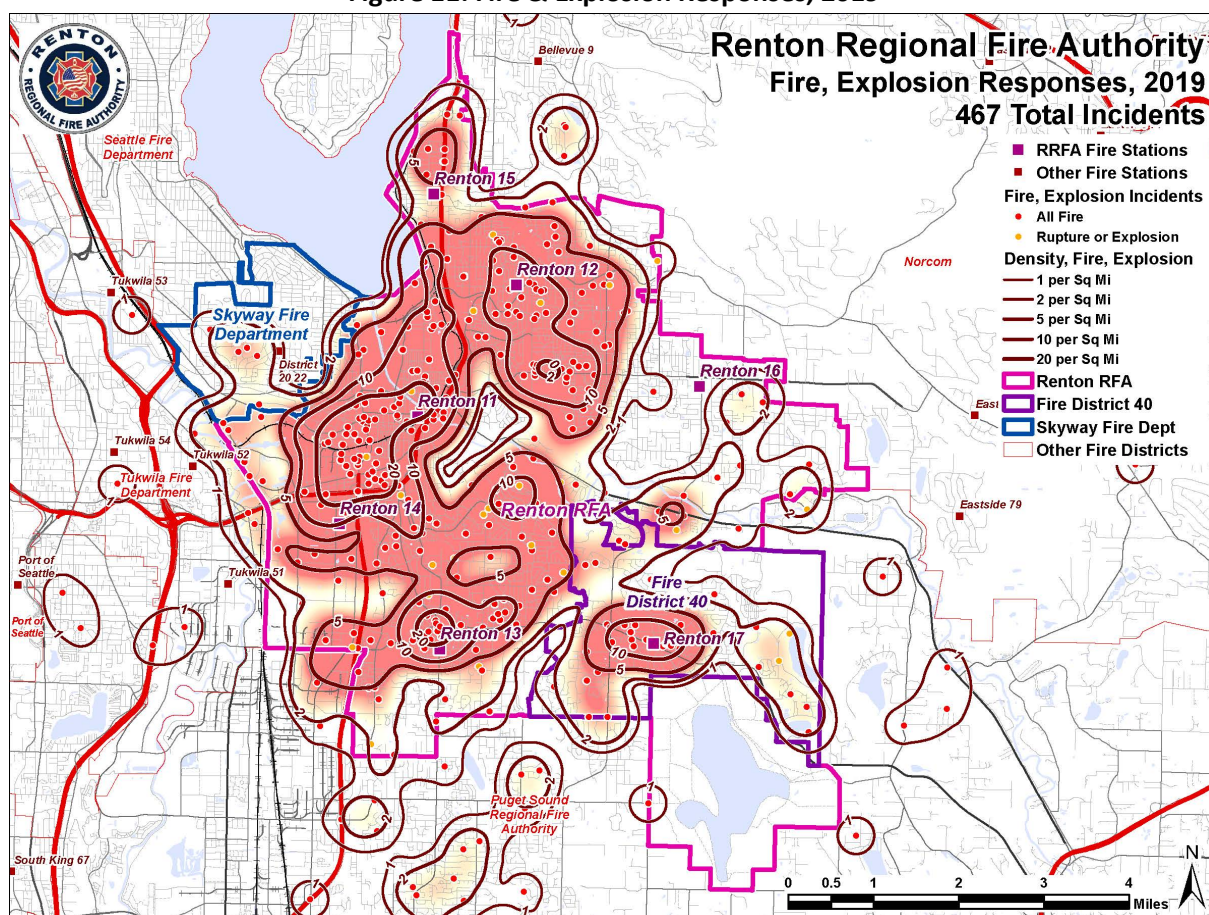
Figure 10: Total Emergency Responses, 2019



The largest concentration of emergency responses is located within a 1.5-mile radius around Station 17, with a particularly concentrated hot spot between Station 17 and the intersection of 140th Avenue SE and SE Petrovitsky Road. The close proximity of the units serving the District to these concentrations is optimal for response performance and is consistent with WSRB rating criteria for fire engine response distance.

It is helpful to also focus on the incident distribution by type and by location. The following figure illustrates a geographical heat map of fire incidents in 2019.

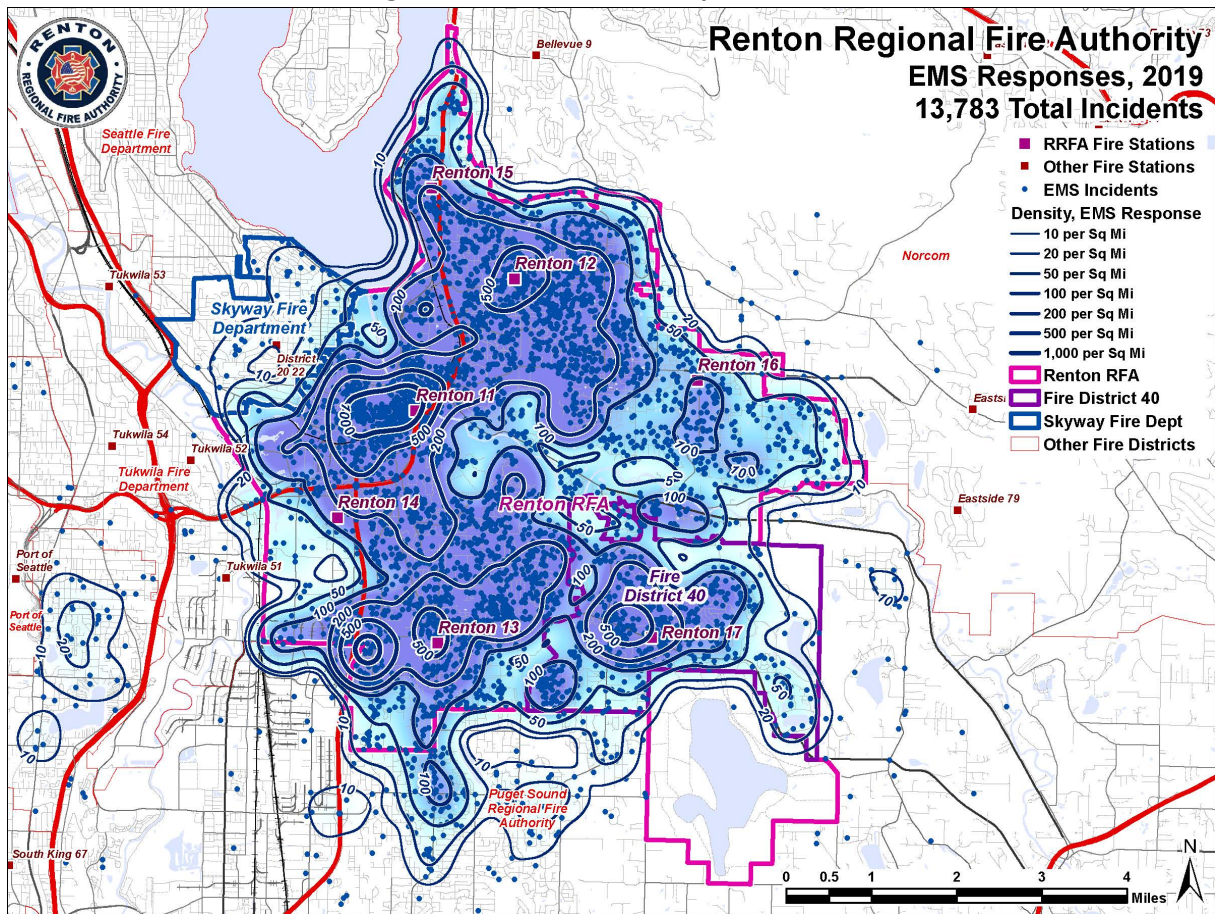
Figure 11: Fire & Explosion Responses, 2019



Again, the greatest concentration of fire and explosion responses is within a 1.5-mile radius around Station 17. This provides a great opportunity to provide a quick initial response, although insufficient for a sustained incident, such as a residential house fire (discussed in greater detail in the *Response Performance* portion of this report).

The following figure illustrates a geographical heat map of EMS incidents in 2019.

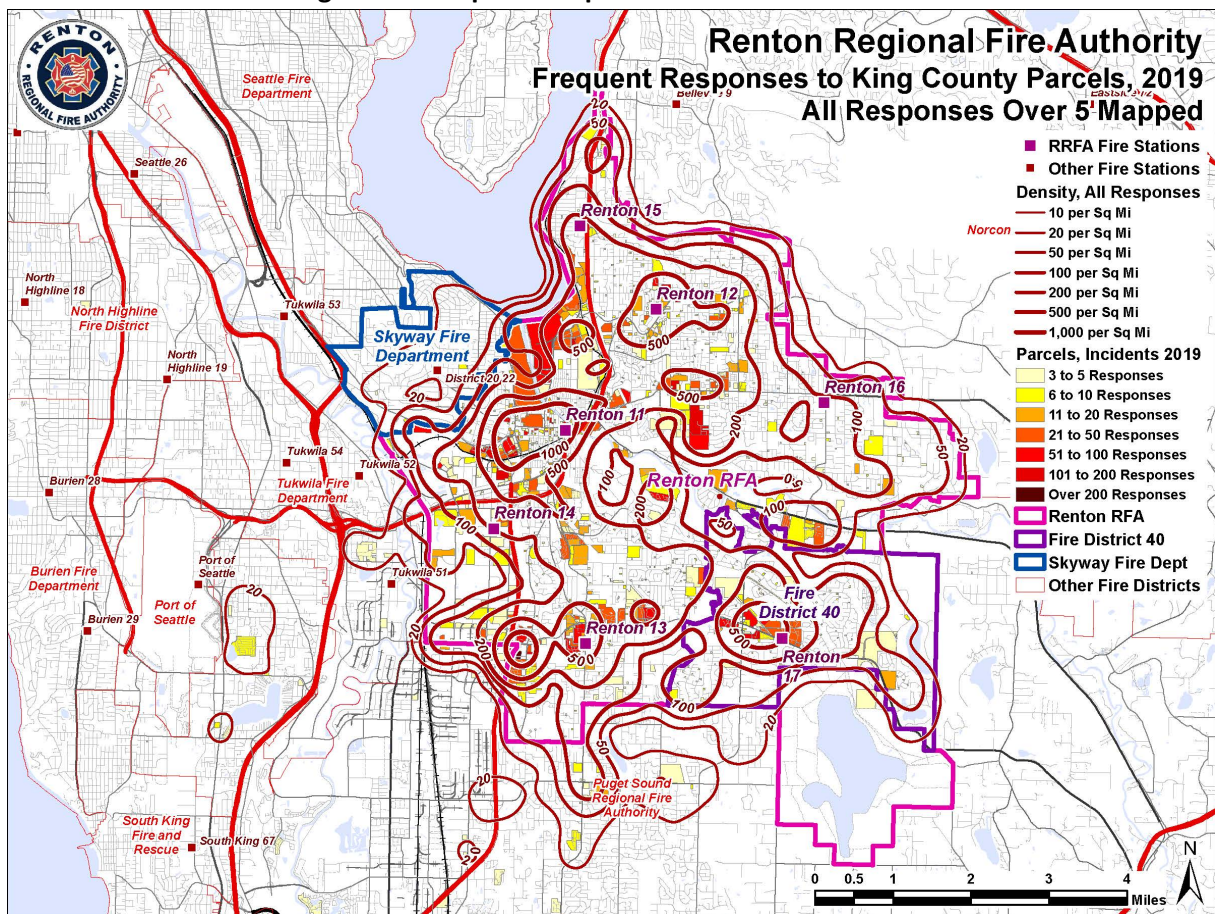
Figure 12: EMS Incident Responses, 2019



As is predictable, the EMS demand for service is much higher than all other call types, and is more evenly distributed throughout the District. The concentration of greater than 100 medical incidents per square mile covers a large area of Fairwood and a secondary cluster of demand in the Boulevard Lane area.

A seldom tracked data element in service demand is the addresses that repeatedly call for emergency services. These are often care facilities for non-ambulatory residents, group homes for semi-ambulatory residents, or elder care centers and homes for fragile residents requiring frequent medical assistance. These addresses drive call volume significantly, and can often be engaged in joint problem-solving where frequent demand depletes emergency vehicles from the system to handle what is often a non-emergent assist. The FD CARES program for the Renton RFA provides assistance to those who are not true emergencies, freeing emergency resources for emergency use. District #40 is home to several frequent users of the 9-1-1 system, many of which are handled by the FD CARES Car. The locations of frequent (five or more calls per year) users of the system are illustrated in the following figure.

Figure 13: Frequent Response Parcels in District #40



There are several locations within close proximity to Station 17 that, when combined, add up to 500 responses per square mile in 2019. These parcels are precisely why a CARES program is created and is invaluable to a response system when demand for service begins to stretch the availability of constrained emergency resources.

Resource Concentration

The resource concentration analysis examines the ability of the District to assemble multiple resources (both apparatus and people) so that sufficient resources arrive in a timely manner to mitigate an emergency safely and effectively. Per NFPA 1710, the minimum number of personnel to be assembled at a moderate risk structure fire (defined as a 2,000 square foot, two-story home, with no basement and no exposures) is 17 personnel if an aerial apparatus is used.¹ This total is referred to as an effective response force (ERF). Given that Station 17's resources, fully staffed, equal five, it is clear that the District must rely upon additional assets from other stations in RRFA or from other automatic aid agencies nearby to achieve 17 personnel. The critical tasking assignment for a residential structure fire (moderate risk fire) as established by the Renton RFA Standards of Cover (and consistent with NFPA 1710) is illustrated in the following figure.

¹ NFPA 1710 (2020), Section 5.2.4.1.1.

Figure 14: Renton RFA Critical Task Analysis—Moderate Risk Fire

Critical Tasks	Minimum Personnel
Attack Line	2
Driver/Pump Operator	1
Water Supply	*
Standby/Rapid Intervention Crew	3
Search and Rescue	3
Ventilation	3
Forcible Entry	*
Back-up Line	3
Command	1
Safety	1
ERF	17

*Task accomplished concurrently with other tasks.

The concentration of resources is an indicator of potential service capability, but not the only indicator. If response demand is low and resource concentration is high, that represents a potentially inefficient distribution of resources. This is further analyzed in the next section of this report.

Unit Reliability

The workload of emergency response units can be a factor in response time performance. The busier a given unit, the less available it is for the next emergency. If Station 17's response units are unavailable handling their own emergencies or are being moved to other response areas to assist other stations, the Station 17 area would need to rely upon a unit(s) from more distant stations to respond, increasing overall response time.

The following figure displays the number of responses per apparatus during 2019. All reserve apparatus responses were added to front line unit numbers in the figure. This analysis differs from the Service Demand Analysis in that the total workload for each apparatus is measured, which includes instances of multiple units responding to the same incident, such as a structure fire.

Figure 15: District #40 Unit Responses as compared to Renton RFA Units, 2019

Response By Station & Unit, 2019								
Unit	Sta 11	Sta 12	Sta 13	Sta 14	Sta 15	Sta 16	Sta 17	Unit Total
E11	3,058	105	112	263	72	31	12	3,653
L11	995	105	96	198	81	40	24	1,539
E12	66	1,214	3	1	87	144	1	1,516
A12	73	2,075	5	18	92	120	0	2,383
E13	66	7	1,433	54	3	3	96	1,662
A13	69	20	2,383	88	15	6	41	2,622
E14	186	14	150	1,184	7	9	6	1,556
E15	134	192	6	22	765	35	2	1,156
E16	5	161	1	1	0	1,243	6	1,417
E17	6	0	106	3	2	23	747	887
A17	17	22	137	25	5	29	1,386	1,621
*Other	120	108	138	25	29	35	123	578
Sta. Total	4,795	4,023	4,570	1,882	1,158	1,718	2,444	20,590

*May include RRFA CARES car, brush unit, battalion chief, or other non-primary unit.

In 2019, there were 2,444 unit responses within the District #40 service area. This is the lowest total of the four two-unit stations in the RRFA. Engine 17 is the least active engine company in the RRFA, and Aid 17 is the least active aid unit in the RRFA.

A certain amount of unavailability is expected; it is not cost-effective to attempt to maintain a 100% response availability (see discussion in the *Community Risk* section of this report). However, the higher the percentage of unit reliability (the percentage of time a first due unit is actually the first to arrive to its own calls), the more reliable the service that unit provides to its first due service area. A norm in the industry calls for unit reliability of 90% or greater. The following figure illustrates the unit reliability for each unit in the Renton RFA for each of the last five years, including District #40 (Station 17).

Figure 16: Reliability by Unit, 2019

Unit Reliability, 2015–2019						
Station	Unit	2015	2016	2017	2018	2019
Sta 11	E11	85.33%	83.61%	84.50%	84.83%	86.36%
	L11	92.52%	91.60%	92.07%	92.83%	94.04%
Sta 12	E12	92.27%	92.59%	92.83%	92.95%	93.86%
	A12	84.33%	84.31%	84.43%	84.33%	86.06%
Sta 13	E13	91.82%	90.99%	93.22%	92.66%	92.08%
	A13	86.62%	88.73%	85.13%	84.33%	83.34%
Sta 14	E14	94.33%	93.94%	92.27%	91.96%	92.63%
Sta 15	E15	100%	100%	100%	100%	94.69%
Sta 16	E16	93.02%	92.96%	92.35%	92.97%	92.16%
Sta 17	E17	95.89%	96.07%	95.88%	95.63%	95.52%
	A17	89.68%	89.50%	89.62%	88.59%	89.22%

By comparing the unit responses data from Figure 15 with unit reliability data in Figure 16, it is clear that lower unit responses equate to higher unit reliability. Engine 17 has the highest unit reliability of any engine company in the RRFA. Likewise, Aid 17 has the highest unit reliability of any aid unit in the RRFA. Therefore, District #40's constituents can reliably count on the two units assigned to Station 17 being available to respond to their emergencies and can be expected to arrive first in single- and multi-unit emergency incidents. This can be further revealed in response performance data, analyzed in the next section of this report.

In terms of equity in responses *from* the District to the RRFA and responses *to* the District from the RRFA, the total number of response requests show 251 responses received by District #40 in 2019 and 526 responses from the District to the RRFA (a two-to-one ratio). However, a closer look reveals a more balanced exchange of assistance. The following figure illustrates the elapsed time District units (Engine 17 and/or Aid 17) spent in the rest of the RRFA as compared to the elapsed time RRFA units spent in District #40.

Figure 17: Response Duration Given to/Received from District #40 by Unit Type, 2015–2019

Unit Hours Given to/Received from District #40				
Unit Type	*Hours into District	*Hours out of District	Percent in	Percent Out
CARES	109	0	100%	0%
Aid	128	510	20%	80%
Engine	251	306	45%	55%
Ladder	52	0	100%	0%
Quint	6	0	100%	0%
Other	553	69	89%	11%
Total	1,099	885	55%	45%

*Rounded to the nearest hour

While District #40's aid unit is assisting other areas much more frequently than it receives assistance, its engine assistance (given versus received) is much more balanced. When considering RRFA's additional resources sent to District #40 to support multi-unit responses, handle calls when the Station 17 units are unavailable, or handle calls instead of Station 17 units to keep them in service and available for emergencies (CARES calls), the total unit hours given to District #40 by the RRFA is slightly more than the total hours provided by District #40 to the RRFA. The numbers are close enough to be considered balanced support.

Response Performance

The staffing levels referred to in Figure 14 also have a time component to them. The minimum number of personnel responding on the appropriate apparatus must arrive in a timely enough manner to have the chance to affect a positive outcome for the incident. These timelines are referred to as response time performance. Response time performance is measured against NFPA 1710, which calls for a full first alarm assignment (all of the units assigned to an incident on the initial alarm to deliver the ERF of 17) arriving in eight minutes travel time or less at a fire suppression incident, 90% of the time.² The Renton Fire Department (predecessor to the Renton Regional Fire Authority) had an internal benchmark of 7 minutes, 30 seconds for all emergency response types, 90% of the time without regard to call type. The 2017 Standards of Cover, created by the Renton RFA, recommends adopting response performance standards for each major element of the response continuum. These elements, when combined, comprise the total response time for emergency responses.

Total response time is composed of the following components:

- **Call Processing Time:** The amount of time between when a call is received at the dispatch center and resources are dispatched.
- **Turnout Time:** The time interval between when units are notified of the incident and when the apparatus begins traveling to the incident.
- **Travel Time:** The amount of time the responding unit spends traveling to the incident.

² NFPA 1710 (2020), Section 4.1.2.1(1-8).

Tracking the individual pieces of total response time assists in identifying deficiencies and areas for improvement. Industry best practice documents such as the *Center for Public Safety Excellence (CPSE) Community Risk Assessment: Standards of Cover* document and the national consensus standard NFPA 1710 recommend that fire departments track and report all the components of total response time.³

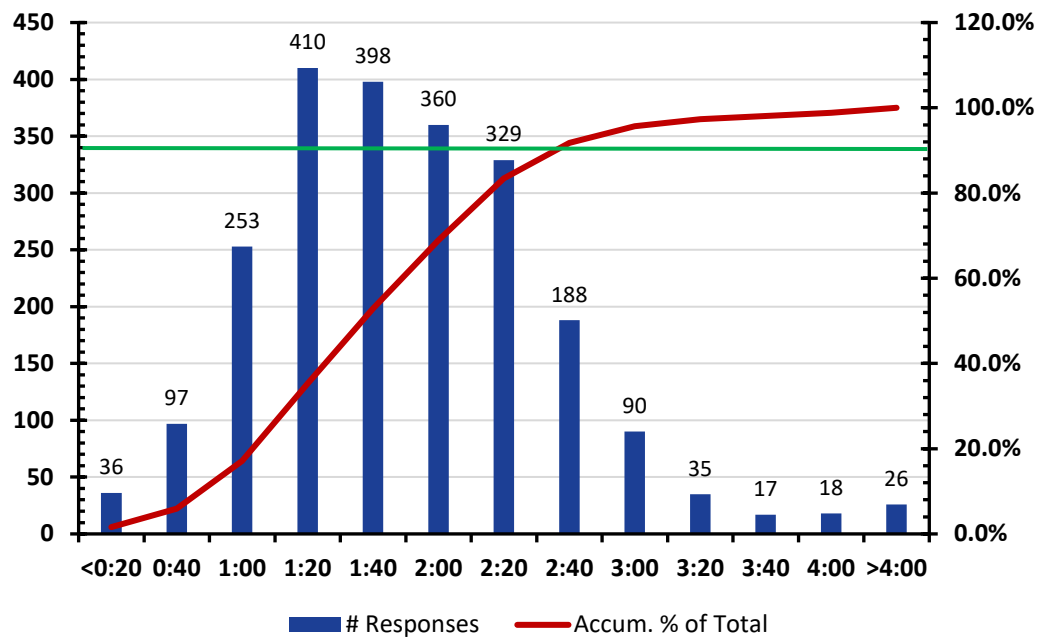
Discussion with Renton RFA staff revealed that the regional public safety dispatch center for most of South King County was tracking call processing times in a manner inconsistent with fire service industry norms. Consequently, call processing times on a per call basis were not reliably time-stamped and not usable for this analysis. However, as an agency, Renton RFA has experienced a call processing time of 2 minutes, 28 seconds (2:28) consistently. The RRFA and other fire service agencies in the region are working to address this discrepancy with the regional dispatch center. The remaining elements of response time are measured and are illustrated in the following figure.

Figure 18: Response Performance by Station [mm:ss], 2019

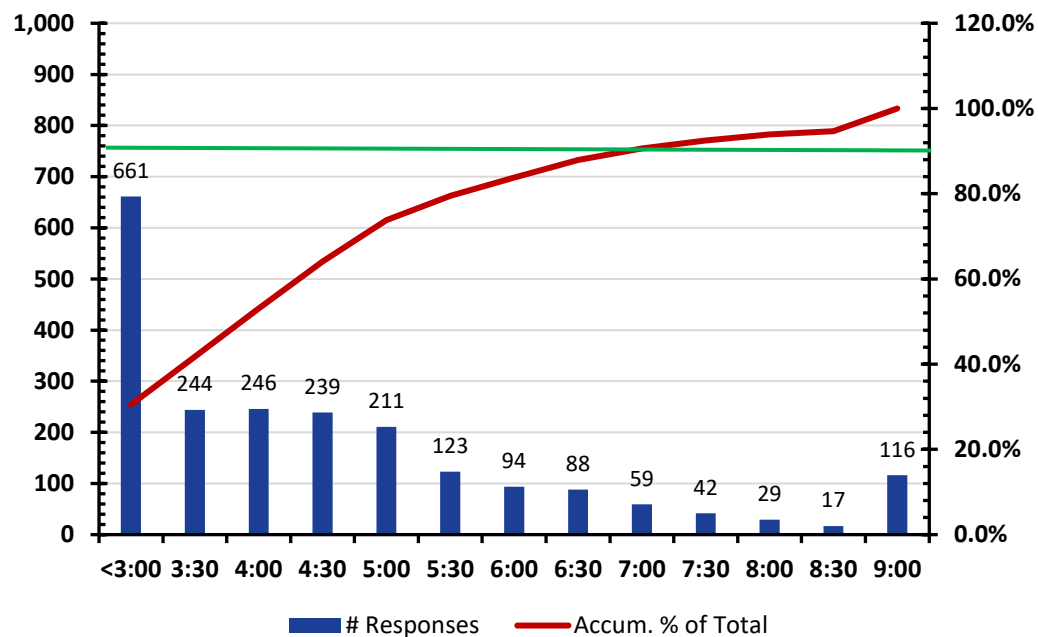
Home Station	Turnout @ 90%	Travel @ 90%
Station 11	2:31	10:22
Station 12	2:33	6:18
Station 13	2:33	7:12
Station 14	2:39	6:12
Station 15	2:29	7:36
Station 16	2:27	6:08
Station 17	2:26	7:10

A more granular analysis of Station 17's response performance (turnout time and travel time) is illustrated in the following two figures.

³ NFPA 1710: *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments.*

Figure 19: Turnout Time for Station 17 Units (District #40), 2019

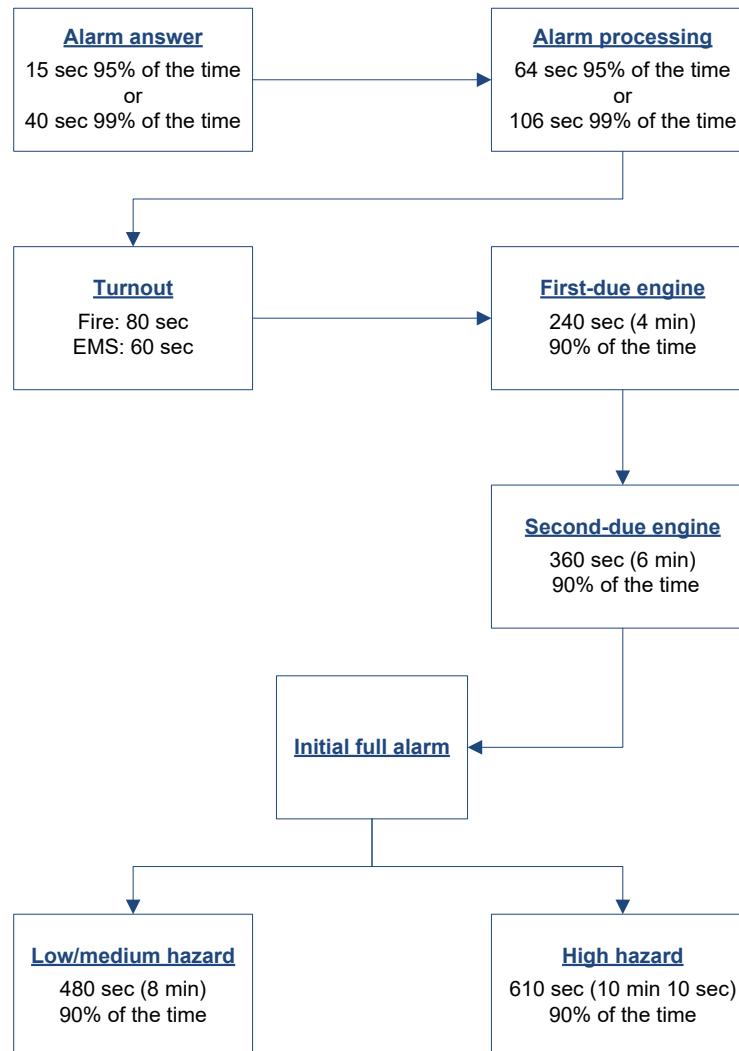
In the previous illustration (Figure 19), the red line (accumulative percentage of total incidents) intersects with the green line (90% of all incidents); this intersection corresponds to an elapsed time of turnout. In this case, Station 17 units (District #40) had 90% of its turnout times at or below 2 minutes, 33 seconds.

Figure 20: Travel Time for Station 17 Units (District #40), 2019

In the previous illustration (Figure 20), the red line (accumulative percentage of total incidents) intersects with the green line (90% of all incidents); this intersection corresponds to an elapsed time of travel. In this case, Station 17 units (District #40) had 90% of its travel times at or below 7 minutes, 10 seconds.

The previous figures and discussion centered around actual performance. The following figure reflects NFPA 1710's response time objectives as a flow chart.

Figure 21: NFPA 1710 (2020) Response Time Objectives



Recommendations:

- Work with the CARES program to determine what policy assistance District #40 can provide to support the effort to reduce non-emergent demand for service in frequent use facilities and properties.
- Consider using existing response performance to inform a performance-based contract for services going forward.

Fiscal Analysis

The relative financial health of any agency is an important factor in its ability to provide an adequate level of service. It is also an important element in determining whether certain options for service delivery are financially feasible. The District and the Renton RFA both provided a significant amount of financial information and background data. Additional information was obtained from the King County Assessor's Office and other sources, all of which were reviewed and used to form the basis of the following discussion. The specific information provided by the District appears in the survey table, "Budget & Finance," located in Appendix B at the end of this report.

Financial Management

The District contracts for the majority of the services provided, therefore the complexity of its financial management is relatively low. The District's budget process begins in September and is completed in time to meet the statutory deadline for submitting levy requests to King County. The number of purchases and procurement of goods and services outside of the contract with the Renton RFA is relatively small. ESCI reviewed policy documents, audit reports, and interviewed Board members to gain an understanding of the financial management practices employed by the District. Based on this review, it appears the District utilizes appropriate financial practices and has adequate internal controls in place to maintain the security of its financial assets. However, the review did identify the lack of a capital asset inventory system and the need to update several of the finance-related policies to more accurately describe the management and control practices utilized.

Revenue

A consistent and reliable funding stream is critical to the success of any business or agency. For public agencies, such as the District, funding is primarily provided through the assessment and collection of various forms of taxation. The District relies on ad valorem (value-based) property taxes and the assessment of benefit charges to fund the services provided.

The collection of property taxes is authorized and limited pursuant to RCW 52.16 and Title 84 RCW. In Washington State, a fire district's ability to levy property taxes is normally limited to a maximum of \$1.50 per \$1,000 of assessed value. However, due to the fact the District also assesses a benefit charge, the maximum property tax levy is reduced to \$1.00 per \$1,000 of assessed value. Additionally, RCW 84.55 limits property tax increases for the following year to one percent. This statutory limit applies to regular (non-voted) property tax levies. However, voters may approve special levies (such as bonds, capital projects, and maintenance & operations levies) that are not restricted by the one percent limit.

Revenues generated from property taxes are affected by two components, the assessed value of the real property and the tax rate being charged against that value. The value of the property is affected by market conditions, and tax collection growth is limited by state legislation. If property taxes were the only source of revenue, the one percent restriction on property tax growth would make it difficult to keep pace with the cost of providing services.

The limitation on property tax growth does not apply to new construction in the first year that the property comes onto the tax roll. This allows revenue to grow at rates greater than the statutory limit. While new construction can be complicated to forecast, especially beyond the coming year, using historical values can provide a baseline for assumptions. The following figure shows the historical growth of the District's assessed value and inclusion of new construction onto the tax roll for the last five years.

Figure 22: District #40 Assessed Values, 2016–2020⁴

	2016	2017	2018	2019	2020
Assessed Value (AV)	\$2,383,672,815	\$2,537,995,219	\$2,781,465,417	\$3,232,058,651	\$3,375,364,657
AV Increase as % of Prior Year	8.8%	6.5%	9.6%	16.2%	4.4%
New Construction Value	\$28,289,714	\$26,170,746	\$20,112,610	\$35,717,550	\$61,736,052
New Construction as % of Prior Year AV	1.29%	1.10%	0.79%	1.28%	1.91%

As mentioned previously, the District assesses a benefit charge in addition to a property tax levy. Benefit charges are authorized under RCW 52.18 and limited to a maximum of 60% of the operational budget. The District has used the benefit charge method of funding since originally authorized by the voters of the District in 1990. The voters have reauthorized the use of the benefit charge every six years thereafter.

Benefit charges differ from property taxes as they are not based on the value of the property being assessed. Benefit charges are fixed and apportioned to each tax parcel based on the measurable benefits to a property resulting from the services provided. In the case of the District, benefit charges are calculated using several factors related to the improvements of the real property located within the District. These factors include the square footage, type, and the use of the improvements. Therefore, larger structures and those that pose a greater risk will pay a higher benefit charge than would a smaller and lower risk structure such as a single-family residence.

The combination of property taxes and benefit charges provide the District with a very stable and reliable funding source. This combination of funding sources also provides the District with the flexibility to keep pace with inflation, something that could not be achieved with property taxes alone.

Figure 23 shows the relative tax rates for the regular property tax levy and benefit charges for the last five years. It is important to note that the rate shown for the benefit charge is in the aggregate representing the average rate per \$1,000 of assessed value. The actual rate varies from parcel to parcel based on the factors discussed above.

⁴ Data sourced from: www.kingcounty.gov/depts/assessor/Reports/statistical-reports.aspx.

Figure 23: District #40 Property Tax and Benefit Charge Rates, 2016–2020⁵

	2016	2017	2018	2019	2020
Regular Property Tax Levy	1.00000	1.00000	1.00000	0.97656	0.96570
Benefit Charge Assessment	\$2,475,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
AVG Benefit Charge Rate	1.03831	0.78802	0.71905	0.61880	0.59253
Total Rate for Taxes and Benefit Charges	2.03831	1.78802	1.71905	1.59536	1.55823

Revenues from sources other than property taxes and benefit charges include contracts for service in lieu of taxes from properties that are exempt from taxes, such as schools and state-owned utilities. Miscellaneous revenues, primarily from interest income and payments from the City of Renton related to the transfer of Station 13, make up the balance of the District's revenue.

The following figure provides an overview of the historical operating revenue collection for the last five years.

Figure 24: District #40 Operating Revenue Trend, 2016–2020

	2016	2017	2018	2019	2020
Regular Property Tax Levy	\$2,390,280	\$2,545,659	\$2,783,530	\$3,165,088	\$3,259,590
Benefit Charge Collection	\$2,478,111	\$2,002,806	\$1,996,881	\$1,992,961	\$2,000,000
Contract Payments	\$59,798	\$59,711	\$59,561	\$59,673	\$55,000
Miscellaneous Revenue	\$92,817	\$1,184,474	\$71,447	\$73,508	\$75,000
Station 13 Loan Payment	\$171,922	\$158,695	\$142,974	\$128,575	\$113,807
Total Operating Revenue	\$5,192,928	\$5,951,345	\$5,054,393	\$5,419,805	\$5,503,397

Expense

The majority of the District's expenses are fees paid to the Renton RFA for services it provides. The other District expenses are primarily related to legislative and administrative functions of the District, such as commissioner and secretary wages, commissioner training, legal fees, insurance and miscellaneous repairs, and maintenance of the facility and apparatus. The following figure depicts the historical expenditures for District operations from 2016 through 2020.

Figure 25: District #40 Operating Expense Trend, 2016–2020

	2016	2017	2018	2019	2020
RRFA Contract for Services	\$4,768,457	\$4,728,603	\$4,757,087	\$5,190,769	\$5,326,632
Fire District Expenses	\$130,889	\$168,650	\$214,273	\$213,292	\$282,950
Total Expenses	\$4,899,346	\$4,897,253	\$4,971,360	\$5,404,061	\$5,609,582

⁵ Data sourced from: www.kingcounty.gov/depts/assessor/Reports/levy-rate-info.aspx.

The fee paid to the Renton RFA for the contracted services is determined annually by a funding model that was established in 2008 between the District and the City of Renton. When the Renton RFA took over service delivery in 2016, the use of this legacy model for determining contract fees was continued. The model uses the wage and benefit costs for 24 fire service personnel of various ranks as a base for determining the total contract cost. Overhead for administrative and support staff and non-personnel items is added to the direct labor costs to determine the total annual cost. In 2020, the overhead costs were 60% of the direct labor costs.

ESCI requested information from both the District and the Renton RFA to gain a better understanding of the original intent behind the methodology built into the model used to determine costs. Surprisingly, both parties admitted they had very little knowledge of the history behind the model or understanding of the methodology it was built upon. The lack of clarity and resulting inability to understand how fees are established contributes to a lack of trust for both parties. ESCI strongly recommends the parties meet and confer to develop a better understanding of how fees are calculated. A funding model that is understood by both parties, based on agreed-upon factors that results in a fair and reasonable cost for services rendered/received, is greatly needed and an essential step if the contractual relationship between the parties is to be salvaged.

Debt

In 2005 and 2006, the District issued voter-approved Unlimited Tax General Obligation (UTGO) Bonds for the construction of a new headquarters fire station located at 18002 108th Ave. South East. The location of this station is in the Benson Hill area of the Fire District. However, the Benson Hill area was annexed into the City of Renton in March 2008.

After the annexation, the City of Renton and the District negotiated the transfer of the station to the City. The City of Renton agreed to purchase the District's share of the building in 2009. The parties settled on the fair market value less the portion of the asset that would have been transferred to the City as part of the statutory requirements for the annexation. Payments are made semi-annually by the City of Renton. The scheduled annual payments are reduced by the estimated amount of bond proceeds collected from the tax parcels located in the Benson Hill area. Payments from the City of Renton are scheduled to continue through 2028. Although the City of Renton will continue to pay according to the agreement, the City transferred ownership of the station to the Renton RFA in 2016.

The voter approval of the UTGO bonds authorized the District to assess additional property taxes in the form of an "excess levy" for the sole purpose of retiring this bond debt. The taxpayers who approved the issuance of bonds, including those located in the Benson Hill area that later annexed to the City, are assessed an additional property tax each year. The 2005 and 2006 bond issuances will be fully retired by December 2021.

The following figure provides the historical excess levy collection and associated rate per \$1,000 of assessed value for the last five years.

Figure 26: District #40 Voter-Approved Excess Levy Assessments, 2016–2020

	2016	2017	2018	2019	2020
Excess Levy Assessment (GO Bond)	\$999,123	\$948,033	\$985,138	\$1,030,455	\$500,000
Excess Levy Rate	0.22419	0.21523	0.20398	0.18301	0.08408

In 2007, the District issued \$1,320,000 in councilmanic bonds for the purpose of funding fire service equipment and an extensive upgrade to Station 17. Councilmanic Bonds or Limited Tax General Obligation (LTGO) Bonds are issued by the vote of the legislative body. LTGO debt does not provide any additional revenue to fund the debt service payments, as does the voter-approved Unlimited General Obligation Bonds. The funds used to pay off these bonds must come from operating funds or other sources. In this case, the District used a combination of general funds and proceeds from the sale of a surplus facility to pay off the bonds well ahead of schedule, saving the taxpayers a significant amount in interest had the loan gone full term.

The figure below provides the debt service payments for both the voter-approved and councilmanic bonds for the last five years.

Figure 27: Debt Service, 2016–2020

	2016	2017	2018	2019	2020
2005–06 Voter-Approved UTGO Bonds					
Beginning Balance	\$4,530,000	\$3,800,000	\$3,005,000	\$2,135,000	\$1,190,000
Principal Reduction	\$730,000	\$795,000	\$870,000	\$945,000	\$945,000
Interest Payment	\$184,540	\$155,430	\$123,500	\$88,498	\$88,250
Total UTGO Bond Debt Service	\$914,540	\$950,430	\$993,500	\$1,033,498	\$1,033,250
2007 Councilmanic LTGO Bonds					
Beginning Balance	\$1,140,000	\$1,080,000	-	-	-
Principal Reduction	\$60,000	\$1,080,000	-	-	-
Interest Payment	\$36,755	\$21,731	-	-	-
Total LTGO Debt Service	\$96,755	\$1,101,731	-	-	-
Total Debt Service Paid	\$1,011,295	\$2,052,161	\$993,500	\$1,033,498	\$1,033,250

Fund Management

District Policy 6410 authorizes the establishment of an “Expense Fund, Reserve Fund, General Obligation Bond Fund, and any other such funds as approved by the Board of Commissioners.” The District maintains its financial resources in seven funds. The following is a description of each fund based on information provided to ESCI.

- **Expense Fund:** The Expense Fund receives the funds collected from the regular property tax levy and the benefit charge. Normal operating expenses are expensed from this fund.
- **Reserve Fund:** The Reserve Fund was established as a “Rainy Day” fund to provide funding for unanticipated expenses or loss of revenue. Currently, the District maintains approximately 27% of its annual operating budget in the Reserve Fund.
- **Replacement Fund:** The Replacement Fund was established to maintain funding for the replacement of fire service equipment and apparatus. Funding of the Replacement Fund is not based on a formal apparatus and equipment replacement schedule.

- **LEOFF 1 Fund:** The LEOFF 1 Fund was established as a mechanism to offset the District's liability for medical costs of its LEOFF 1 retirees. The District is responsible for all medical-related costs, including long term care for its one remaining LEOFF 1 retiree. LEOFF 1 expenses are currently funded from the Expense Fund rather than drawing from the LEOFF 1 Fund.
- **Capital Projects Fund:** The Capital Fund was established to fund capital improvement projects. The Capital Projects Fund is funded by Board authorized transfers from one of the other funds.
- **LTGO Bond Fund:** The LTGO Bond Fund was established to fund the principal and interest payments related to the 2007 councilmanic bond issuance. The Bonds were retired in 2017, and therefore remaining funds could be transferred, and this fund could be closed. Legal counsel should be consulted to determine if there are any statutory restrictions for the use of the remaining funds.
- **UTGO Bond Fund:** The GO Bond Fund was established to receive the funds collected through the voter authorized excess levy. These excess levy funds are restricted for uses other than to retire the UTGO debt service. Once the bonds are retired in 2021, the GO Bond Fund could then be closed at that time.

Although the District's fund policy provides authorization for the establishment of each fund, it does not adequately describe the purpose or funding goal for each fund. This lack of policy direction can contribute to funding goals not being met, or funds being maintained after they are no longer necessary. As an example, the LTGO Fund is no longer needed now that the bonds have been retired. Another example may be the Capital Projects Fund.

The District should review the purpose and necessity of each fund and take steps to transfer remaining monies and close unnecessary funds. However, ESCI would recommend the District seek a legal opinion from a qualified bond counsel to ensure post-issuance compliance with requirements for bond proceeds. Upon completion of this review and any changes made to the number of established funds, Policy 6410 should be updated to reflect the purpose and funding levels or goals for each fund.

Financial Overview and Analysis

The District has effectively managed its finances and is well-positioned for the near future. As Figure 28 depicts, Fund Balances have increased by an average of 5.5% per year over the last five years. In this same period, the District was able to retire a significant portion of its debt.

Figure 28: District #40 Funds (Beginning Balances), 2016–2020

Fund Name	2016	2017	2018	2019	2020
Expense Fund	(\$492,200)	\$428,211	\$328,246	\$315,870	\$509,856
Reserve Fund	\$1,307,637	\$1,367,907	\$1,426,254	\$1,449,507	\$1,531,279
Replacement Fund	\$585,388	\$675,061	\$682,288	\$743,624	\$759,938
LEOFF 1 Fund	\$513,374	\$517,392	\$522,937	\$531,488	\$593,149
Capital Projects Fund	\$8,526	\$8,641	\$8,695	\$8,664	\$4,468
LTGO Bond Fund	\$211,201	\$116,039	\$100,384	\$102,035	\$104,275
UTGO Bond Fund	\$877,607	\$105,511	\$106,364	\$103,776	\$213,034
Fund Balance Totals	\$3,011,533	\$3,218,762	\$3,175,168	\$3,254,964	\$3,715,999

District expense trends will continue to be driven by the cost of providing services. Under the current arrangement, those costs are tied to the cost of labor of the contracting agency, the Renton RFA. In the last five years, the annual increase in contract fees has risen by an average of 3.3% per year. Based on regional firefighter wage and benefit cost trends, it can be assumed that contract fees will continue to increase at this rate.

The District's revenue sources have the ability to fund the anticipated cost of contracting for services. Property tax collections will be limited to a one percent annual increase, which will continue to decrease the rate at which taxes are collected. However, the benefit charge assessments, which are currently at 35% of the operational budget, can be adjusted up to 60% of the budget to meet the anticipated cost of future services. Additionally, the District will continue to receive an average of \$474,000 per year in 2021 through 2028 from the City of Renton pursuant to the purchase agreement for Station 13.

The one area of concern related to District finances identified by ESCI is the funding of the Replacement Fund. Based on the age and mileage of the District's two front line apparatus (Engine and Aid 17), both should be replaced as soon as possible. The estimated cost for replacement of these two apparatus ranges from \$950,000 to \$1,150,000. The current balance of the Replacement Fund is \$759,938, which could be up to \$390,000 less than is needed for apparatus replacement. The District will need to address this shortfall in its 2021 Budget and Revenue process. Additionally, the District needs to establish a long-term capital replacement and funding plan for the replacement of apparatus and related equipment as long as it retains control over the purchase and ownership of those assets.

As an alternative, ESCI recommends the District consider relinquishing control over the apparatus purchasing and ownership to the contracting agency. The District would have to accept the contracting agency's apparatus replacement schedule and then make an annual contribution to a capital fund based on that schedule.

Regional Comparison of Major Revenue Streams

In addition to reviewing District #40's financials, ESCI analyzed the relative tax collection and associated tax rates for neighboring fire service agencies. It is important to note that the service areas, demographics, service demand, organizational structure, and service delivery methods of the agencies in south-central King County vary greatly, so any comparison may have flaws that must be taken into consideration. For this comparison, only regular property tax levies, voter-approved excess levies specifically designated to fund maintenance and operations, and benefit charges were considered. Other revenue sources that may be used for funding operations were not included in this analysis. The data in Figure 29 indicates District #40 is providing service at one of the lower tax rates in the area.

Figure 29: Regular Levy and Benefit Charge Collections by Local Area Jurisdictions⁶

Jurisdiction	Assessed Value	Levy Collection	Levy Rate	Benefit Charge (BC)	BC Rate	Effective Tax Rate
Fire District #40	\$3,375,364,657	\$3,259,590	0.96570	\$2,000,000	0.59253	\$1.56
Renton RFA	\$21,427,648,269	\$17,579,457	0.82041	\$17,156,621	0.80068	\$1.62
Fire District #43 (Maple Valley)	\$7,423,545,882	\$11,135,319	1.50000	\$0	0.00000	\$1.50
Fire District #20 (Skyway)	\$2,305,233,191	\$3,480,372	1.50977 ⁷	\$0	0.00000	\$1.51
Valley Regional RFA	\$11,289,367,505	\$8,542,890	0.75672	\$12,405,568	1.09887	\$1.86
Puget Sound RFA	\$25,344,189,695	\$25,344,190	1.00000	\$21,960,319	0.86648	\$1.87

Recommendations:

- Establish and maintain an asset tracking system for the District's capital assets.
- Review/update as needed the financial management policies for purchasing and monetary controls.
- Confer with legal counsel for guidance on the proper use of remaining monies in the LTGO Bond and Capital Projects Funds, and strategy for final payment of the UTGO Bond Fund to ensure proper bond post-issuance compliance.
- Eliminate unnecessary funds and update Fund Policy to reflect the purpose and funding levels/goals for each established fund.
- Meet and confer with the Renton RFA to review and update as necessary the model used to calculate annual contract fees.
- Establish a Capital Replacement Plan and funding strategy for apparatus and equipment, or consider turning over the responsibility to the contracting agency.

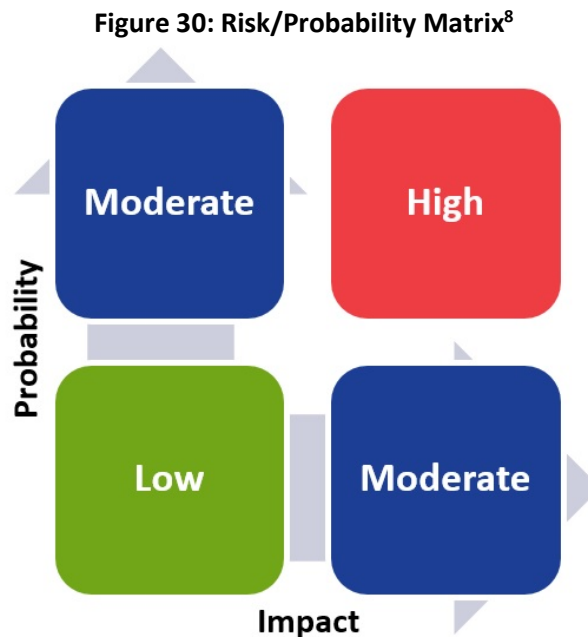
⁶ Data sourced from: www.kingcounty.gov/depts/assessor/Reports/statistical-reports.aspx.

⁷ King County Fire District #20 has a regular levy rate of 1.13587 and a voter approved maintenance and operation excess levy rate of .37390

Community Risk Assessment

General Risk Principle

As emergency response agencies, fire departments must thoroughly understand their community risks. These risks must be quantified. There are numerous risk/consequence or risk/probability matrices available, but regardless of the labels on the axes, they usually fall into one of the quadrants in the following figure.



As the risk is quantified generally into one of the four quadrants, a decision is made based on the level of risk. Communities cannot create a zero chance of a risk, which would indicate there is no risk. Likewise, there cannot be a 100% chance of a risk, since that would make it a certainty, not a risk. Every community must come to grips with an acceptable level of risk, recognizing that it is improbable, impractical, and unaffordable to eliminate risk in a community. Using a matrix helps fire department officials determine approximately where the line is between an acceptable and unacceptable risk. It is important to note that for the individuals directly involved in an incident, their vulnerability is never considered an acceptable risk. The quadrants in the previous figure may be defined as follows:

- **Low impact/low probability:** Risks in the bottom left corner are low level, with acceptable consequences if the incident occurs. These can often be considered acceptable risks and require no further action.
- **Low impact/high probability:** Risks in the top left corner are moderate level—if the incident happens, the fire department can usually handle it with existing resources. However, effort should be given to reduce the likelihood that these incidents occur. This is where community risk reduction strategies pay significant dividends to a community.

⁸ "Risk Impact/Probability Chart: Learning to Prioritize Risks." Risk Impact/Probability Chart. N.p., n.d. Web. 22 June 2016.

- **High impact/low probability:** Risks in the bottom right corner are high level if they do occur, but they are very unlikely to happen. Risks in this quadrant are prime candidates for training and contingency planning. A fire department may spend time and energy preparing for such an incident and may even acquire specialized equipment and other non-staff resources to prepare for this risk. These risks also lend themselves well to community risk reduction strategies, such as public education, community engagement, and code enforcement.
- **High impact/high probability:** Risks toward the top right corner are critical. These should be the highest priorities for the fire department and for the community. Aggressive action is required, such as staffing for these risks, equipping for these risks, and engaging the community in risk reduction and preparedness.

Once the community risks are identified and appropriately categorized, plans of action are developed consistent with the category.

These risks can be building specific, neighborhood-specific, agency-wide, or even regional. The *King County Comprehensive Emergency Management Plan* should be consulted by the District and can be a significant resource for the District in determining the reasonable assistance it can expect during a disaster, and likewise what it will be expected to provide for its neighbors.

District Risk Profile—Natural

Fire District #40 is situated generally north of and on a hill above the Cedar River, forming the southern flank of the Cedar River Valley. The average elevation is 515 feet above sea level.

Flooding

Flooding has been an annual issue for the Cedar River, but not for the District due to its elevation. Landslides and mudslides have been noted along the Cedar River Valley, but with the exception of a very small parcel of land in the extreme northwest corner of the District where it borders the southern edge of the Cedar River, the risk of landslide and flooding is very low within the District #40 jurisdiction.

Earthquakes

Earthquakes are a well-documented regional risk, but not an unusual risk as compared to the rest of the region. There are identified faults, north and south of the District, that have been active within the last 15,000 years. The greatest seismic risk is the Cascadia Subduction Zone, which runs from northern California to north of Vancouver Island, approximately 700 miles off the Pacific Coast.

Two small bodies of water are located within the District and associated residences surround them: Lake Desire and Shady Lake. A third, larger body of water, Lake Youngs, is not technically within the District but is served by the District via a contract with the Seattle Public Utilities. Lake Youngs is a secured watershed, not accessible to the public. It provides drinking water to the utility.

In summary, the natural disaster risks posed to District #40 are relatively low as compared to its regional neighbors.

District Risk Profile—Humanmade

The built-up risks within the District are humanmade. Fire District #40 is largely a bedroom community. It is predominantly urban in density, but with a small business or commercial presence within the District.

Buildings

Sixty-one separate commercial businesses are located within the District, but many of these are situated within strip malls. There are 6,072 single-family residences within the District, plus 742 multi-family residential units within the District in the form of condominiums and apartments. Other noteworthy occupancies include seven churches and the following schools:

- Three public elementary
- One public middle (a second—Meeker—is in dispute as to which jurisdiction serves it)
- One private K–12th grade (elementary & secondary)

The single-family occupancies are considered moderate risks (low impact/high probability) for fires and are good candidates for community risk reduction strategies. Commercial structures may pose a moderate to high risk depending upon the building construction, occupancy type, and any hazard classification assigned. However, there is usually an economic risk that accompanies commercial structures damaged by fire in lost revenue, salaries, and benefits for those employed by the commercial business.

Some studies highlight the likelihood of a business reopening and remaining in business after an extended closure due to fire. Businesses that are shuttered for greater than ninety days tend to fail (as high as 40%). Even businesses that reopen after such a lengthy close have a high failure rate, finding that their customer base has found their needs met by competitors.

These losses are not just felt by owners, employees, and customers of a business closing due to fire. If the impact is significant enough, the potential loss of tax revenue for the District may force a reduction in services.

Multi-family complexes (apartments and condominiums), schools, and churches tend to assemble larger numbers of occupants under a single roof, exposing the occupants to risks beyond their individual control. While the buildings themselves may pose a greater risk due to construction type, height, or large areas, the predominant risk is life loss. Fires in these types of buildings require a far greater response by the fire department. The activities which must occur simultaneously include manage the fire spread directly, aiding in occupant evacuation, affecting rescue or trapped occupants, and aggressively controlling fire, heat, and smoke from those who have sheltered-in-place. This scenario is staffing intensive and requires a larger effective response force arriving near simultaneously (see discussion in *Service Delivery & Performance* section of this report). These are considered high risk (high impact/high probability).

Pipelines

There are several pipelines in the general vicinity of District #40, but at the time of this writing, mapping by the owners of the pipelines was not available. The utility lines and pipelines that go through the District include:

- Northwest Pipeline (natural gas pipeline)
- Puget Sound Energy (natural gas and electrical)
- Seattle Public Utilities (water pipeline from Lake Youngs)

Puget Sound Energy (PSE) provides electrical and natural gas energy throughout the District. The majority of the electrical utility is underground, and a substation is located on the southeast corner of 140th Avenue SE and SE Petrovitsky Road. PSE also provides natural gas to most of the District and is parallel to underground utilities feeding homes and businesses throughout the District.

Northwest Pipeline (also known as Williams Pipeline) brings non-odorized natural gas to the Pacific Northwest through a transmission line that runs east-west along the upper one-third of the District. Coincidentally, a 16" high-pressure natural gas line mostly parallels the Northwest Pipeline. Pipelines are vulnerable to rupture, mainly due to earthquakes and landslides. Thus, while the pipelines are humanmade, their vulnerability is primarily derived from natural risks. The pipelines are typically protected by valving that can isolate sections of the pipeline in case of emergency. Further, pipelines are also monitored for pressure loss, which may be an indication of a rupture. While the valving within pipelines are not as accessible or immediate as household valves are on gas meters, these pipeline valves can reduce the size and duration of what might otherwise be disastrous failures if located and shut down in time.

Hazardous Materials

There is one known user of hazardous materials in which the District must contend. The hazard is not technically within District #40's service area but is served by the District under contract. The user is the Seattle Public Utilities (SPU), who owns and operates the Lake Youngs Water Treatment Facility at the Lake Youngs Watershed, which is a 1,200-acre site that is closed to the public. The plant stores up to 24 one-ton cylinders of chlorine gas in an enclosed treatment building equipped with a scrubber system, a sump, and gas detectors. The plant is staffed 24 hours a day by one Water Treatment Operator. During normal business hours there may be other SPU employees, contractors, and/or consultants engaged in work on the Lake Youngs Reservation, sometimes near the plant site. They do not enter the plant or the chlorine process area without direct supervision.⁹

⁹ EPCRA Report, accessed by internet at <https://rtk.rjifuture.org/rmp/facility/100000014389>; accessed June 9, 2020.

The facility itself is a modest noncombustible building that poses little risk. However, the facility receives up to twelve 1-ton liquid chlorine cylinders to replenish the on-hand supply once or twice per month. These cylinders are delivered on commercial flatbed trucks, typically shipped from Tacoma. The flatbed truck drives through the District to Lake Youngs, thereby posing two risks: transportation and fixed facility accidents. Based on modeling with EPA's RMP*COMP™ software, this could impact an area within a radius of 0.9 miles of the plant.

Indeed, in August 1983, there was a significant chlorine release incident in which an improperly filled one-ton cylinder was delivered to Lake Youngs and, due to the improper filling, a fusible plug discharged allowing chlorine gas to escape. The driver of the flatbed truck and the Water Treatment Supervisor were both overcome by chlorine gas, which is poisonous and classified as a pulmonary irritant.¹⁰ Both were treated at the scene by District #40 personnel, and the supervisor was transported to Valley Medical Center (then Valley General Hospital) for medical observation. No off-site impacts occurred.

Recommendation:

- Consider adding hazardous materials response to future services provided to District #40.

¹⁰ StatPearls [Internet]. Authors Ashkan Morim; Gregory T. Guldner, UC, Riverside. <https://www.ncbi.nlm.nih.gov/books/NBK537213/>.

OPTIONS & PARTNERS

Overview of Options

Several different strategies are available to the District when considering the integration of services. This begins with staying with the Renton Regional Fire Authority and ends with either standing up an independent, full-service fire agency or complete integration into an existing organization. A summary of the available methodologies is found below.

Status Quo

In some instances, changing nothing (or little) compared to other options is the most desirable approach. It may also be only the first step of a multi-step process. Status quo is only an option if the District rescinds its notice of intent to terminate the contract with RRFA, which would likely require a renegotiation of the existing contract to address current areas of disagreement between the agencies. In all other respects, this option follows the contract for services description that follows.

Contract for Services

In this case, all operations are consolidated under a single organization that serves the two agencies. The participating agencies remain independent organizations from a legal/political/taxing standpoint, but from a service level standpoint, the organization operates as one agency, with some caveats possible that are contained in the existing agreement. This strategy is accomplished legally through an Interlocal Cooperation Agreement. It does not require the District to undertake any further partnering strategies.

The advantages of this option are:

- Contracting provides the greatest degree of control for both parties since the conditions set forth in the agreement are a result of negotiation and agreement between the two parties.
- Services, revenues, and expenses are separately scalable to fit the unique needs of the contractee and contractor. This can also be a disadvantage in the loss of efficiency in expense and service.
- The District retains the most legal/political/taxing control of all partnering options considered.

The major disadvantages of this option are:

- Opportunities for efficiency (not necessarily cost reduction) through greater collaboration are not realized. Maintaining separate governing bodies increases cost over a single, integrated organizational structure.
- Treating two separate jurisdictional areas as separate response zones creates a barrier for efficient response. Economies of scale are compromised, and the independence of the contractee (the District) may preclude taking advantage of the contractor's resource depth (commonly referred to as "bench strength") when the need arises.
- A contract, by definition, is not a permanent integration. As the District area loses tax base to annexation (the District lies almost totally within the Renton Potential Annexation Area), the District's leverage to negotiate future beneficial, District-centric contracts is significantly diminished.

Regardless of the overarching governance structure, the agencies become one in terms of how day-to-day operations are performed. One Fire Chief oversees a blended organization. This strategy is often a precursor to full consolidation and is often done as a first sequential step toward full consolidation as the policy-making bodies work out the details.

Government contracts for services are typically fixed price agreements, given that tax revenue is a known rate and the opportunity to adjust that revenue is limited and time-consuming. The two primary types of fixed price contracts are *best-effort* and *performance-based*. The best-effort contract provides a fixed rate for contractee and the best effort by the contractor. No specific outcomes are quantified or required by the contractor. The expectation is that the contractor will use their best effort to provide quality services to the contractee. In short, there are no performance metrics in a best-effort contract.

A performance-based contract lays out performance metrics the contractor is obligated to achieve. Failure to achieve these metrics has some sort of remedy spelled out in the contract, such as meet and confer with the contractee to identify mechanisms to improve performance or fiscal penalties for repeated failure to achieve the metrics.

Merger

A merger is a complete combining of fire districts (cities are not able to merge with fire districts) into one agency. One or more fire districts may be absorbed into and become part of the surviving district. Fire districts merging into a surviving district are referred to as the merging agency(s) and the surviving district is referred to as the merger agency. The employees of the merging agency(s) are transferred to the merger agency, and the elected officials are brought into the merger district. The combined board is reduced over the next three regular elections until the board of fire commissioners is down to three or five (depending on the structure of the merger district board). If a fire district has a \$10 million budget or more, a seven-member board can be created.¹¹ The merging fire districts must be located within reasonable proximity to each other and are subject to review by the Boundary Review Board.

Once a decision to merge is made by the merging district board(s), a merging district(s) must submit a petition to merge to the merger district. If the merger district accepts the petition and terms of the proposed merger, it adopts a resolution accordingly and sends the resolution, along with the original petition, back to the merging district board(s). The merging district board then adopts a resolution requesting the county auditor to call a special election in the merging district(s). A simple majority of voters within the merging district is required. If the majority vote yes, the respective district boards adopt concurrent resolutions declaring the districts merged under the name of the merger district.

¹¹ RCW 52.14.020.

The board of fire commissioners of the newly merged district shall consist of all of the fire commissioners of both districts. The combined board will then be reduced by one whenever a fire commissioner resigns from office or a vacancy otherwise occurs on the board, or during regular elections until the board reaches three or five (or seven) members, whichever structure the merger district has. The election for a merger may also establish commissioner districts if unanimously approved by the boards prior to the merger vote and is included in the ballot language for a merger. In this case, the same process of board member reductions occurs as if no commissioner districts were formed until the merged board is reduced to the three or five members.¹² At that point, the commissioner districts shall be drawn and used for the election of the successor fire commissioners.

The advantages of this option are:

- Combining resources typically improves efficiency (depending on partner agency).
- Eliminates duplication of governance and sets a single tax rate for the combined service area (this may be a disadvantage, depending upon the structures and fiscal footing of the participating agencies).
- Considered a permanent integration, eliminating future volatility.

The disadvantages of this option are:

- The only likely partner for this option is King County Fire District #20—its proximity to District #40 makes managing and serving the two areas combined less practical.
- A single tax rate for a combined area may increase taxes in one agency and lower taxes in the other.
- The potential for one agency's taxpayers subsidizing the other—a careful analysis of each agency's financial health including outstanding debt and available resources, such as taxing capacity, reserve funding, and the age and condition of capital assets (facilities, apparatus, and equipment), is important to avoid one agency's taxpayers subsidizing the other.

Annexation

King County Fire District #40 is uniquely positioned between two large regional fire authorities: the Renton Regional Fire Authority and the Puget Sound Regional Fire Authority. This makes annexation into a regional fire authority (RFA) a very real possibility. Annexation is initiated by the fire district requesting the annexation (in this case, District #40) by adopting a resolution requesting annexation. The resolution requesting annexation must then be filed with the governing board of the RFA.

Unless otherwise provided for in the RFA plan, the RFA governing board may respond to receipt of the resolution to annex by adopting a responsive resolution of its own amending its plan to establish terms and conditions of the requested annexation, returning the RFA's resolution to the District requesting annexation. The RFA plan amendment can and should be discussed and agreed to between the parties in advance of exchanging resolutions. The RFA governing board will need to work with the District to determine how the annexation will affect governance, financing, employment, and operations of the RFA, as well as address asset and liabilities transfers.

¹² RCW 52.14.017

An election to authorize the annexation may be held only if the governing body of the District seeking annexation adopts a resolution approving both the annexation and the plan amendment. The annexation is authorized if the voters in the District proposed to be annexed approve by a simple majority vote a single ballot measure approving the annexation and plan amendment.

The advantages of this option are:

- Annexation takes advantage of a process already completed, which established the RFA in the first place without duplicating it.
- Tax equalization, level of service, and governance representation are balanced through this process.
- Duplication is eliminated and the efficiency of service delivery is improved.

The disadvantages of this option are:

- Loss of autonomy.

Regional Fire Authority

Agencies forming or which have formed an RFA have taken the required legal step of establishing a Planning Committee, considered to be the most important component of the process. The Planning Committee is charged with establishing the RFA plan, which specifies how the RFA will be funded, operated, and governed. The RFA plan is considered the “charter” or “constitution” of the new agency.

In District #40’s case, two regional fire authorities essentially surround the District: Renton RFA to the north and west, and Puget Sound RFA to the south and east. Moving forward with the formation of an RFA also requires approval by all of the affected governing bodies prior to the initiative being put before the voters. Discussion of RFA here is intended to provide background and understanding for the decision-makers of the District. It is not intended to suggest the formation of a new RFA as a viable option.

Funding Mechanisms

A key consideration of the RFA formation decision is funding. The RFA plan will identify funding sources that may include some or all of the following:

- Fire levies
- Excess levies
- Benefit charges
- Bonds for capital purchases

Facilities and Equipment

The ownership or transfer of ownership of capital assets is not prescribed by law and are determined by the Planning Committee and reflected in the plan. Although ownership of facilities and equipment are most often transferred to a newly formed RFA, the responsibility for bonded indebtedness for capital assets remains with the taxpayers who approved the bond until the debt is satisfied.

Staffing & Personnel

Under an RFA configuration, employees and members of the agencies joining forces in the RFA become employees and members of the new organization, including career and volunteer personnel. Unless an agreement for different terms of transfer is reached between the collective bargaining representatives of the transferring employees and the participating fire protection jurisdictions, employees will retain the rights, benefits, and privileges that they had under their pre-existing collective bargaining agreements.¹³

Roles and responsibilities assigned to agency personnel may change in a newly formed RFA when modifications are necessary in the interest of service delivery requirements. For this reason, the involvement of labor and volunteer organization representatives from the onset of the process is essential.

Governance & Administration

A Regional Fire Authority is governed by a single governance board. The number of board members and the length of their service terms are determined by the Planning Committee consistent with applicable statutes. The statute authorizing the formation of an RFA does not place limitations on the number of members serving on the board, leaving that decision to the Planning Committee and, ultimately, the voters. ESCI is familiar with one RFA in Washington State that initially had nine board members.

The administration of the new RFA, once established, becomes the responsibility of the newly established governing board. The Planning Committee, however, will include in its body of work identification of the composition of the RFA's administrative staff. The Fire Chief and his/her command staff, as agreed to by the Planning Committee, will subsequently report to the governing board.

Legal Considerations

A number of important legal considerations are taken into account in the formation of a Regional Fire Authority. They are summarized below:

- *Regional Fire Protection Service Authority Plan*—Planning committees are tasked with forming the RFA plan. The RFA plan outlines the plan for governance, financing, operations, asset transfers, and other considerations and is the plan that the voters are asked to approve when voting on the formation of the RFA.
- *Formation Procedures*—Like any other type of significant consolidation, the formation of RFA requires careful planning. Because the RFA creates a new entity, there is an added layer of complexity to the planning. The new entity will need to register with the Internal Revenue Service (IRS), establish new accounts with the County and vendors, contracts will need to be assigned and negotiated, labor agreements need to be negotiated, payroll systems may need to be established, and myriad other details. In other words, the formation of a new entity can be incredibly time intensive and attention to detail is critical. The formation of an RFA is not subject to review by a Boundary Review Board or a county legislative authority. The formation of an RFA is, however, subject to compliance with the State Environmental Policy Act (SEPA). Legal counsel familiar with RFAs should be obtained to guide policymakers in the process.

¹³ RCW 52.26.100 (6).

The advantages of this option are:

- Formation of an RFA allows each participating agency to retain the strengths they bring to the new agency, minimize the weaknesses of each agency, and may allow for establishing new “best practices” not currently provided by any of the participating agencies alone.
- It facilitates a contemporary look at services, resources, and costs, finding the right balance for the community.
- It retains (or has the potential to retain) the policymakers of the participating agencies in a governing board (including participating cities), thus utilizing the vision and commitment that initiated the implementation of this option.
- Finally, it creates an opportunity to “right-size” the revenue with the cost of operation, and it provides an active role for the citizens being served in setting their service level and costs.

The disadvantages of pursuing this option are:

- Loss of autonomy for each participating agency.
- Loss of a familiar structure (although RFAs operate almost identically to a fire district).
- The investment of time and effort to develop an RFA plan can be rendered moot by the voters
- Funding options are not significantly better for RFAs than they are for fire districts.

Stand-Alone Fire District #40

Careful consideration of the formation of a stand-alone fire department must be made at the onset. Numerous details must be identified and planned out. A new Fire Chief, armed with the initial budget and parameters established by the fire commissioners, must create an operational fire district from scratch. This should be performed while the contract is still in effect, freeing the Fire Chief to develop the fire district without worrying about daily emergency responses. Formation must be broken down into their component parts:

- Administration
- Emergency Operations
- Personnel
- Capital
- Operating Budget & Reserve Fund

Administration

The administrative function of a fire district has numerous typical components associated with it. The structure for a fire district must be envisioned, a provisional budget established, and then a Fire Chief hired and a support staff person assigned to the Fire Chief. The Fire Chief should have a strong administrative and operational background. The Fire Chief should have a demonstrated skillset to develop the District and recruit personnel to maintain a strong program. The focus for the Fire Chief should initially be to establish a vision for the District, then taking the necessary steps to develop and implement that vision. These include recruiting, hiring, training, and maintaining an appropriate workforce; establishing a fully functional human resources capacity, complete with HR policies & procedures and rules & regulations; ensuring an appropriate apparatus fleet for the mission and its support; facilities augmentation to meet the expanded needs of a stand-alone District with an administrative staff; developing an appropriate budget and financial plan that addresses forecast costs; and a community outreach & education program to engage the District constituents on an ongoing basis.

The Fire Chief should create a “punch list” of tasks that must be performed. The following should not be construed as a complete list:

- Join the Washington Fire Chiefs Association (resources and support for the Fire Chief as the district is being built)
- Work with the Finance Officer to establish a chart of accounts for the fire district and establish the fire district as a program budget consistent with the BARS system.
- Contact Valley Communications (dispatch center) to determine radio frequency use, dispatching protocols, and compatible electronic notification and communications systems.
- Obtain risk management liability expertise regarding existing Errors and Omissions coverage and what adjustments should be made to adequately insure for increased liabilities in operating a fully functioning fire district.
- Obtain the necessary office space, complete with computer, stationery, and office supplies, to operate a fully functioning fire district.
- Research and select an electronic incident reporting software program which provides not only incident reporting capability, but also contains training and personnel records electronically.
- Make provisions for routine and unscheduled repair and maintenance of all fire apparatus owned by the district via contract with another agency.
- Establish response protocols and, in concert with Valley Communications, create run cards for use in dispatching district units. Included should be target hazard identification, pumping capacity required for the target hazards, and personnel needed to deliver the required fire flow. WSRB PPC report should be instructive.
- Establish fire district policies and procedures, rules and regulations, and a code of ethics. Similar sized agencies could be used as a model or a guide to the development of district-specific documents.
- Hire a Deputy Chief/Training Officer and begin the recruitment, selection, and training of career firefighters.

Emergency Operations

The type and level of service should be decided by the policymakers with input from the Fire Chief to develop a structure that supports the services to be provided. Types of services include fire suppression, emergency medical services (EMS), and specialty/technical services. EMS should take the form of first response Basic Life Support (BLS) and medical transport to Valley Medical Center.

Additional factors to consider are: Emergency Management (perform this internally or leave it with King County), the type of Technical Rescue services, if any (i.e., rope rescue, high angle rescue, confined space rescue, trench rescue, water rescue, hazardous materials response) and to what level (Awareness level, Operations certification, Technician certification, and/or discipline-specific Incident Commander certification). Given the community risks in District #40, none of these technical/specialty services would be needed since most of the technical or specialty services could be performed in partnership with other agencies within Zone Three.

The level of service provided by the district will dictate, to a large degree, the number and type of personnel the fire district must acquire. Once these levels of service are identified, the Fire Chief can then begin the recruitment process. Emergency response objectives should be established using RCW 52.33 “Fire Departments—Performance Measures” as a guide. This is an industry best practice and creates a report card of performance measures to evaluate the effectiveness of the fire district annually.

Personnel

The number of personnel needed to staff a fire district the size of District #40 is determined by its risk profile and levels of service desired by the commissioners. To maintain the current level of service the District receives from the RRFA, a minimum of 24 line personnel are required. This provides for a three-person engine company and a two-person medical aid unit for each shift. The additional personnel are intended to cover sick leave, disability leave, paid days off, and other relief factors.

Additionally, the administrative staff should be working staff with *Immediately Dangerous to Life and Health* (IDLH) certifications to provide command responsibilities and assist on significant incidents. The administrative staff should include the Fire Chief and a Deputy Chief/Training Officer working normal business hours, plus sharing duty chief rotation to provide command response as needed after hours. The positions should also be non-represented FLSA exempt positions and meet the criteria for exemption (see Section 13(a)(1) of the Fair Labor Standards Act or contact the Department of Labor for detailed assistance).

Career staff recruitment should begin at least one year prior to the first date the Fire District is providing its own service. This is to allow for application screening and testing (background checks, medical physical, psychological testing), selection, equipping, and training for service.

Capital

Station 17 has recently been remodeled, but not with a fully functional on-site administration envisioned. Thus, the station would either need to be added onto, or the administrative function must occur on property separate from the station. The administrative function can occur in leased office space or purchased office space; however, as critical infrastructure, it must be a hardened facility and have auxiliary power.

Fire apparatus is already owned by the District, so that expense is limited to replacement funding in the near term and for ongoing replacement plans. The District must also provide the Fire Chief and Deputy Chief with response capable staff vehicles and have adequate reserve apparatus in place to avoid a situation which renders the fire district unable to respond to an emergency. Further, total pumping capacity (the total amount of water able to be pumped to a fire) for the largest risk the community faces must be on hand to avoid significant deficiency points from the Washington Surveying and Rating Bureau and therefore a degradation in Public Protection Classification. If the rate classification in the District deteriorates, higher insurance premiums will be experienced by commercial properties and possibly residential properties.

In addition to facilities and rolling stock, the District must acquire equipment that meets national and safety standards. This list includes, but is not limited to:

- A breathing air compressor and cascade system (NFPA 1989: *Standard on Breathing Air Quality for Emergency Services Respiratory Protection*)
- Self-Contained Breathing Apparatus (NFPA 1981: *Standard on Open-Circuit Self-Contained Breathing Apparatus [SCBA] for Emergency Services*), sufficient to equip every firefighter foreseeably required to enter an atmosphere which is immediately dangerous to life and health (IDLH – most fires)
- Attached to each SCBA must be a Personal Alert Safety System Device (NFPA 1982: *Standard on Personal Alert Safety Systems [PASS]*)
- Portable radios in sufficient quantities to equip all firefighting teams on any given incident, which is about four per unit plus staff officers, plus a mobile radio for each piece of rolling stock (NFPA 1802: *Standard on Two-Way, Portable RF Voice Communications Devices for Use by Emergency Services Personnel in the Hazard Zone*—a proposed standard not yet adopted)
- Fire hose in sufficient quantity to address the greatest risk in the District. The Fire Chief will be able to determine that amount by designing response plans to the greatest hazards in the District and providing sufficient hose to load every fire apparatus with its complement of fire hose plus 50% for failure and routine replacement. In addition, redundant nozzles and hose appliance to 50% of the amount currently stored on existing apparatus (NFPA 1962: *Standard for the Care, Use, Inspection, Service Testing, and Replacement of Fire Hose, Couplings, Nozzles, and Fire Hose Appliances*)
- Personal Protective Equipment (PPE) for every firefighter in the District, plus a spare set to cover gaps during decontamination, and replacement gear in various sizes to outfit new recruits or replace damaged gear (NFPA 1971: *Standard on Protective Ensembles for Structural Fire Fighting and Proximity Fire Fighting*)
- Specialized PPE for any Technical Rescue services provided by the District (NFPA 1951: *Standard on Protective Ensembles for Technical Rescue Operations*)
- Specialized PPE for any Specialty response services provided by the District (NFPA 1991: *Standard on Vapor-Protective Ensembles for Hazardous Materials Emergencies*, NFPA 1994: *Standard on Protective Ensembles for First Responders to CBRN Terrorism Incidents*)
- Uniforms or other clothing for medical responses (NFPA 1999: *Standard on Protective Clothing for Emergency Medical Operations*)—PPE for firefighting can substitute for some of the protections required for EMS responses

Budget

While the budget usually falls under the heading “Administration” and would occur first, there are numerous one-time expenses the District must incur to establish an operating fire district. Once an operating fire district is established, the budget can be moved to a subordinate function under the heading “Administration.” It is extremely expensive to initiate an operational fire district from scratch. Once the District operations are established, however, previous year costs are excellent predictors of future costs with some level of built-in inflation. Thus, once the District is formed, the budget becomes one of the routine functions of the administration.

A reserve fund should be established to cover the expense of scheduled replacement of fire apparatus and major equipment expenses. The Fire Chief should create a replacement plan. See the *Infrastructure* section of this report for details on criteria for replacement.

Reserve funds must be set aside and built upon to provide for unanticipated economic downturns (e.g., the COVID-19 pandemic, the Great Recession of 2008), and catastrophic economic loss (annexation by the City of Renton, uninsured or underinsured infrastructure loss or legal liability). Reserves must also be set aside to address known future expenses such as apparatus replacement or major capital facility repairs and maintenance. A board policy should be created to establish reserve fund targets (e.g., percent of the operating fund in reserves).

Potential Partner Agencies

Given the previously described partnering options available to District #40, the following describes the potential partner agencies and the options available to each.

Renton RFA

The City of Renton Fire & Emergency Services partnered with King County Fire District #25 to form the Renton Regional Fire Authority effective July 2016 when voters approved formation. The RFA also **contracted to serve** District #40 as a carryover from the contract of its predecessor agency, the City of Renton. The Renton RFA serves a population of 110,980 (not including District #40, whom they serve by contract). The service area is approximately 33.29 square miles (again, not including District #40).

The Renton RFA operates six fire stations (not including District #40) with line personnel working a four-platoon system (4 shifts). Each shift serves the RFA from a total of six fire engines (staffed with three personnel), one ladder truck (staffed with three personnel), three aid units (staffed with two personnel), and two Battalion Chiefs as supervisors, splitting the jurisdiction north and south. In addition, the RRFA provides a CARES car to handle non-emergency calls for assistance by the residents of the RFA, reducing demand that would be otherwise placed on emergency vehicles.

The Renton Regional Fire Authority was evaluated by the WSRB in 2018 and received a Public Protection Class Rating of 2. The organizational structure of the RRFA is straightforward, with 144 line personnel (not including personnel assigned to District #40). The overhead for the organization is appropriate for an organization its size, with a supervisor to subordinate ratio of between 1:3 and 1:5 at the administration level of the organization.

Fiscal Overview

The Renton RFA's total assessed valuation is \$21.4, and is levying \$0.82041 per \$1,000 of assessed value.¹⁴ The RRFA has also implemented a benefit charge that generates an effective rate of \$0.80068. The operating budget for 2020 is \$42,608,431 (including expenses associated with servicing the contract with District #40). Combined, these revenue streams equal an effective tax rate of \$1.62 per \$1,000 of assessed value. The RRFA has no outstanding debt.

Capital Infrastructure

The Renton RFA has been adding new facilities (Station 15) and renovating existing facilities (Station 11), and maintaining its apparatus effectively. The RRFA manages its own facilities and is a participant in a regional fleet maintenance consortium with Puget Sound RFA and other agencies. District #40 owns and maintains its own facility and fleet, the latter of which is maintained through the same regional consortium.

¹⁴ Data sourced from: www.kingcounty.gov/depts/assessor/Reports/statistical-reports.aspx.

Partner Suitability

The Renton RFA and District #40 could legally pursue annexation as authorized by RCW 52.26.300, or merger (through King #25) as authorized by RCW 52.06, or continue to contract for the provision of services as authorized by RCW 39.34 – *Interlocal Cooperation Act*.

If Renton RFA and District #40 collaborated to pursue annexation of the District into the RFA, it would start with modification of the RFA plan as described in the Overview of Options section of this report. This would address limitations in the existing plan that would otherwise prevent the annexation from occurring (such as jurisdictional boundary, governance, assets, and funding). By annexing, the District becomes a full partner in the RFA, funding would be balanced across the RFA, and all services provided by the RFA are provided to the District #40 area.

If a merger with the RFA were pursued, District #25 would be the key agency for District #40 to merge with. While the statutes are silent to the RFA impact of a merger between two fire districts where one is part of the RFA, ESCI believes the same process required of an annexation into an RFA would be followed. This process is fully addressed in the *Overview of Options* section of this report. In either the annexation or merger, the District #40 assets are transferred to the RFA, and the board is integrated into District #25, with the board reducing (or right-sizing) to the three- or five-member board (depending upon the resolution language of the merger).

If a contract for services were pursued, ESCI strongly encourages developing a new funding mechanism where both parties fully understand and can replicate the formulas and processes going forward. A performance-based contract removes many potential areas of conflict in that service levels and specific services are identified and metrics agreed upon. Remedies can be agreed to if metrics are not met, or the parties can meet and confer to jointly problem-solve to address areas of concern.

Since District #40 is within Renton's Potential Annexation Areas (see Appendix D), the eventual annexation by the City of Renton (a separate and distinct entity from the Renton RFA) compromises the District's options to partner with agencies other than the Renton RFA. If the City of Renton were to annex portions of District #40, that area automatically becomes part of the RFA and increases its tax base, while District #40 loses that tax base. There is a provision within the existing contract that offsets the loss of tax base in the annexed areas, where RRFA credits the District with the equivalent amount of taxes lost, effectively keeping the District whole as long as the partnership stays intact. Failure to maintain the partnership with (or integration into) the RRFA eliminates that protection. Annexations would no longer be offset if District #40 partnered with someone other than the RRFA, causing real tax dollar loss for the District and its new partner. The problem is exacerbated as future annexations continue.

King County Fire District #25

King County Fire District #25 (District #25) is located in the Kenndale area (also referred to as the East Plateau or East Renton Highlands) above the City of Renton. It was formed in 1945 by a vote of the people. District #25 has a population of 7,714 located in the approximately three-square-mile area. The District was initially contracting with the City of Renton, just as District #40 did, and had similar contracts for a similar funding mechanism. District #25 partnered with the City of Renton to form the Renton Regional Fire Authority, which was ratified in an election in April 2016. The RFA also contracted to serve District #40 as a carryover from the contract with its predecessor agency, the City of Renton Fire Department. District #25 transferred its assets to the RFA, so all apparatus and fire stations are owned and operated by the RRFA.

The Renton RFA operates six fire stations (not including District #40) with line personnel working a four-platoon system (4 shifts). Each shift serves the RFA from a total of six fire engines (staffed with three personnel), one ladder truck (staffed with three personnel), three aid units (staffed with two personnel), and two Battalion Chiefs as supervisors splitting the jurisdiction north and south. In addition, the RRFA provides a CARES car to handle non-emergency calls for assistance by the residents of the RFA, reducing demand that would be otherwise placed on emergency vehicles.

The Renton Regional Fire Authority, including District #25, was evaluated by the WSRB in 2018 and received a Public Protection Class Rating of 2. The organizational structure of the RRFA (including District #25) is straightforward, with 144 line personnel (not including personnel assigned to Station 17) distributed across six fire stations (not including Station 17). The overhead for the organization is appropriate for an organization its size, with a supervisor to subordinate ratio of between 1:3 and 1:5 at the administration level of the organization.

Fiscal Overview

District #25's assessed valuation is \$1.23 billion, and the District (as part of the RRFA) is levying \$0.82041 per \$1,000 of assessed value. The District (as part of the RRFA) has also implemented a benefit charge that generates an effective rate of \$0.80068. Combined, these revenue streams equal an effective tax rate of \$1.62 per \$1,000 of assessed value. The District (through the RFA) has no outstanding debt.

Capital Infrastructure

District #25's Capital Expenditures are comingled expenses incurred and paid for by the Renton RFA. Since all assets were transferred to the RFA, District #25 has no responsibility for purchase, replacement, or maintenance of separate assets.

Support Programs

The Renton RFA (including District #25) currently contracts with the Puget Sound Regional Fire Authority for fleet maintenance and is part of the South King County Fire Training Consortium. These services are provided to the Renton RFA directly by these two entities (the South King County Fire Training Consortium was also founded by PSRFA), and District #40 also receives the benefit of the training services as a consequence of their contract with the Renton RFA. Fleet maintenance is funded directly by District #40, who receives these services from PSRFA.

Partner Suitability

District #25 and District #40 could legally pursue a merger as authorized by RCW 52.06. District #25 and District #40 could pursue a contract for services as authorized by RCW 39.34 – *Interlocal Cooperation Act*, which in essence is a contract with the Renton RFA. As a practical matter, District #25 would need to include the Renton RFA to consider the impacts of either move to the larger RFA.

Setting aside for the moment that District #25 is part of the Renton RFA, if District #25 were to pursue a merger with District #40, the process is fully addressed in the *Overview of Options* section of this report. The practical implications of integration with District #25 are that District #25, as the surviving agency, would own all assets of District #40 and would integrate the two boards into one, right-sizing over time to either a three-member or five-member board, depending on the resolution and ballot language. The Renton RFA plan would have to be amended to allow its service area to expand where it would otherwise render the agencies noncompliant with the plan. Plan amendment does not require approval by the electorate of the Renton RFA, only approval by the governing board.

Puget Sound RFA

The City of Kent partnered with King County Fire District #37 and the City of Covington to form the Kent Fire Department Regional Fire Authority, which was overwhelmingly ratified by the voters in 2010. The RFA later contracted to serve the City of SeaTac in January 2014. The Kent Fire Department Regional Fire Authority's name was changed to Puget Sound Regional Fire Authority in 2017 to better describe the area being served. Maple Valley Fire & Life Safety (King County Fire District #43 integrated) contracted with Puget Sound RFA in July 2018.

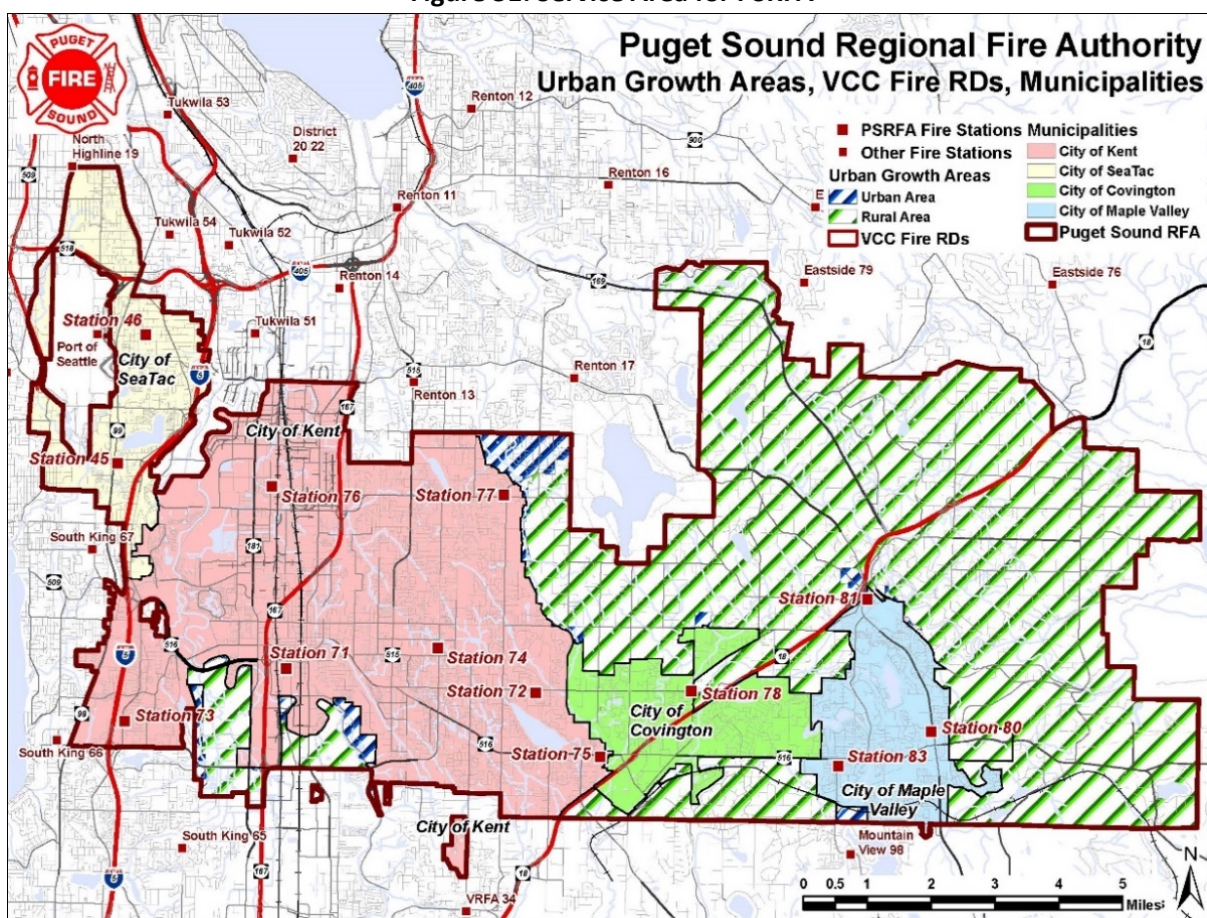
The Puget Sound RFA is an internationally accredited, full service, all-risk fire and rescue department. The WSRB re-evaluated each of the areas served by the RFA in 2018 and issued the following Public Protection Class Rating for each area: Cities of Covington, Kent, and SeaTac a rating of 3, the City of Maple Valley and Fire District #37 a rating of 4, and Fire District #43 a rating of 5.

The RFA's coverage area is approximately 109 square miles and serves a population of over 228,000, making it the second-largest fire department in King County and the fourth largest in the State of Washington, according to the population served. In 2019, the RFA responded to nearly 29,000 calls for service.

Geographical Proximity of RFA & Deployed Resources

The Puget Sound RFA coverage area is located to the south and east of District #40. The southern and eastern boundaries of District #40 are contiguous with the RFA's service areas. Station 77, the RFA's closest station, is located approximately one mile south of the District's southern boundary. Units from Station 77 and the District's Station 17 regularly respond into each other's response area as part of the county-wide automatic aid agreement.

Figure 31: Service Area for PSRFA



In 2019, the Puget Sound RFA employed 332 personnel: 271 uniformed and 61 non-uniformed civilian employees. Emergency response services are provided from 13 full-time staffed fire stations distributed throughout the coverage area. Engines and ladders are staffed with a minimum of three personnel, and aid cars with a minimum of two. Engines, ladders, and aid cars are all capable of providing basic life support and fire suppression services. The minimum daily staffing is 54, which provides the following minimum frontline response resources:

- Three (3) Battalion Chiefs
- Eleven (11) Engine companies
- Two (2) Quint companies
- Two (2) Ladder companies
- Two (2) Aid Cars
- One (1) Nurse/EMT FDCARES unit

Organizational Structure

The Puget Sound RFA has a well-defined organizational structure that is broken out into functional divisions that operate with a typical top-down approach. The functional divisions include: Business Administration, Community Risk Reduction, Community Relations, Human Resources, Operations, Support Services, and Training.

Fiscal Overview

The RFA's 2020 assessed valuation is \$25.3 billion, and it levied \$1.00 per \$1,000 of assessed value. Voters approved a levy lid lift in 2019, which increased the levy rate up from \$.71 to the statutory limit of \$1.00. The RFA also imposed a benefit charge of \$21.9 million, which funds 41% of the operational budget. The total 2020 budget was approximately \$80 million, which includes \$5 million for capital purchases and \$18 million for providing service to contract agencies. The RFA has no outstanding bond debt and very little unfunded liabilities.

The RFA determines the cost for providing service to its two contract agencies annually. The direct labor cost for the number of fire personnel necessary to provide the contracted level of service is used as the basis for the calculation. Overhead that includes recurring non-personnel costs and the administrative salary and benefits for the positions necessary to support the operation and administration of the services provided are paid in addition to the direct labor costs. The contract agencies also make a capital contribution to cover anticipated costs for the non-facility capital assets needed to serve the contracted areas.

ESCI analyzed the potential cost to District #40 if it were to contract with Puget Sound RFA. The contract between the RFA and the City of SeaTac was used as the basis for estimating the cost. The calculation required a number of assumptions, and therefore the projected costs should be viewed as a rough estimate. Actual costs would be determined through a negotiated process between the parties. A copy of the SeaTac contract is included in this report as Appendix E. The following figure depicts the actual 2020 billing to SeaTac and a projected cost for District #40.

Figure 32: Estimated Cost for District #40 to Contract with Puget Sound RFA

Account Description	Contract Reference	2020 SeaTac Cost	Projected District #40 Cost
Admin Labor	Exhibit 1, 1.a	\$270,551	\$137,007
CARES/EMS Labor	Exhibit 1, 1.b	\$79,444	\$59,249
Logistics Labor	Exhibit 1, 1.c	\$163,062	\$82,575
Planning Labor	Exhibit 1, 1.d	\$92,364	\$51,045
Fleet Labor	Exhibit 1, 1.e	\$122,648	\$84,910
IT Labor	Exhibit 1, 1.f	\$169,314	\$85,741
EM Labor	Exhibit 1, 1.g	\$312,361	\$0
Admin Goods and Services	Exhibit 1, 2.a	\$264,174	\$137,006
CARES/EMS Goods and Services	Exhibit 1, 2.b	\$8,510	\$5,707
Logistics Goods and Services	Exhibit 1, 2.c	\$66,051	\$32,768
Planning Goods and Services	Exhibit 1, 2.d	\$27,845	\$13,578
Ops Goods and Services	Exhibit 1, 2.e	\$95,915	\$67,927
SKCFTC (Training)	Exhibit 1, 2.f	\$226,232	\$123,399
Fleet Goods and Services	Exhibit 1, 2.g	\$57,949	\$28,583
CRR Goods and Services	Exhibit 1, 2.h	\$10,554	\$0
Dispatch	Exhibit 1, 2.i	\$204,959	\$108,754
Suppression Labor	Exhibit A, 1	\$7,961,781	\$4,342,789
Capital Contribution	Exhibit A, 4	\$526,112	\$175,195.30
Total Cost		\$10,659,826	\$5,536,233.30

Capital Infrastructure

The RFA operates out of 13 fire stations, and six accessory structures that are either owned or leased with RFA funding. Of these 13 stations, eight are owned by the RFA with the other five owned by the contract agencies (SeaTac 2, Maple Valley 3). The RFA has plans for two additional stations, the “Valley Station” which is scheduled for completion in 2025, and the “Benson Station” scheduled to open in 2028. The overall condition of the 13 fire stations is considered to be very good.

Unlike capital facilities, the RFA owns and maintains all apparatus and equipment. As a condition of the contract, SeaTac and Maple Valley have turned over all such assets to the RFA. The RFA has recently adopted an apparatus replacement schedule that provides a 10-year front line service life and 5 years in reserve status. The overall condition of the RFA apparatus is considered to be excellent.

Puget Sound RFA maintains a comprehensive Capital Facilities and Equipment Plan that was originally developed in 2014. The plan was updated and extended in 2019 to reflect the post-recession community growth and service demand forecasts. The plan covers the capital facilities owned by the RFA and not those owned by the two contract agencies. However, the plan does include all of the apparatus and equipment used by the RFA. The plan is funded through 2033 with anticipated contributions from property taxes of \$3.9 million per year and impact fees collected averaging \$1.8 million per year. Apparatus and equipment required for service delivery in the contract agency jurisdictions is funded by those agencies in the form of an annual capital contribution.

Support Programs

Puget Sound RFA has long been an advocate and leader for regional cooperation and consolidation. This is especially true for support service programs where they have been the driving force in the creation of several consortiums that provide support services to a significant number of King County fire agencies.

Puget Sound RFA established the Fire Department Community Assistance, Referral, and Education Services (FDCARES) program in 2015. FDCARES was created to provide better non-emergency assistance to those who have relied on the 911 system for their primary care needs. The program reduces the load on emergency units and provides a more appropriate and effective level of care for low acuity calls for service. The Renton RFA joined the FDCARES program in 2019 which extended this service into District #40.

Training needs are met through the South King County Fire Training Consortium which was established in 2012. The consortium now consists of 13 fire agencies from southern King County and Vashon Island. It enables partner agencies to pool their personnel and resources to deliver cost-effective training which results in operational consistency when agencies respond to emergencies together. The Renton RFA joined the training consortium in 2014.

Fleet maintenance services are received through a consortium with eight other agencies known as the “Fire Garage Consortium.” This consortium allows agencies to coordinate and centralize common vehicle maintenance needs and reduce the duplication of effort and costs. The Renton RFA is a participating agency and District #40’s apparatus maintenance needs are met through this consortium.

Logistic support services are received through a consortium with two other agencies known as the “Western Washington Fire Logistics Group.” This consortium allows agencies to pool resources, share warehouse space and create significant savings through volume buying. The Renton RFA is one of the participating agencies which indirectly benefits District #40.

Partner Suitability

Puget Sound RFA, although considerably larger, is similar in structure and capability to the Renton RFA. The RFA has an organizational structure that could easily accommodate the service delivery demands of District #40. The RFA has two other agencies to which it provides service on a contractual basis, one being a municipality (City of SeaTac) and the other a fire district (Fire District #43).

The adjacency of the RFA to District #40 eliminates any concerns regarding the RFA's ability to provide initial or secondary command and control, or other services not specifically addressed through automatic aid. If the District were to contract with Puget Sound RFA, response times and overall service level would be consistent with the current condition. With the present automatic aid practices, the number of responses from Station 17 to areas outside of the District would not change, neither would the number of responses into the District. From an operational perspective, there would be very few noticeable differences between contracting with Puget Sound RFA or Renton RFA. Additionally, many of the support services utilized by the District are rooted in Puget Sound RFA.

Contracting with Puget Sound RFA would require a few changes to current District practices. The RFA would want to take over responsibility for apparatus. The District would fund this through an annual capital contribution. Additionally, the repair and maintenance of the District's facility would be coordinated by the RFA and primarily funded by the District. The cost for contracting with Puget Sound would be equal to or slightly more than what is currently paid to Renton RFA.

The major disadvantage of contracting with Puget Sound RFA is the fact that the District lies almost totally within the Renton Potential Annexation Area. Although there are no eminent annexations, any reduction of jurisdiction and associated revenue would have an impact on the District's ability to maintain the current level of service. Additionally, the loss of service area could cause disruptions to Puget Sound RFA's resource deployment and related planning.

Overall, with the noted disadvantages, Puget Sound RFA is a very suitable potential partner for District #40 to consider. Likely the biggest challenge for such a move would be the acquisition of 24 fully trained firefighters needed to staff Station 17 by January 1, 2022. This number of firefighters, along with the anticipated attrition in the RFA, would take up to three fire academy cycles to fill. Additionally, there would be significant costs to hire and train the needed number of firefighters prior to the commencement of any contract for service. These costs would have to be borne by District #40.

King County Fire District #37

King County Fire District #37 (District #37) is located in the northwest corner of the Puget Sound RFA, and southeast of District #40. The borders abut each other along SE 192 Street. The District was established in 1948 with a loan from the City of Kent of \$50.00. In 1974, District #37 and the City of Kent Fire Department contractually integrated. On July 1, 2010, District #37 and Kent Fire Department formed the Kent Regional Fire Authority, which in 2017 was renamed the Puget Sound Fire Authority to better describe the area served. District #37 and the Kent Fire Department had a close working relationship from the inception of District #37, making their integration inevitable. District #37 Commissioners hold three of the six seats on the Puget Sound RFA Governing Board.

Fiscal Overview

District #37's assessed valuation is not listed separately from the Puget Sound RFA's assessed valuation on the King County Assessor's website. The Puget Sound RFA's assessed valuation is \$25.3 Billion, and it levied \$1.00 per \$1,000 of assessed value. Voters approved a levy lid lift in 2019, which increased the levy rate up from \$.71 to the statutory limit of \$1.00. The RFA also imposed a benefit charge of \$21.9 Million, which funds 41% of the operational budget. The total 2020 budget was approximately \$80 Million, which includes \$5 Million for capital purchases and \$18 Million for providing service to contract agencies. The RFA has no outstanding bond debt and very little unfunded liability.

Capital Infrastructure

District #37's Capital Expenditures are comingled expenses incurred and paid for by the Puget Sound RFA. Since all assets were transferred to the RFA, the District has no responsibility for purchase, replacement, or maintenance of separate assets.

Support Programs

As a founding member of the Puget Sound RFA, District #37's support programs are the PSRFA's support programs. This includes fleet maintenance, facilities maintenance, training, emergency management, and public education/community risk reduction services.

Partner Suitability

District #40 could legally pursue a merger with District #37 as authorized by RCW 52.06, which would, in essence, be an integration into the RFA. The process for merging the two Districts is fully addressed in the *Overview of Options* section of this report. The practical implications of such an integration are that District #37, as the surviving agency, would own all assets of District #40 and would integrate the two boards into one, right-sizing over time to either a three or five-member board, depending on the resolution and ballot language.

Section 4, item C-1(e) of the PSRFA Plan provides for a merger between District #37 and an adjacent fire district (District #40) and results in increasing the size of the District #37 board, but it further states: "Such increase [in commissioners for the District] shall not, however, alter the Governance Plan and the RFA governing board shall still have three representatives from the Fire District. Any transfer of assets or employees as a result of a merger shall be between the merging district and the RFA." The same impediment holds true to annexation into the PSRFA. The Puget Sound RFA plan would have to submit the proposed plan amendment to the entire RFA voter base to amend the plan and allow its service area to expand. The PSRFA voter requirement within the plan renders either a merger or annexation an impractical option.

District #40 could also contract for services with District #37 as authorized by RCW 39.34 – *Interlocal Cooperation Act*, which in essence is a contract with the Puget Sound RFA. Similar to the District #25 partnership option, District #37 would need to include the Puget Sound RFA to consider the impacts of either move to the larger RFA.

Finally, none of these strategies eliminate the potential for the loss of area and associated revenues from annexations by the City of Renton or the other concerns raised in the Puget Sound RFA “Partner Suitability” section discussed above.

King County Fire District #43

King County Fire District #43 (Maple Valley or District #43), is an independent Fire District located to the south and east of District #40. The population of the District is 39,826, and the service area is approximately fifty-three square miles that includes the City of Maple Valley. In July 2018, the District began contracting for services with Puget Sound after several years of financial difficulty.

Fiscal Overview

The District’s 2020 assessed valuation is \$7.4 billion, and it levied \$11,539,312, which equates to \$1.50 per \$1,000 of assessed value plus the value of new construction. In 2017, the voters of the District approved a multi-year levy lid lift that, starting in 2018, allows the District to exceed the 1% annual limit for six consecutive years.

District #43 contracts with Puget Sound RFA and therefore payments to the RFA for services rendered make up the majority of the District’s expenses. Other expenses include legislative, facility maintenance, and the support of a Reserve Firefighter program that provides EMS related services and hospital transports. However, the Reserve Firefighter program has been temporarily suspended due to the COVID-19 pandemic.

Capital Infrastructure

District #43 owns six fire stations, three of which are full-time stations staffed by personnel of the Puget Sound RFA. The physical condition of the three stations range from fair to good. The RFA and the District are exploring options for a capital improvement plan to bring the overall condition of the facilities up to the RFA’s standard. The three other stations are utilized for the Reserve Firefighter program. Information regarding the condition of these other stations was not shared with ESCI.

Front-line apparatus was turned over to Puget Sound RFA as a condition of the contract for service, although the District maintains a few vehicles necessary to operate the Reserve Firefighter program. The District makes an annual capital contribution to the RFA as necessary to fund vehicle maintenance and replacement costs.

Support Programs

As previously discussed, the District contracts for EMS and fire suppression service with Puget Sound RFA. The contract for service includes the following support programs; facility and fleet maintenance, FDCARES response, fire prevention services (Code Enforcement and Fire Investigations) within the City of Maple Valley, public education, and Information Technologies. The RFA also provides support for the Reserve Firefighter training programs.

Partner Suitability

The make-up of the two jurisdictions is very different. District #43's coverage area is very large and rural in nature as compared to District #40. The rural nature of the large geographic area, coupled with the lower density of population has an impact on assessed values and the cost-effective delivery of services. District #43 has had difficulty in achieving voter support for funding basic levels of service and maintenance and repair of its capital assets. Prior to contracting with Puget Sound RFA, District #43 attempted to solve its financial issues by seeking a fire benefit charge, multiple attempts were rejected by the voters.

The fact that District #43 is no longer a service provider effectively eliminates contracting for service with District #43 as a partnership option. The parties could consider a merger as authorized by RCW 52.06. However, if District #40 were to merge into District #43, it would result in the loss of District #40's benefit charge authorization. The loss of the benefit charge would create a budget deficit and adversely impact District #40's ability to maintain service levels. As an alternative, District #43 could merge into District #40, although this would require a re-negotiation of the contract with Puget Sound RFA as their agreement would terminate simultaneously with the effective date of the merger. Additionally, District #40 would be taking on the historical difficulties of funding and providing an adequate level of service in the consolidated District.

There are other disadvantages that could impact the success of a partnership between the two agencies. However, the immediate financial impact resulting from the loss of the benefit charge and/or the other financial difficulties experienced by District #43 in the past is reason enough to exclude a partnership with District #43 as a viable option.

King County Fire District #20

King County Fire District #20 (District #20), like District #40, is an independent Fire District. District #20 (Skyway) is located between the south end of Rainier Valley and the City of Renton in what is referred to as the West Hill area or Skyway. District #20 has a population of 16,820 located in the approximately three-square-mile area. The District is served by one fire station that houses one fire engine with full-time career staff working 24-hour shifts and one aid unit that is staffed on a part-time basis as staff is available. The staffing for both units is augmented by a vibrant volunteer force. The volunteers are assigned to a platoon (shift) and sign up for shift work between the hours of 7 p.m. and 6 a.m. as their schedules allow. District #20 handled 2,300 emergency incidents in 2019.

District #20 was re-evaluated by the WSRB in 2019 and received a Public Protection Class Rating of 4. The organizational structure of District #20 is straightforward, with 15 total employees. The career staff consists of the Fire Chief, Office Administrator of Finance, Administrative Assistant, a Captain, three Lieutenants, and eight career firefighters. District #20 also has a grant-funded Recruitment and Retention Coordinator, a part-time Public Information Officer, a part-time Emergency Management Coordinator, a part-time CERT instructor, one volunteer Chaplain, and approximately 25 volunteer firefighters.

Fiscal Overview

District #20's assessed valuation is \$2.01 Billion, and the District is levying \$1.13587 per \$1,000 of assessed value. The District is also levying a \$0.37390 per \$1,000 of assessed value excess levy, which expires at the end of 2021. The excess levy is for four years (starting in 2018) and addressed issues such as staffing, building & equipment improvements, and training and safety programs. The combined total taxing levy charged by District #20 is \$1.50977 per \$1,000 of assessed value.¹⁵ The total revenue for the District in 2020 is projected to be \$4,277,991 (not including beginning fund balance, rehab reimbursements, carry over GEMT, and carry over Excess Levy fund).¹⁶ The Fire Chief expects the District to pursue a levy lid lift in 2021 to increase its levy rate, which will coincide with the excess levy expiration. The District does not utilize a benefit charge and has no outstanding debt.

Capital Infrastructure

District #20's Capital Expenditures budget is set at \$850,000 for 2020 and includes anticipated expenditures for apparatus, information technology improvements, and facility (maintenance & equipment) upgrades. The District recently renovated its fire station, so they do not anticipate needing additional major expenditures in that area. In addition to the single fire station District #20 operates, they also own an equipment storage facility and a training facility.

Support Programs

Fire District #20 contracts with the Puget Sound Regional Fire Authority for fleet maintenance and is part of the South King County Fire Training Consortium. These services are provided to District #20 directly by these two entities (the South King County Fire Training Consortium was also founded by PSRFA), and District #40 also receives these services indirectly in that Renton RFA also receives these services from PSRFA.

Partner Suitability

District #20 is somewhat similar to District #40 in that they serve their community from one station equipped with a single engine and a single aid unit. The staffing level with career staff is lower than for District #40, but is made up for with a robust volunteer program that augments the career staffing. The Fire Chief reports that the aid unit would not likely be able to be placed into service without the volunteer personnel carrying a significant amount of the workload required to operate it. The service demand is similar between the two agencies. Both agencies rely upon King County to enforce the fire code and conduct fire prevention programs, however, District #20 is actively engaged in the community with education and outreach. Both Districts have a Public Protection Class 4 from the WSRB.

¹⁵ <https://www.kingcounty.gov/depts/assessor/Reports/~/media/depts/assessor/documents/PropertyTaxes/RateBook20.ashx>. King County Assessor website accessed 6-17-20.

¹⁶ <https://www.king20fire.org/wp-content/uploads/2020/01/2020-Budget.pdf>. King County Fire District #20 website accessed 6-17-20.

Both fire districts abut the Renton Regional Fire Authority, but have very different relationships with the RRFA. District #20 is an independently operating fire district actively serving its own constituents, whereas District #40 has contracted service delivery to the RRFA. Both districts are within Renton's Potential Annexation Areas (see Appendix D).

Logistically, District #20 would be hard-pressed to serve District #40 well as a partner. The distance between the agencies makes physical service difficult, although the response configuration would remain as is currently in place due to the Zone 3 Mutual Aid Agreement, which sends the closest units to emergencies. This would call for District #40 to be supported in structure fires and other multi-unit responses by the Renton RFA. The partnership options include contracting with District #20 or joining District #20 in a merger. In a contract, all elements of an agreement would need to be negotiated, but the primary resources used in response operations would continue to be from the Renton RFA as a member of the Zone 3 agreement.

Since both the West Hill area and the Fairwood area are in the City of Renton Potential Annexation Area, District #40 has two risks in a partnership. If the City of Renton annexed a portion of the West Hill area, District #40 taxpayers could be left in the unenviable position of subsidizing the remainder of District #20 (in a merger scenario). The reverse could also occur, and District #40 could be annexed, leaving District #20 to subsidize the remainder of District #40 (in a merger scenario). In a contract scenario, a subsidy would not be a likely outcome, but either District could be in want of a new partner if one were to be partially annexed.

In order to serve District #40 at its current level of service, District #20 would have to acquire 24 fully trained firefighters to staff Station 17 by January 1, 2022. This number of firefighters may take up to three fire academy cycles to fill. Additionally, there would be significant costs to hire and train the needed number of firefighters prior to the commencement of any contract for service or merger. These costs would have to be borne by District #40.

FINDINGS & RECOMMENDATIONS

Findings

1. District #40 is financially healthy, with anticipated tax, benefit charge, and other revenue collection capacity to cover contracting costs, maintenance of the Board, and maintenance of the apparatus and facilities. The District also has a \$1,500,000 reserve fund and a \$750,000 replacement fund.
2. District #40 does not have sufficient funds set aside in its replacement fund to replace the apparatus in need of replacement now, nor does it have a dedicated capital reserve adequately funded for scheduled apparatus replacement in the future. It does intend to move the excess funds from the LTGO Bond Fund.
3. The contract between the District and the Renton RFA has been a source of conflict since initially renegotiated in 2018, and remains an unresolved point of contention.
4. Resource concentration within the District is robust, with a staffed engine and a staffed aid unit handling the calls within the District area. Unit reliability is high for the engine (95.52%) and acceptable for the aid unit (89.22%). These are the highest reliability by unit type of the entire RRFA.
5. Response equity (balanced automatic aid) shows a two-to-one ratio of aid given by District #40 versus aid received from RRFA. However, unit hours reflect balance with RRFA providing 1,099 (55%) unit hours to the District and the District providing 885 unit hours (45%) to the RRFA.
6. Response performance in the District is below industry standards and below RRFA standards, but is consistent with performance throughout the RRFA and the response performance of other agencies in the region.

Call Processing Time

- Actual = approximately 2:28 for all emergencies (regional dispatch center apparently tracks this data set in a manner inconsistent with fire service standards)
- Industry = 95% of emergency incidents at or below 1:04

Turnout Time

- Actual = 90% of incidents at or below 2:26
- Industry = 90% of incidents at or below 1:00 for EMS, 1:20 for fire

Travel Time, 1st Unit Arrival

- Actual = 90% of incidents at or below 7:10
- Industry = 90% of incidents at or below 4:00

Combined Turnout & Travel Times, 1st Unit Arrival

- Actual = 90% of incidents at or below approximately 9:36
- Industry = No cumulative standard, just components
- Internal RRFA standard = 90% of incidents at or below 7:30

7. District #40 is within the City of Renton's Potential Annexation Area, making annexation by the city a significant risk to the District and future partners if it partnered with any agency other than the Renton RFA.
8. Negative labor implications would likely result (for the new partner agency) as an outfall of any partnership pursued by the District if the change has an adverse impact (real or perceived) on positions within IAFF Local 864.

9. District #40 could pursue a new contract for services with the Renton RFA, rescinding the letter of intent to terminate.
10. District #40 could pursue annexation into the Renton RFA, which necessitates modification of the Renton RFA plan (RCW 52.26.300), followed by a vote by the District #40 electorate. Modification of the RFA plan can be done by governing board action. A vote of the Renton RFA electorate is not required.
11. District #40 could pursue a merger with King County Fire District #25, which essentially integrates District #40 into the Renton RFA. As a practical matter, the RFA plan would need to be modified to factor in District #40 and would require RFA governing board cooperation in that regard. A merger requires a vote by the District #40 electorate. A vote is not required for the District #25 electorate nor the Renton RFA electorate.
12. District #40 could pursue a contract for services with Puget Sound RFA. This requires the implementation of a contract similar to the SeaTac model. Further, this requires the District to pay PSRFA upfront to hire 24 firefighters to staff the District #40 station and be fully operational by January 1, 2022 (the day after the expiration of the Renton RFA contract). This would need to commence almost immediately. Annexation by the City of Renton has a direct negative impact on District #40 and its ability to fully fund the contract for services with PSRFA.
13. District #40 could pursue a merger with King County Fire District #37, which essentially integrates District #40 into the Puget Sound RFA. As a condition of the RFA plan itself, the RFA plan would need to be modified to factor in District #40 and would require RFA governing board cooperation and concurrence with the Puget Sound RFA electorate. A merger with District #37 does not net additional seats on the governing board for the Puget Sound RFA and would require voter approval by a majority vote of the electorate of the PSRFA to expand the service area (Puget Sound RFA-Plan, Section 4: Jurisdictional Boundaries, item C-2).
14. District #40 could pursue a merger with King County Fire District #43. Merging with District #43 would cause District #40 to lose its benefit charge in favor of District #43's funding model of \$1.50/1,000 AV plus a multi-year levy lid lift through 2023. This creates a deficit for District #40. Since District #43 is not an independent service provider, the merged department would need to continue to contract with the Puget Sound RFA for service delivery. This would also require the merged District to pay PSRFA upfront to hire 24 firefighters to staff the District #40 station and be fully operational by January 1, 2022 (the day after the expiration of the Renton RFA contract). This would need to commence almost immediately. Annexation by the City of Renton has a direct negative impact on a merged District #40/#43 and its ability to fully fund the contract for services with PSRFA.
15. District #40 could pursue a contract for services or a merger into King County Fire District #20. In either case, District #40 would have to pay for the hiring and training of 24 firefighters to staff the District #40 station and be fully operational by January 1, 2022 (the day after the expiration of the Renton RFA contract). This would need to commence almost immediately. Annexation by the City of Renton has a direct negative impact on a merged District #40/#20 and in the District's ability to fully fund a contract for services with District #20.

Recommendations

Washington State's growth management act requires counties to coordinate with their cities to establish urban growth boundaries. The Renton Comprehensive Plan includes the District #40 area (referred to in the plan as Fairwood) as a Potential Annexation Area and has established land use policies and growth targets in cooperation with King County.

As stated previously in this report, District #40 lies almost totally in the Potential Annexation Area of the City of Renton. This means that District #40 is designated for future annexation by the City of Renton. Since the Renton RFA includes the City of Renton in its service area, any areas annexed by the City of Renton automatically becomes part of the Renton RFA (RCW 52.26.290). In recognition of this, the service contract between District #40 and the Renton RFA discounts the amount paid by the District for areas annexed into the RFA.

If District #40 pursues a partnership with any agency other than the Renton RFA, that discount will not exist. The Renton RFA will receive the tax revenue from the annexed property, the District will lose the revenue, and the District's ability to fully fund a partnership will have diminished by the amount annexed. For this reason, a partnership with any other agency for emergency service delivery is a risky move for either the District, the partner agency, or both.

ESCI recommends re-engaging with the Renton RFA to negotiate a performance-based contract. Both parties would benefit from obtaining the services of a neutral third party to facilitate this. The City of SeaTac contract with the Puget Sound Fire Authority is an excellent model to follow. It is a performance-based contract, and while it has unique features not necessary for District #40, the main elements shore up areas of weakness in the existing RRFA-District #40 contract. Specifically, the SeaTac model contains service level performance with metrics and the cost allocation formula is attached as an addendum so it can be replicated in future contracts. The SeaTac contract is attached to this study as an addendum.

Key contract elements should include, but not limited to:

- Service level performance metrics (at least to the current level of response performance)
- Staffing level to the current level
- Cost allocation formula detailed (see SeaTac model for example)
- Loss of revenue due to annexation offset in cost of contract
- Transfer of assets, specifically all apparatus (elimination of redundant reserve apparatus)
- Communication directly to District patrons from Renton RFA to include a portion of the communication reserved for Commissioner comments

Once trust is regained and relationships restored (after operating under contract smoothly for a few years), ESCI would recommend approaching the Renton RFA to pursue annexation into the authority. By doing so, the District is no longer subject to contract renegotiation and has a full voting representation at the table of governance (consistent with the amendments of the RFA plan).

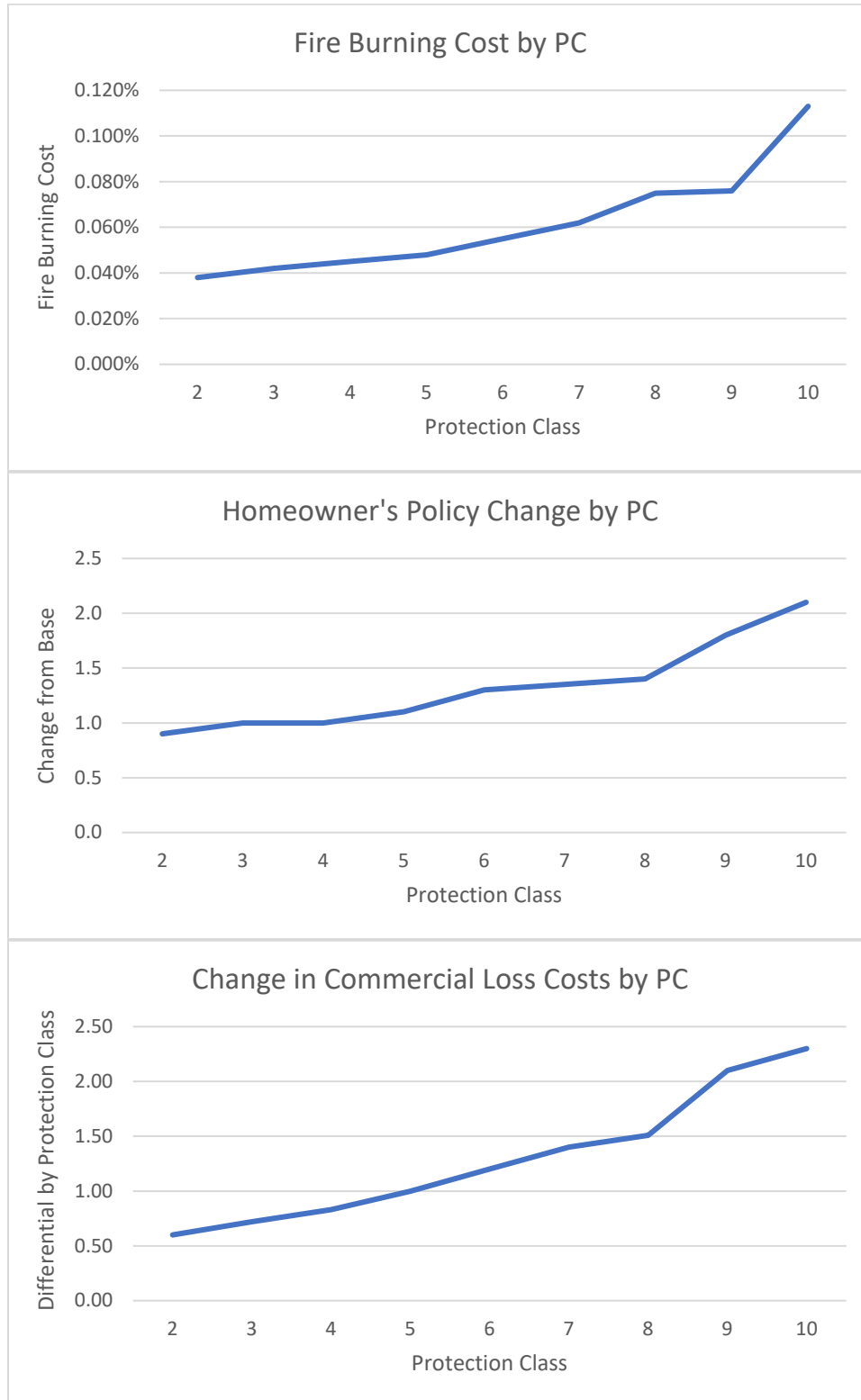
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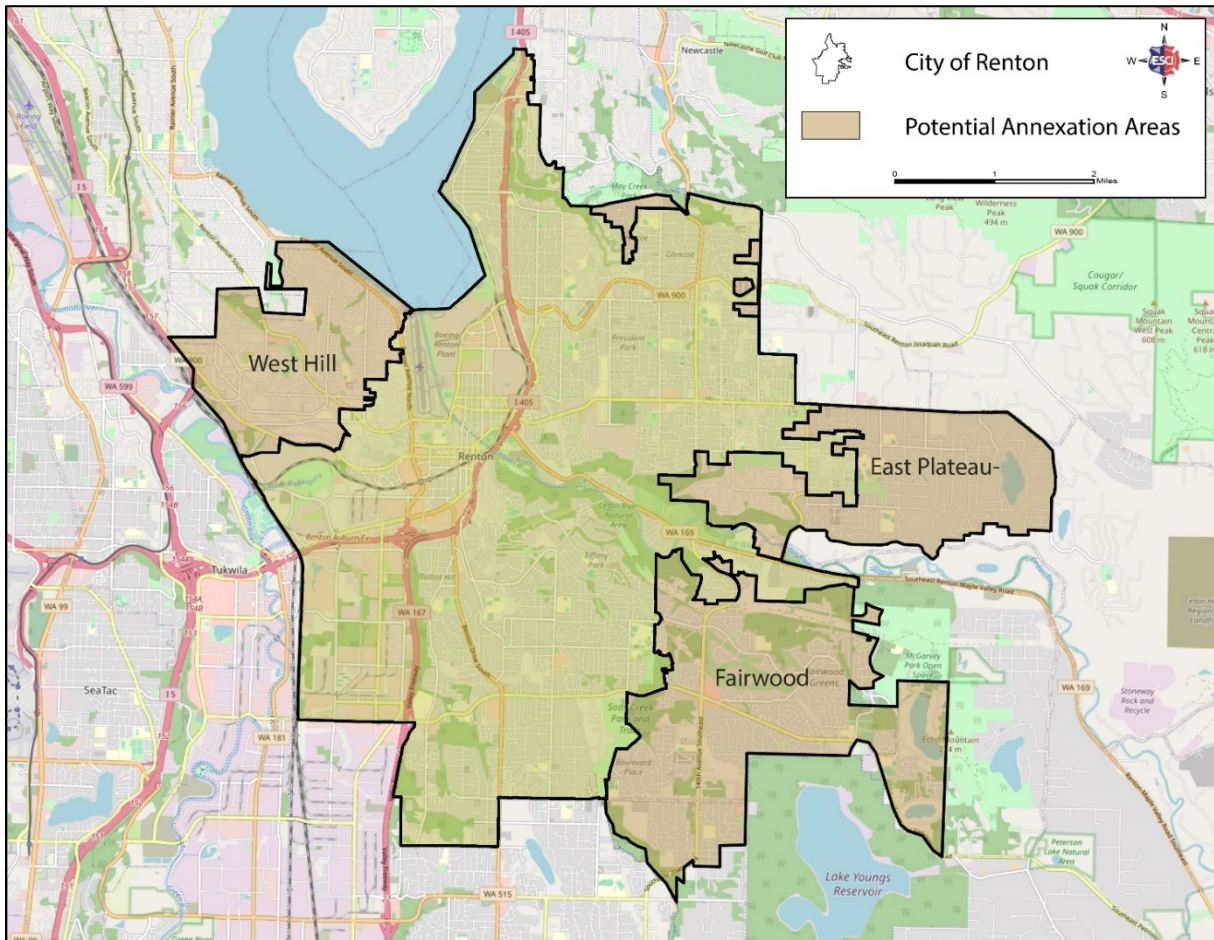
APPENDIX B: SURVEY TABLE—BUDGET & FINANCE

Survey Component	Client Agency Information
FINANCIAL OVERVIEW	
Designated Fiscal Year	Calendar Year (January–December)
Current year Assessed Property Value	\$3,370,057,902
Current year General Operating Budget	\$5,609,582
REVENUE	
General Fund Property Tax Levy	
Current year Regular Levy	\$3,370,058
Levy rate (5-year history)	2020: .97124 2019: .98787 2018: 1.00 2017: 1.00 2016: 1.00
Levy Collection (actual vs. expected)	2020: TBD 2019: 97.6% 2018: 99.7% 2017: 99.9% 2016: 99.7%
Levy Limitations	Levy is limited to \$1.00 / \$1,000 AV pursuant to RCW 84.52.044. This is a reduced levy rate due to the assessment of Benefit Charges.
Other Tax Levies and/or Charges for Service	
Excess Levy (GO Bonds), collection and rate from last 2 years	2020: \$500,000 (8.4 cents per \$1,000 AV) 2019: \$1,030,455 (18.3 cents per \$1,000 AV)
EMS Levy, rate from last 2 years (Note: EMS Levy collections go to King County EMS)	2020: 26.5 cents per \$1,000 AV 2019: 22.9 cents per \$1,000 AV
Benefit Charge Collection (The District initiated Benefit Charge Collections in 1990 pursuant to RCW 52.18)	2020: \$2,000,000 2019: \$2,000,000 2018: \$2,000,000 2017: \$2,000,000 2016: \$2,480,224
Percent of the Operating Budget funded from Benefit Charges	2020: 35.6% 2019: 36.8% 2018: 40.1% 2017: 40.8% 2016: 50.5%
Service Contracts	
Seattle Public Utilities	41,000 annually
Kent Schools (In lieu of taxes)	\$3,100 annually (\$1 per student enrolled)
Station 17 Cell Tower	\$8,800 annually
Grants	
Recent Award Amounts	None
Outstanding Application Amounts	None

Survey Component	Client Agency Information
OUTSTANDING DEBT AND UNFUNDED LIABILITIES	
Voter Approved Bond Debt (principal & interest); expiration	The District's total debt service (principal and interest) related to two separate bond issuances as of 1/1/2020 is \$1,251,068. Both bond issuances are scheduled to be paid off by December of 2021.
Councilmanic Bonds	None
Unfunded Liabilities	None
BUDGET & MONITARY CONTROLS	
Budget Officer	Laura Buckley (District Secretary)
Budget Development/Approval Process	Board begins annual budget process in September. The Finance Workgroup and District Secretary prepares a draft budget. A public hearing is held in October to present the proposed benefit charge and other revenue sources as required by RCW 52.18.060 and 84.55.120. After the public hearing and review of the proposed budget, the Board establishes the Benefit Charge assessment prior to November 30. The final budget is adopted in December.
Financial Control Officer	Laura Buckley (District Secretary)
Financial Reports	Prepared annually and submitted to Washington State Auditor
Audits Performed	Annual audits performed by the Washington State Auditor's Office
Basis of Accounting	Cash Basis
Purchasing	
Description of Purchasing Policy	Pursuant to Policy 6200, purchases must be approved by the Board. The Facilities and Equipment Committee is authorized to initiate purchases with Board prior approval.
Joint Purchasing Agreements	Joint purchasing does occur through the Renton RFA and Zone 3 Consortium.
Purchasing controls in place	Policies related to purchasing controls are currently under revision.
Capital Asset Inventory	
Asset Inventory Maintained	No
Asset security system	None
Frequency of capital asset inventory performed	N/A
Monetary Controls	
Cash Access Controls	Pursuant to Policy 6310, transactions are prepared and signed by the auditing officer then approved by an affirmative vote by a majority of the Board.
Credit Card Controls	Pursuant to Policy 2743, credits cards are maintained and under the control of the District Secretary and/or the Board. Personal use of credit cards is prohibited by policy.

APPENDIX C: PROTECTION CLASS CORRELATION WITH FIRE LOSS & PREMIUMS

APPENDIX D: RENTON POTENTIAL ANNEXATION AREAS



The creation of the Urban Growth Boundary (UGB) was mandated by the Growth Management Act (GMA) in 1990. King County, in consultation with cities, is required to establish a UGB and define areas within the boundary as urban and areas outside the boundary as rural. The urban area includes all land already in cities, and lands in the unincorporated area that can accommodate enough new development to meet required 20-year growth targets.

Much of the land to the east of Renton City limits inside the UGB is defined as urban and part of Renton's Potential Annexation Areas (PAAs). Designation as a PAA means that the adjacent city has agreed to annex the area and provide urban services to the area. (Source: Renton RFA – SOC, 2017)

APPENDIX E: SEATAC CONTRACT WITH PSRFA (ATTACHED)

FIRST AMENDED AND RESTAED INTERLOCAL AGREEMENT

This Agreement is entered into between PUGET SOUND REGIONAL FIRE AUTHORITY, a municipal corporation, hereafter referred to as "PSRFA", and the CITY OF SEATAC, a municipal corporation, hereafter referred to as "City."

RECITALS

1. This agreement is entered into by the City under the authority of RCW 35A.11.040 and the PSRFA under the authority of RCW 52.26.090 and in conformity with chapter 39.34 RCW, the Interlocal Cooperation Act.
2. The PSRFA and the City currently each maintain and operate their own fire departments to provide fire protection, fire suppression and emergency medical services in their respective jurisdictions.
3. The purpose of this Agreement is to consolidate services to allow for Puget Sound Regional Fire Authority to provide fire protection, fire suppression and emergency medical services to the City of SeaTac.
4. This Agreement represents a complete restatement of the Parties' January, 2014 Interlocal Agreement.

AGREEMENT

To carry out the purposes of this agreement and in consideration of the benefits to be received by each party, it is agreed as follows:

1. DEFINITIONS.

1.1. The following terms, when used in this agreement, shall be defined as follows:

- (a) "PSRFA" shall mean Puget Sound Regional Fire Authority.
- (b) "City" shall mean City of SeaTac.
- (c) "Chief" shall mean the duly appointed Fire Chief, or acting Fire Chief, of the PSRFA.
- (d) "Contract Reserve Fund" shall mean the fund into which the City's annual capital contributions, as established in **EXHIBIT A**, shall be held by the PSRFA.
- (e) "Material Breach" shall be defined as either:
 - (i) The PSRFA's failure to provide Services at the Level specified in Section 3;
 - (ii) The City's failure to pay the contract payments specified in **EXHIBIT A** or

(iii) Any other failure of a party to perform a contractual obligation that prohibits the other party from performing its payment or service obligations)

(f) "SeaTac Fire Vehicles and Apparatus" shall mean vehicles and apparatus that are transferred from the City to the PSRFA pursuant to this Agreement or that are purchased by the PSRFA with City funds or from the Contract Reserve Fund.

2. TERM, RENEWALS AND TERMINATION.

2.1. Term. Except as provided in Paragraph 2.3, this agreement shall be effective on January 1, 2014 "Commencement Date" and shall terminate on December 31, 2033 "Expiration Date" unless earlier terminated in accordance with Paragraph 2.4 and 2.5. For purposes of this Agreement January 1st shall be referred to as the "Anniversary Date."

2.2. Renewals. The parties agree that eighteen (18) months prior to the Expiration Date, the parties will meet to discuss the renewal of this Agreement. The parties will conduct good-faith conversations to determine if the parties can agree upon mutually acceptable renewal terms. The parties agree that any renewal of this Agreement must be reached on or before December 31, 2032.

2.3. Review. At a minimum, the parties will review this Agreement on a biennial basis during the first and second quarter of even years, starting 2020, and recommendations for any amendments will be made to each party's legislative body for adoption.

2.4. Fire Prevention, Fire Investigations and Emergency Management Services. The services identified in Paragraphs 3.3, 3.4 and 3.5 shall be subject to the termination provisions established in this Section. Either Party may give notice of termination of all or a portion of the services identified in Paragraphs 3.3, 3.4 or 3.5 with a (2) two year written notice of its intent to terminate. Any termination under this provision must specifically identify the services being terminated and will be effective on December 31st of the year following 24 months after the notice is given.

2.5. Voluntary Termination.

(a) No Termination within First Five Years. The parties acknowledge that in entering into this Agreement, significant financial and personnel resources were expended. Therefore, neither party may terminate this Agreement within the first five years following the Commencement Date except for a Material Breach (Paragraph 2.4).

(b) Voluntary Termination. No sooner than January 1, 2019 either party may give notice of termination of this Agreement for any reason or no reason by providing the other party with a two (2) year written notice of its intent to terminate. Any termination under this paragraph must occur on the Anniversary Date of this Agreement. By way of example only, in the event that one of the parties determines during calendar year 2018 that it desires to terminate this Agreement, it must

provide the other party with notice of its intent to terminate on or before January 1, 2019 for termination to be effective as of January 1, 2021.

2.6. Termination For Material Breach. Either party may terminate this Agreement in the event of a Material Breach of this Agreement by the other party pursuant to the following process:

- (a) The non-breaching party shall provide the breaching party with written notice which sets forth the alleged Material Breach(es).
- (b) The breaching party shall have ninety (90) days following receipt of the notice from the non-breaching party (the “Cure Period”) to cure such alleged Material Breach(es).
- (c) In the event that the breaching party fails to cure such Material Breaches during the Cure Period, the non-breaching party may terminate this Agreement upon the expiration of the Cure Period, subject to the Wind Up provisions set forth in Paragraph 2.4.d by providing the breaching party with written notice of termination of this Agreement. The right to terminate this Agreement set forth in this paragraph shall be in addition to the other rights and remedies available to the parties under applicable law.
- (d) In the event of a Material Breach of this Agreement that has not been cured by the expiration of the Cure Period, the parties shall, unless the parties mutually agree otherwise in writing, continue to perform their respective obligations under this Agreement for a minimum of twelve (12) months after the expiration of the Cure Period (the “Wind Up Period”); provided, however, that the Wind Up Period shall be six months if the Material Breach involves the City’s failure to make the Contract Payment or the PSRFA’s failure to provide services. Provided, further, that during the Wind Up Period, the parties shall coordinate their efforts to transition services. If the PSRFA is providing all services as defined in Section 3, the City will be responsible for all payments required herein until the conclusion of the Wind Up Period.

3. SERVICES PERFORMED BY THE PSRFA FOR THE CITY.

3.1. Fire Suppression Services. The PSRFA shall furnish fire suppression services to all properties and persons presently within or annexed to the City including all City owned or leased real and personal properties. Such services shall be rendered within the City on the same basis as is rendered to other areas within the PSRFA or with which the PSRFA has contracts without regard to political boundaries but rather with regard to providing the most efficient and effective service to the entire jurisdiction served by the PSRFA.

3.2. Emergency Medical Services. The PSRFA shall furnish emergency medical services to all properties and persons presently within or annexed to the City including all City owned or leased real and personal properties. Such services shall be rendered within the City on the same basis as is rendered to other areas within the PSRFA or with which

the PSRFA has contracts without regard to political boundaries but rather with regard to providing the most efficient and effective service to the entire jurisdiction served by the PSRFA.

(a) Level of Service for Fire Suppression and Emergency Medical Services. The PSRFA shall maintain the following minimum staffing levels to support Fire Suppression and Emergency Medical Services within the City during the term of this Agreement.

(i) Station 45 Minimum Staffing. One Engine with one captain, one engineer and one firefighter.

(ii) Station 46 Minimum Staffing:

(ii.1) Station/Engine 46: One Engine or tiller ladder truck with one captain, one engineer and one firefighter or two engineers but no firefighters on tiller ladder truck, one command vehicle and one Battalion Chief.

(ii.2) Engine 47 Minimum Staffing. One Engine with one captain, one engineer and one firefighter.

(iii) Minimum Staffing. For purposes of this Agreement, the parties agree that the PSRFA must maintain employment of 44 uniformed firefighters that are primarily assigned to City Stations 45, 46 and Engine 47 to maintain minimum staffing at each worksite.

(b) Standards of Response Coverage for Fire Suppression and Emergency Medical Services. The PSRFA agrees to maintain a Total Response Time (turnout time + drive time) in the response to emergencies and the deployment and use of personnel in accordance with the latest "Standards of Cover" document. The following levels exist as of the date this contract was negotiated:

(i) Fire Emergencies. Eight minutes for ninety percent of all fire incidents evaluated on a rolling twelve month period.

(ii) Basic Life Support (BLS) and Effective Response Force: Ten minutes for ninety percent of all BLS incidents and incidents requiring an effective response force evaluated on a rolling twelve month period.

(c) Adjustments to Staffing Levels or Standards of Response Coverage. The PSRFA reserves the right to temporarily modify staffing levels and Standards of Response Coverage from time to time as circumstances may require. Subject to the minimum staffing requirements in Paragraph 3.2(a), the PSRFA shall provide the City with advance notice of any permanent increase or decrease of more than 72 hours of staff time in the Standards of Response Coverage affecting the City. In the event of a decrease the PSRFA shall explore with the City options for avoiding the decrease.

3.3. Community Risk Reduction Services. The PSRFA agrees to perform Fire Prevention Services for the City as follows:

- (a) Community Risk Reduction Services as outlined in **EXHIBIT B** and Public Education Services as outlined in **EXHIBIT E**.
- (b) **Designation of Fire Chief and Fire Marshal.** For the purposes of enforcement of federal, state, and City laws relating to the provision of fire services, and for the purposes of complying with federal and state grant programs or any other programs which relate to the provision of the services hereunder, the City hereby designates the Fire Chief of the PSRFA as the City's Fire Chief, and the PSRFA's Fire Marshal as the City's Fire Marshal and Fire Code Official. Notwithstanding the preceding designations, the Fire Chief and Fire Marshal shall remain employees of the PSRFA and the PSRFA shall retain absolute discretion over all employment decisions relating to the Fire Chief and Fire Marshal.
- (c) All records relating to the provision of Fire Prevention Services, including retention, custody, and disclosure shall be managed in accordance with **EXHIBIT H**.

3.4. Fire Investigation Services. The PSRFA agrees to perform Fire Investigation Services for the City as follows:

- (a) Fire Investigation Services as outlined in **EXHIBIT C**.
- (b) All records relating to the provision of Fire Investigation Services in the City of SeaTac , including retention, custody, and disclosure shall be managed in accordance with **EXHIBIT H**.

3.5. Emergency Management Services.

- (a) **Emergency Management Support and Consultation.** The City shall remain responsible for providing Emergency Management Services in the City. The PSRFA shall provide staffing support and consultation in the implementation of Emergency Management Services as specified in **EXHIBIT D**.
- (b) **Emergency Coordination Center Staffing.** The City will permit the PSRFA to assign a designated PSRFA staff member to the Emergency Coordination Center during periods in which the Emergency Coordination Center is activated.
- (c) All records relating to the provision of Emergency Management Services in the City of SeaTac , including retention, custody, and disclosure shall be managed in accordance with **EXHIBIT H**.

3.6. Information Technology. The PSRFA will provide its own information technology services.

4. PAYMENT FOR SERVICES.

- 4.1. **Payment Procedures.** For the services provided pursuant to this Agreement, the City shall pay the PSRFA the amounts determined under **EXHIBIT A**. The PSRFA shall provide the City with quarterly invoices for the amounts and the City shall pay all invoiced amounts within 30 days of receipt.
- 4.2. **Failure to Submit Invoice.** The failure of the PSRFA to submit an invoice for services to the City within the timeframes provided in this Agreement shall not result in a waiver of the City's obligation to pay for the services; provided that the failure of the PSRFA to invoice the City for a period in excess of thirteen (13) months from the date the services were rendered shall result in a complete waiver and shall release the City from any obligation to pay for those services, unless otherwise agreed to by the parties.
- 4.3. **PSRFA Charges Under RCW 52.30.020.** The PSRFA may exercise its powers under RCW 52.30.020 or other provisions of state or federal law related to fire protection and emergency medical services by contracting directly with state agencies, state institutions or municipal corporations owning real property or improvements within the City.
- 4.4. **Significant Change in Cost of Providing Services.** In the event of a material and significant increase or decrease in the costs of providing services under this Agreement as a result of a legislative policy or declaration that mandates a change in the level of service or cost of service, beyond the control of the parties, then, at the request of either party, the parties shall renegotiate the funding and service provisions of this Agreement. If the parties are unable to successfully renegotiate this Agreement through good faith negotiations, the Dispute Resolution Provisions of this Agreement shall apply.

5. ASSET TRANSFERS.

- 5.1. **Real Property.** The City shall lease to the PSRFA the real property and improvements identified in **EXHIBIT F** "Real Property" for \$1.00 per year pursuant the terms of separate written leases, which shall contain, at a minimum, terms consistent with this Paragraph and Paragraph 5.2.
- 5.2. **Maintenance and Improvement of Real Property.**
 - (a) **Routine Maintenance.** Routine maintenance includes all regular maintenance that does not meet the threshold of Major Repairs and Maintenance set forth in Paragraph 5.2.b. The PSRFA shall be solely responsible for the routine maintenance associated with the Real Property.
 - (b) **Major Repairs and Maintenance.** Major Repairs and Maintenance shall be defined as repairs or maintenance items with a cost in excess of \$1,000.00. The City and the PSRFA shall share equally in the cost of such repairs, provided the PSRFA's contribution shall be capped at \$10,000.00 for any individual repair or maintenance. The \$10,000 cap cost shall be adjusted January 1 of each year by

100% of the Seattle/Tacoma/Bellevue CPI-W percentage increase for the period of June to June.

- (c) **Utilities.** The PSRFA shall be responsible for payment of all utilities serving the Real Property.
- (d) **Maintenance Contract.** Maintenance services for the Real Property shall be provided to the PSRFA by the City at an annual cost of \$73,100.40 in 2019. The cost shall be adjusted January 1 of each year (beginning 2020) by 100% of the most recent June to June Seattle/Tacoma/Bellevue CPI-W. Yard maintenance service will not be provided by the City and will be the responsibility of the PSRFA.
- (e) **Capital Improvements.** The City shall remain solely responsible for all Capital Improvements to the Real Property.
- (f) **Disposition of Real Property in the Event of Termination.** In the event this Agreement is terminated pursuant to Paragraph 2, the Lease Agreements for the Real Property shall be terminated effective on the date the PSRFA is no longer responsible for providing services to the City and the City shall assume full responsibility for the Real Property.

5.3. Personal Property. The PSRFA shall purchase from the City the personal property identified in a schedule separate from this Agreement for the estimated amount of \$1,146,021 "Personal Property." The actual cost of the personal property shall be determined on January 1, 2014 "Personal Property Value."

- (a) **Title.** The City and the PSRFA shall work cooperatively to execute all necessary documents to transfer title to all transferred titled personal property.
- (b) **Condition of Property.** The PSRFA agrees to accept the personal property in "as is" condition subject to any applicable warranties.
- (c) **Service and Maintenance Records.** The City shall provide the PSRFA with all applicable service and maintenance records, shop manuals and other documents related to the transferred personal property.
- (d) **Warranty Transfers.** The City shall transfer all transferable warranties applicable to the transferred property. In the event a warranty claim may only be made by the City, the City agrees to cooperate with the PSRFA and use its best efforts to enforce such warranties.

5.4. Capital Purchases. The PSRFA shall be responsible for purchasing future Vehicles, Apparatus and capital equipment necessary to provide services in the City. The funding for such purchases shall be the City's annual capital contributions as set forth in **EXHIBIT A** plus the proceeds of the sale of any SeaTac Fire Vehicles and Apparatus plus the full amount of the Sound Transit funding designated for the purchase of a Ladder Truck.

- 5.5. Records.** Except as specifically provided elsewhere in this Agreement, there will be no transfers of records between the parties. **EXHIBIT H** shall govern the retention and disclosure of any records of one party held by the other.
- 5.6. Disposition of Property in the Event of Termination.** In the event this Agreement is terminated pursuant to Paragraph 2 (excluding terminations under Paragraph 2.3) the following provisions shall govern the transfer of Personal Property.
- (a) Identification of Personal Property.** The PSRFA shall sell back to the City any Personal Property transferred to the PSRFA on January 1, 2014 as provided in Paragraph 5.6(b). The PSRFA shall transfer to the City any personal property purchased from the Contract Reserve Fund after January 1, 2014, provided that such Personal Property is still owned by the PSRFA on the Termination Date.
 - (b) Valuation of Personal Property.** The parties agree that the Personal Property transferred back to the City shall be valued using the same principles that were used to determine the value on January 1, 2014. The principles include a straight line depreciation schedule for equipment based on the life cycle identified on the PSRFA's Equipment Replacement schedule. Provided, however, an accelerated depreciation schedule of 75% depreciation for the first 10 years and 25% for the final ten years was used for Fire Apparatus. For apparatus and vehicles with a depreciated value of zero, the apparatus and vehicles were assigned a salvage value of 10% of the replacement value. Consumable supplies were valued at market value.
 - (c) SeaTac Capital Facilities Fund.** The PSRFA shall transfer to the City the entire balance of the PSRFA's "Contract Reserve Fund" on the effective date of termination.
 - (d) City Responsibility for Salary Savings Program.** In the event any former City employees identified on **EXHIBIT G** are receiving payments pursuant to the Salary Savings Program established under the PSRFA CBA, the City shall reimburse the PSRFA for the full value of all remaining costs of the Program for those employees.
 - (e) City Responsibility for Accrued Leave Balances.** The City shall be responsible for the accrued leave balances, which accrue after January 1, 2014, of any of the 44 PSRFA employees employed to meet the City's minimum staffing requirement that are laid off by the PSRFA as a direct result of the termination of this Agreement. This obligation shall apply regardless of whether the employees are rehired by the City under Paragraph 6.7. Provided, however, the PSRFA shall reimburse the City for the full value of any Employee Leave Balances for former City employees that have not been paid out to the employee prior to the contract termination date and provided that any additional payment from the city would occur following exhaustion of the Employee Leave Balance amount that is referred to in Section 6.3.
- 5.7. Reserve Apparatus Leasing.** In lieu of retaining a second reserve engine as part of the SeaTac Fire Vehicles and Apparatus, the City agrees that it may be required to lease

a reserve engine from the PSRFA in accordance with the following terms. In the event two or more SeaTac Fire Vehicles and Apparatus engines are out of service simultaneously with one engine out of service due to an emergency breakdown or unscheduled repair for more than fourteen calendar days, the City will lease a suitable reserve apparatus from the PSRFA at the Washington State Fire Chief Rate Schedule until such time as only one engine is out of service.

- 5.8. Impact Fees and SEPA Mitigation.** The City, under certain circumstances, has the ability to impose impact fees and/or require actions of mitigation which may have an impact upon fire protection for development or other activities within the City. Prior to the issuance of a SEPA threshold determination for an annexation, development or other activity within the city which: (i) may materially increase the cost of providing the administrative and operational services specified herein; and for which the City may charge an impact fee and/or require mitigation, the City and the PSRFA shall meet and discuss the impact on the services provided under this Agreement and the appropriate mitigation or impact fee. Should the City impose such fees, the fees shall be placed into a special reserve account maintained by the City until: (a) they are expended on mitigation; (b) a replacement or subsequent agreement for the provision of services is entered into by and between the PSRFA and the City, or (c) until termination of this Agreement. In the event this Agreement is terminated and a subsequent agreement for the provision of services is not entered into within one hundred and eight (180) days of the termination, such funds remaining in the special reserve account shall be transferred to the appropriate City account. The PSRFA and the City agree that final authority to impose impact fees for fire shall remain with the City.

6. EMPLOYEE TRANSFERS.

- 6.1. City Employees to become PSRFA Employees.** The PSRFA shall become the employer of those employees of the City identified in **EXHIBIT G**.
- 6.2. Collective Bargaining.** Each party has undertaken to collectively bargain the impact of this Agreement upon the respective labor unions which represent each party's employees. The Kent Fire Fighters Local 1747, I.A.F.F. "PSRFA Union" and the SeaTac Fire Fighters Local 2919, I.A.F.F. "SeaTac Union" have approved an Memorandum of Understanding under which the SeaTac fire fighters will be integrated into the PSRFA Union. The approval of this Interlocal Agreement by the City and the PSRFA will constitute each parties approval of the terms and conditions of the MOU.
- 6.3. Accrued Employee Leave Balances.** The City shall pay to the PSRFA the full amount of SeaTac Employee Leave Balances excluding the value of accrued compensatory time, existing on December 31, 2013 "Employee Leave Balances." The amount shall be paid as follows: The value of the Employee Leave Balances shall be reduced by the Personal Property Value established under Paragraph 5.3. The resulting amount shall be paid in two equal payments one due on February 1, 2014 the second due on February 1, 2015.

- 6.4. City LEOFF I Responsibility.** The City will retain the liability for retired LEOFF 1 City Fire Department FTE's to include medical and long term care insurance payments and any other expenses incurred by the City Fire Department LEOFF 1 personnel in accordance with the City LEOFF 1 Policies and Procedures.
- 6.5. Indemnification Regarding City Personnel Claims.** The City shall indemnify, defend and hold the PSRFA harmless from any and all demands, claims or actions by former City Personnel, which arise out of, or relate to, the City Personnel's employment prior to January 1, 2014.
- 6.6. Civil Service.** The City Employees transferred to the PSRFA shall be subject to the PSRFA's Civil Service Commission under Chapter 41.08 RCW.
- 6.7. Effect on Represented Personnel in the Event of Termination.** In the event this Agreement is terminated pursuant to Paragraph 2 (excluding terminations under Paragraph 2.3), and the City reestablishes its fire Department, the City shall rehire up to 44 personnel laid off by the PSRFA as a result of the termination consistent with the following provisions:
- (a) If the termination date is prior to January 1, 2029, if the City has sufficient resources and if the PSRFA determines that it must lay off employees, the PSRFA shall first layoff, and the City shall rehire, all PSRFA personnel that were employed by the City of SeaTac on December 31, 2013.
 - (b) If the PSRFA determines that additional personnel will need to be laid off, the PSRFA shall give all remaining personnel an option of pursuing employment with the City in order of seniority.
 - (c) In the event the PSRFA determines that additional employees must be laid off by the PSRFA, the PSRFA shall lay off the PSRFA employee's with the lowest seniority and the City shall offer employment to all laid off PSRFA employees before hiring other employees.
 - (d) If the termination date is on or after January 1, 2029, and if the PSRFA determines that represented personnel will need to be laid off, the PSRFA shall give all personnel an option of transferring employment to the City in order of seniority. In the event the PSRFA determines that additional employees are laid off by the PSRFA, the PSRFA shall lay off the PSRFA employee's with the lowest seniority and the City shall offer employment to all laid off PSRFA employees before hiring other employees.
 - (e) If the City does not reestablish its Fire Department, the PSRFA and the City shall work cooperatively and make reasonable efforts to place any laid off employees with the entity that becomes responsible for fire protection and emergency medical services in the City.

7. OVERSIGHT AND ADMINISTRATION

- 7.1. Governance Board.** The City shall appoint one member of the City Council to serve in an advisory non-voting position on the PSRFA Governance Board.
- 7.2. Administration of Agreement.** To carry out the purposes of this Agreement, a two-person committee is hereby created to administer this Agreement ("Committee"). The Committee shall consist of the City Manager of the City of SeaTac and the PSRFA Fire Chief, or their designees. The Committee shall meet no less than one (1) time per year to discuss the performance of the obligations of the City and the PSRFA pursuant to this Agreement; provided that either member of the Committee may call additional meetings as deemed appropriate. The Committee may, at its discretion and by mutual agreement of the parties, amend the Exhibits to this Agreement and may, at the Committee's option, develop bylaws, policies, and procedures to aid in the implementation of this Agreement. Unless otherwise specified in this Agreement, all decisions of the Committee must be unanimous. In the event of a dispute of the Committee, such dispute shall be handled in accordance with Paragraph 12.
- 7.3. Monthly Meetings.** The PSRFA Fire Chief will meet with the City Manager on a monthly basis, or as agreed by the City Manager and the PSRFA Fire Chief.
- 7.4. City Leadership Team Meetings.** The PSRFA will provide a City Liaison (appointed by the PSRFA) to attend the weekly City Leadership Team Meetings. The City Manager and the Fire Chief may mutually alter the weekly schedule as necessary to meet the needs of both parties.
- 7.5. Annual Report.** The PSRFA Fire Chief or designee shall provide an annual report to the City Council regarding the services provided under this Agreement on or before July 1 of each year.

8. EXISTING AGREEMENTS.

- 8.1. Mutual and Automatic Aid Agreements.** The PSRFA shall assume the City's contractual responsibility and obligations for the provision of mutual and automatic aid under Agreements between the City and other fire agencies. At such time as these agreements are renegotiated and re-executed, the PSRFA will represent the City's interests and shall be signatory to the agreements.

9. INDEMNIFICATION AND HOLD HARMLESS.

- 9.1.** Each party shall, at all times, be solely responsible and liable for the acts or the failure to act of its personnel that occur or arise in any way out of the performance of this Agreement by its personnel only and shall indemnify and hold the other party and its personnel and officials harmless from all costs, expenses, losses and damages, including cost of defense, incurred as a result of any acts or omissions of such party relating to the performance of this Agreement.

10. INSURANCE.

- 10.1. SeaTac Insurance.** SeaTac shall provide insurance coverage for all facilities owned by SeaTac. The insurance coverage shall include all risk property insurance, insuring the fire stations at the replacement cost.
- 10.2. PSRFA Insurance.** The PSRFA shall provide insurance coverage for all equipment and personnel of the PSRFA. The insurance coverage shall include all risk property insurance, insuring the fire station contents at replacement cost and general liability insurance, including errors and omissions coverage. The PSRFA shall furnish to SeaTac appropriate documentation showing that such coverage is in effect. The City of SeaTac recognizes that the PSRFA is a member of a governmental insurance Pool and the PSRFA shall provide proof of such to the City upon execution of this Agreement and on an annual basis. Policy deductibles shall be the responsibility of the PSRFA.

11. INDEPENDENT MUNICIPAL GOVERNMENTS.

- 11.1. Independent Governments.** The parties recognize and agree that the PSRFA and the City are independent governments. Except for the specific terms of this Agreement, nothing herein shall be construed to limit the discretion of the governing bodies of each party. This Agreement shall not be construed as creating an association, joint venture or partnership between the parties, nor to impose any partnership obligations or liabilities on either party.
- 11.2. No Agency.** Except as specifically provided in this Agreement, neither party shall have any right, power or authority to enter into any agreement or undertaking for or on behalf of, to act as or be an agent or representative or, or to otherwise bind the other party.
- 11.3. Debts and Obligations.** Neither the City nor the PSRFA, except as expressly stated in this Agreement, or as required by law, shall be liable for any debts or obligations of the other party.
- 11.4. Assignment of Resources.** The PSRFA shall have the sole discretion and the obligation to allocate and assign the resources available to it without regard to internal political boundaries and to determine the exact method by which the Services described in this Agreement are provided within the PSRFA and within the City.

12. DISPUTE RESOLUTION.

- 12.1.** Prior to any other action, the City Manager and the PSRFA Fire Chief shall meet and attempt to negotiate a resolution to such dispute.
- 12.2.** If the parties are unable to resolve the dispute through negotiation, either party may demand mediation through a process to be mutually agreed to in good faith between the parties within 30 days. The parties shall share equally the costs of mediation and shall be responsible for their own costs in preparation and participation in the mediation, including expert witness fees and reasonable attorney's fees.

- 12.3. If a mediation process cannot be agreed upon or if the mediation fails to resolve the dispute then, within 30 calendar days, either party may submit the matter to binding arbitration according to the procedures of the Superior Court Rules for Mandatory Arbitration, including the Local Mandatory Arbitration Rules of the King County Superior Court, King County, Washington, as amended, unless the parties agree in writing to an alternative dispute resolution process. The arbitration shall be before a disinterested arbitrator with both parties sharing equally in the cost of the arbitrator. The location of the arbitration shall be mutually agreed or established by the assigned Arbitrator, and the laws of Washington will govern its proceedings. Each party shall be responsible for its own costs in preparing for and participating in the arbitration, including expert witness fees and reasonable attorney's fees.
- 12.4. Unless otherwise agreed in writing, this dispute resolution process shall be the sole, exclusive and final remedy to or for either party for any dispute regarding this Agreement, and its interpretation, application or breach, regardless of whether the dispute is based in contract, tort, any violation of federal law, state statute or local ordinance or for any breach of administrative rule or regulation and regardless of the amount or type of relief demanded.

13. MISCELLANEOUS.


- 13.1. **Non-Exclusive Agreement.** The parties to this agreement shall not be precluded from entering into similar agreements with other municipal corporations.
- 13.2. **Service Limitation.** The Services provided under this Agreement represent an extension and expansion services the PSRFA owes to the public in general. Neither party intends to create a special relationship or duty to the other party or to the public served by either party.
- 13.3. **Non-Waiver of Breach.** The failure of either party to insist upon strict performance of any of the covenants and agreements contained in this Agreement, or to exercise any option conferred by this Agreement in one or more instances shall not be construed to be a waiver or relinquishment of those covenants, agreements, or options, and the same shall be and remain in full force and effect.
- 13.4. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.
- 13.5. **Assignment.** Any assignment of this Agreement by either party without the prior written consent of the non-assigning party shall be void. If the non-assigning party gives its consent to any assignment, the terms of this Agreement shall continue in full force and effect and no further assignment shall be made without additional written consent.
- 13.6. **Modification.** No waiver, alteration, or modification of any of the provisions of this Agreement shall be binding unless in writing and signed by a duly authorized representative of each party and subject to ratification by the legislative body of each party.

- 13.7. Compliance with Laws.** Each party agrees to comply with all local, federal, and state laws, rules, and regulations that are now effective or in the future become applicable to this Agreement.
- 13.8. Entire Agreement.** The written terms and provisions of this Agreement, together with any Exhibits attached hereto, shall supersede all prior communications, negotiations, representations or agreements, either verbal or written of any officer or other representative of each party, and such statements shall not be effective or be construed as entering into or forming a part of or altering in any manner this Agreement. All of the Exhibits are hereby made part of this Agreement.
- 13.9. Severability.** If any section of this Agreement is adjudicated to be invalid, such action shall not affect the validity of any section not so adjudicated.
- 13.10. Interpretation.** Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in this Agreement shall be interpreted as to its fair meaning and not strictly for or against any party.
- 13.11. Notice.** All communications regarding this Agreement shall be sent to the parties at the addresses listed on the signature page of the Agreement, unless notified to the contrary. Any written notice hereunder shall become effective upon personal service or three (3) business days after the date of mailing by registered or certified mail, and shall be deemed sufficiently given if sent to the addressee at the address stated in this Agreement or such other address as may be hereafter specified in writing.
- 13.12. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all of which will together constitute this one Agreement.

The parties below execute this Agreement and shall be effective on the date of the last signature below.


PSRFA:

Puget Sound Regional Fire Department
Regional Fire Authority:

By: 
Print Name: Matthew L. Moore
Its: Fire Chief
DATE: 8-31-18

CITY:

City of SeaTac:

By: 
Print Name: Joseph Scorio
Its: City Manager
DATE: 8-29-18

NOTICES TO BE SENT TO:

Attn: Fire Chief
24611 116th Ave. S.E.
Kent, WA 98030

(253) 856-4300 (telephone)
(253) 856-6300 (facsimile)

NOTICES TO BE SENT TO:

Attn: City Manager
4800 S 188th Street
SeaTac, WA 98188

(206) 973-4800 (telephone)
(206) 973-4819 (facsimile)

APPROVED AS TO FORM:


Brian Snure
Attorney for PSRFA

APPROVED AS TO FORM:


Mary E. Mirante Bartolo
City Attorney

EXHIBIT A

PAYMENT FOR SERVICES

1. **Actual Labor Costs.** The City shall pay to the PSRFA the actual Labor costs required to fund minimum staffing at the City's two fire stations. For purposes of this Agreement, the total number of fire fighters required to meet the minimum staffing level is 44. Actual Labor cost shall include the fully burdened rate based on actual wages (including overtime) and benefits. The Labor Cost shall be established based on budgeted labor costs for the subsequent calendar year by August 1st and such budgeted amount shall then be reconciled to the actual costs by no later than February 15 of the year following the contract year. *Example: By August 1st 2013 the PSRFA will establish a budgeted labor cost for calendar year 2014. The City will pay this amount for services rendered in 2014. The PSRFA will then reconcile the budgeted amount to the actual cost and provide the City with a reconciliation for 2014 services no later than February 15, 2015*
2. **Administration Salary and Benefits Costs.** . The City and the PSRFA have calculated a new 2018 baseline budget for Administration Salary and Benefits Costs, which is \$1,148,186. This amount will be adjusted annually beginning in 2019 as further described in EXHIBIT I.
3. **Recurring Costs.** The City and the PSRFA have calculated a new 2018 baseline budget for Recurring Costs, which is \$913,228. This amount will be adjusted annually beginning in 2019 as further described in EXHIBIT I.
4. **Annual Capital Contribution.** In order to cover the cost of future capital investments necessary to provide services in the City, the PSRFA will require specific capital contributions. In 2014, the City shall pay \$460,000 to the PSRFA to be placed in a restricted "Contract Reserve Fund" to be used by the PSRFA to cover capital purchases benefitting the citizens of the City. On January 1 of each year subsequent to 2014, the capital contribution shall be adjusted by 100% of the Seattle/Tacoma/Bellevue CPI-W percentage increase for the period of June to June.
5. **Maintenance Contract.** Maintenance services for the Real Property shall be provided to the PSRFA by the City at an annual cost of \$73,100.40 in 2019. The cost shall be adjusted January 1 of each year (beginning 2020) by 100% of the most recent June to June Seattle/Tacoma/Bellevue CPI-W.

EXHIBIT B

COMMUNITY RISK REDUCTION SERVICES

1. Community Risk Reduction Administration Services Provided to City. The PSRFA shall provide the following Fire Prevention Administration Services to the City:

- a.** Manage and supervise Community Risk Reduction Division personnel.
- b.** Administer Community Risk Reduction Division programs and activities to include inspections, plan review, code enforcement, fire investigations, public education, assessment and collection of fees, document management, and payroll.
- c.** Creation and adoption of policies, procedures, rules, and regulations to clarify the application of the codes.
- d.** Creation and development of forms, letters, and other documents to assist in the application of codes and code compliance.
- e.** Interpretations of fire codes.
- f.** Approve materials, equipment, and devices used in construction, and the methods of construction to the extent that approval is authorized by applicable codes.
- g.** Provide for public access to the Fire and Life Safety Division.
- h.** Perform Accounting and payroll functions to include invoicing and/or billing of assessed fire code related fees, coordinating the collection of fees with the City's Finance Department, time-keeping and completion of payroll documents.
- i.** Document management within the Community Risk Reduction Division; to include creating and maintaining division files, routing of development applications and plans in the division, preparing and imaging retained documentation, and fulfilling public record requests.
- j.** Permit process activities within the Community Risk Reduction Division; to include the logging and routing of plans, data entry of new applications, assembling and routing of completed application packages.
- k.** Issue, print and mail or deliver fire code permits.
- l.** Resolve code complaints or inquiries from the public to include data entry, file creation, and routing of information. Review and sign voluntary correction agreements.
- m.** Schedule and conduct fire code enforcement and permit inspections for developers or contractors and coordinate with the City's Building Division on these inspections as needed.

- n. Ensure performance of all duties necessary in order to enforce the fire codes.
- o. Evaluate the codes for local adoption and develop local codes or amendments for consideration by the City. Present to the City Council and committees as necessary.
- p. Perform all other tasks related to the provision of Risk Reduction Administration Services.

2. Fire Prevention Code Enforcement Services Provided to City. The PSRFA shall provide the following Fire Prevention Code Enforcement Services to the City:

- a. Initial fire and life safety inspections of new or relocated businesses. Coordinate with the City's Building Division on these inspections as need.
- b. Inspect businesses that are required to have fire code permit(s).
- c. Investigate and resolve fire code violation complaints or inquiries, which includes issuance of appropriate citations after consultation with the City. Coordinate with the City's Building Division and Code Compliance on code violations or complaints. The City shall remain responsible for any required judicial enforcement or collection actions.
- d. In conjunction with City Code Enforcement personnel, perform code enforcement duties related to the fire codes as required by SeaTac Municipal Code Chapter 13.150, which includes issuance of appropriate citations after consultation with the City.
- e. Conduct special inspections required by outside agencies such as Department of Corrections, Department of Early Learning, Department of Social and Health Services, and private insurance companies.
- f. Review and approval of fire safety, emergency evacuation, lockdown, shelter-in-place, and hazardous materials management plans.
- g. Attend and provide testimony and exhibits at Code Enforcement Hearings before the City's Hearings Examiner, and upon appeal, if any, to court.
- h. Perform all other tasks related to providing Fire Prevention Code Enforcement Services.

3. Fire Prevention Development Services Provided to City. The PSRFA shall provide the following Fire Prevention Development Services to the City:

- a. Management of the Knox/Supra rapid entry program.
- b. Provide development review program services to include answering project inquiries, attending meetings, reviewing plans for code compliance, and approving plans. Complete development review processes in accordance with the City's time

frames and through close coordination the Director of Community and Economic Development (CED) and other City departments.

- c. Provide development inspection program services to include pre-construction meetings, inspections, troubleshooting fire protection systems, final acceptance tests, field review of basic permits, and coordination with the Building Division for the issuance of Certificates of Occupancy.
 - d. Provide business and economic development support activities to include research of properties, systems and code requirements for potential projects and existing buildings.
 - e. Approve of hydrant placement on public and private projects.
 - f. Perform Hydrant flows to verify available water supply, if allowed by the local water purveyor.
 - g. Provide and oversee false alarm reduction program activities to include next day follow-up of false alarms and coordination with property owner/agent on repairs or troubleshooting, and the identification of next steps for problematic systems.
 - h. Provide and oversee fire protection system confidence test program activities to include evaluation of confidence tests provided by third-parties, issuing correction notices and or notices of violation, drafting voluntary correction agreements and field inspections.
 - i. Provide and oversee activities to include customer service, answering phone calls, and meeting with customers and members of the public. Maintain a weekly scheduled presence within the City's CED Department as agreed between both parties.
 - j. Perform all other tasks related to providing Fire Prevention Development Services. Provide fire prevention development services when City staff are unavailable or unable to provide these services.
 - k. Provide fire and life safety inspection activities to include business license inspections for new and relocated businesses, annual permitted occupancy inspections with corresponding reports to CED identifying structures with compliance issues, deficiencies, changes in use or alterations. Work directly with CED in pursuing further actions to address the identified issues. City shall remain responsible for code enforcement actions, however the PSRFA shall issue appropriate citations after consultation with the City. The City shall remain responsible for any required judicial enforcement or collection actions.
4. **Fire Prevention Services Staff Dedicated to City.** The PSRFA will staff the followings positions for the provision of Fire Prevention Services to the City, including:
- a. A Fire Division Chief/Fire Marshal on a .25 FTE basis.

- b. .78 FTE to provide operational permit inspection services and development services.
 - c. It is recognized that the City is paying for Fire Prevention Services at the above-stated staffing levels, and the PSRFA acknowledges that it will provide the level of service identified in this Exhibit.
- 5. **Timeline of Work Provided.** All work performed by the Fire Prevention Division shall be performed pursuant to and within the timelines required of the codes, policies, and procedures of the City, and any state or federal laws applicable to the performance of that work.
- 6. **Fire Marshal/Fire Code Official Reports to City Manager.** The City's Fire Marshal/Fire Code Official shall provide reports to the City Manager or CED Director as requested. While the Fire Chief shall have the authority to direct the work of the employees providing Fire Prevention Services, the City Manager, shall have authority to set the desired outcomes of the Fire Prevention staff.
- 7. **Collection and Transmission of Fees and Charges.** All money, fees, and charges of any kind collected or charged by the Fire Prevention Services Division for services within the City or as a result of the provision of Fire Prevention Services within the City shall be the sole property of the City and payable to the City. The PSRFA shall establish a standard procedure for the charging and collection of fees and charges as directed by the City's Finance Department, and shall immediately transmit all such money collected to the City.

EXHIBIT C

FIRE INVESTIGATION SERVICES

1. **Services Provided to City.** The PSRFA shall provide the following Fire Investigation Services to the City:
 - a. Investigate the cause and origin of fires, interview suspects and witnesses, examine fire scenes, document findings and prepare reports, collect and protect evidence, arrest and transport suspects, cooperate with prosecutors, file cases in court, be available for interviews and courtroom testimony, and other associated duties.
 - b. Investigate all fires that are arson, suspicious, injurious, and fires with a loss of \$10,000 or more.
 - c. Coordinate arson investigation activities with the SeaTac Police Department as necessary.
 - d. Identify juvenile fire setters and coordinate intervention and counseling.
 - e. Staff the 24/7 Fire Investigation Unit by responding to all working fires when requested.
 - f. Participate in the Alcohol Tobacco and Firearms (ATF) Puget Sound Arson Explosives Taskforce by Memorandum of Understanding.
 - g. Participate in regional and state fire investigative organizations and activities.
 - h. Perform all other tasks related to providing Fire Investigation Services.
2. **Commissioned Investigators.** Investigators who perform the fire investigation services shall retain no less than a limited commission as a law enforcement officer in the City as determined by the Police Chief.
3. **Uniformed Police Officer When Arrest Made.** Every effort shall be made to have a uniformed commissioned police officer present when making an arrest in the City.
4. **Fire Deaths or Severe Injury.** In the case of all fire deaths or severe injuries that could result in death the Chief of Police and the King County Sheriff's Office (KCSO) Major Crimes Unit (MCU) will be notified. The SeaTac Police retains primary responsibility for all death investigations. The KCSO MCU supervisor will determine the need to have MCU detectives respond. The PSRFA fire investigators will continue to have responsibility for the cause and origin investigation in support of the MCU. Case documentation, evidence retention and radio communications processes and protocols will be agreed upon by the parties and SOPs established outside of this document.

5. **Bombings / Explosive Device Incidents:** The SeaTac Police Department and the KCSO Bomb Disposal Unit (BDU) will be notified of all bombings or other explosive device matters. KCSO BDU has primary investigative responsibility for these events and will coordinate with the PSRFA investigators for the best and most efficient scene investigation and follow-up.
6. **Inform Police Chief.** The Fire Investigation Services Division shall make every attempt to keep the City's Police Chief or his or her designee informed as to the status of all fires in the City that occur as a result of suspected or confirmed criminal conduct by providing status report of investigations as the investigations evolve. Immediate notification to the Chief of Police or designee will occur in cases involving deaths or serious injuries potentially resulting in death.
7. **Fire Investigation Services Dedicated to City.** Fire Investigation Services staff will be directly supervised by the PSRFA's Fire Marshal/Fire Code Official who also supervises the Fire and Life Safety Division.
 - a. Fire Marshal/Fire Code Official Reports to City's Police Chief. The City's Fire Marshal/Fire Code Official shall provide reports to the City's Police Chief on request. While the Fire Chief shall have the authority to direct the work of the Fire Investigation employees, the Police Chief shall have authority to set the desired outcomes of the Fire Investigation staff, and may establish policies and procedures for the conduct of the work of the Fire Investigations staff related to police action/enforcement.
 - b. Collection and Transmission of Fees and Charges. All money, fees, and charges of any kind collected or charged by the Fire Investigation Services Division for services within the City or as a result of the provision of Fire Investigation Services within the City shall be the sole property of the City and payable to the City. The PSRFA shall establish a standard procedure for charging and collecting fees and charges as directed by the City's Finance Department, and shall immediately transmit all such money collected to the City.

EXHIBIT D

EMERGENCY MANAGEMENT SERVICES

1. **Emergency Management Services Staff Dedicated to City.** The PSRFA will provide one 0.5 FTE staff member to assist the City with the following Emergency Management Services:

a. Compliance issues:

- i. Work with City Administration and departments to maintain a current Comprehensive Emergency Management Plan (CEMP) and to ensure that the most current SeaTac CEMP is on file with Washington Emergency Management Division (WA EMD)
- ii. Work with City Administration and departments to develop and maintain current Continuity of Operations Plans (COOP) endorsed and promulgated by the City Council
- iii. Manage and continue application on a fiscal calendar for Emergency Management Performance Grant (EMPG) funds through WA EMD
- iv. Monitor, manage and ensure that all City of SeaTac permanent employees are compliant with the current National Incident Management System (NIMS) Incident Command System (ICS) requirements

b. Daily activities:

- i. Coordinate with Kent OEM on the identification of City of SeaTac facilities required by EPA rule for Tier II reporting
- ii. Monitor and maintain equipment and physical requirements for the SeaTac Emergency Coordination Center (ECC)
- iii. Develop, monitor and deliver ECC staff training to ensure staffing needs are met in periods of disaster or event activations
- iv. Serve as the ECC Manager when SeaTac ECC is activated
- v. Provide for guidance and management of all Public and Individual assistance needs and act as Applicant Agent for disaster or event reimbursements
- vi. AS AVAILABLE -- Coordinate with Kent Public Education and Kent OEM for the delivery of any community, school or business Emergency Management training, information or direction

c. Work Station:

- i. Work station needs, *i.e.*, desk, computer, phone, copy capability, office supplies (*pens, paper, notebooks, etc.*); will be supplied by the City of SeaTac

EXHIBIT E

PUBLIC EDUCATION SERVICES

1. **Public Education Services Provided to City.** The PSRFA shall provide Public Education services to the City in the manner and at the level identified by the City in writing. Such services may include, but are not limited to, any of the following services:
 - i. Support and participation in City events, such as Festivals, Back to School Fair, Open house events, and National Night Out.
 - ii. Fire Safety classes in each of the City's elementary, middle and high schools, when permitted by the schools, consistent with the other fire departments in the Highline School District.
 - iii. Support and participation in providing tours of the fire stations.
 - iv. Providing of CPR and First Aid classes.
 - v. Support and participation in the bicycle and life jacket program.
 - vi. Support and participation in smoke detector program.
 - vii. Public Information Officer at emergency scenes as needed.
 - viii. Provide live fire demonstrations for special events.
 - ix. In coordination with the Fire Investigation unit, provide intervention and counseling of juvenile fire setters.

EXHIBIT F

REAL PROPERTY

Station 45-- Tax Parcel No. 344500-0019

THE WEST 132 FEET OF TRACT 1 OF HOMESTEAD PARK FIVE ACRE TRACTS, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 7 OF PLAT, PAGE 88, RECORDS OF KING COUNTY, EXCEPT THE SOUTH 100 FEET THEREOF, AND EXCEPT THE NORTH 30 FEET FOR COUNTY ROAD, RECORDED UNDER RECORDING NUMBER 1566313;

TOGETHER WITH LOT 1, LINDA LAKE NO. 2, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 57 OF PLATS, PAGE 27, RECORDS OF KING COUNTY, WASHINGTON.

Station 46-- Tax Parcel No. 443500-0195

LOTS 1 THRU 4 TOGETHER WITH LOTS 17 & 18, BLOCK 3 LOWE'S TERRACE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 38 OF PLATS, PAGE 25, IN KING COUNTY WASHINGTON.

EXHIBIT G

EMPLOYEES TRANSFERRED

Name	Hire Date		Name	Hire Date
1. Mark J. Hill	01/12/81		Brian Wiwel*	
2. John T. Madson	01/12/81		Mary Ann Cromwell*	
3. Loren T. Williamson	01/12/81		Tina Williamson*	
4. Thomas G.M. Betenson	03/16/81		Kevin Varao*	
5. Ronald A. Wieland*	07/12/82			
6. Gregory T. Bolender	07/25/82			
7. Jeffrey Richardson	01/12/86			
8. Lawton R. Montgomery	05/08/88			
9. Todd L. Plumb	05/08/88			
10. Patrick Dahl	10/02/89			
11. Travis J. Butcher	10/02/89			
12. John D. Gallup, IV	03/01/90			
13. Michael V. Anthony	12/19/90			
14. Donald W. Nelson	02/11/91			
15. Daniel T. Flood	02/11/91			
16. Richard L. Fetherston	02/11/91			
17. Michael P. Nichols	02/11/91			
18. Fred Johnson	02/11/91			
19. David W. Little	02/11/91			
20. Keven E. Rojecki	02/11/91			
21. Timothy A. Martinsen*	02/11/91			
22. Matthew J. Tarabochia	02/16/92			
23. John A. Wilkins, Jr.	02/16/92			
24. Shane D. Skladany	02/16/92			
25. Cordell T. Council	02/16/92			
26. Richard R. Knight	03/01/92			
27. Brian R. Carson	10/01/92			
28. Michael D. Hawkins	10/01/92			
29. Joseph M. Catlin	10/01/92			
30. Charles Walle	02/24/94			
31. Matthew B. Bailie	02/01/96			
32. Shawn Dailey	06/17/96			
33. Paul R. Figel	07/28/97			
34. Bryan M. Rozewski	01/11/00			
35. Janet L. Williams	07/16/01			
36. Derek L. Frazier	11/01/02			
37. Elias Hudson	02/10/04			
38. Earl Bush	02/10/04			
39. Jeremy Krakosky	02/10/04			
40. Adam Renn	02/01/05			
41. Brian Longley	02/01/05			
42. Jason Breidenbach	02/01/05			
43. Christian Clausnitzer	05/03/05			
44. Brandon Phillips	05/01/06			
45. Jeromy Waddell	08/04/09			
46. Vacant		*Not part of the 44 minimum staffing positions.		

EXHIBIT H
RECORDS MANAGEMENT

1.1. Record Ownership.

- (a) PSRFA records “PSRFA Records” shall include:
 - (i) all records prepared, owned, used, or retained by the PSRFA related to the performance of its statutory and contractual duties.
 - (ii) all City Records actually received by the PSRFA pursuant to this Interlocal Agreement.
- (b) City records “City Records” shall include:
 - (i) All records prepared, owned, used or retained by the City in relation to fire prevention, fire investigations and emergency management services provided by the PSRFA to the City.
- (c) The parties recognize that physical custody of PSRFA Records or City Records is not determinative of whether the records are PSRFA Records or City Records and the parties shall work cooperatively in responding to requests for records pursuant to subpoena or pursuant to the Washington State Public Records Act.

1.2. Records Custodian. Except as provided below, the PSRFA will be the primary record custodian of all PSRFA Records. The City will be the primary custodian of all City Records.

1.3. Requests for Records. The parties recognize that some City Records will be in the custody of the PSRFA and some PSRFA Records will be in the custody of the City. The parties agree to the following process to provide a method of responding to records requests received through subpoenas and the Public Records Act, or records otherwise requested by the City or the PSRFA. The method set forth in this exhibit shall serve only as a guideline, and may be altered from time to time as necessary.

- (a) In the event the one party receives a public record request, subpoena or other request for that party’s Records in the custody of the other party, the following process shall be followed:
- (b) The party receiving the request “Receiving Party” will advise the other party in writing that the request has been received. The other party will have five business days to respond to the Receiving Party with the records or a reasonable estimate of the time necessary to provide the Receiving Party with the records.

1.4. The other party will provide copies, at its sole cost and expense, in the form requested by the Receiving Party either directly to the Receiving Party or directly to the requestor as

directed by the Receiving Party. In the event the Receiving Party receives payment for the copies the Receiving Party shall forward such payment to the other party.

- 1.5. The Receiving Party will remain responsible for communicating with the record requester in compliance with all legal obligations. The Parties shall jointly work to determine which records are to be disclosed to the requesting party, and if the request was submitted under the Public Records Act, which records are exempt from disclosure.
- 1.6. It shall be the responsibility of the Receiving Party, and at the expense of the Receiving Party, to defend any claim or lawsuit for a violation of the Public Records Act or laws relating to a subpoena, and pay any damages, fees, costs or settlements relating to such claim or lawsuit; provided, that in the event the claim or lawsuit relates in any manner to Receiving Party records in the sole custody of the OTHER PARTY that were not provided to the Receiving Party by the OTHER PARTY, then the OTHER PARTY shall defend such claim or lawsuit and pay any damages, fees, costs or settlements relating to such claim or lawsuit. The parties agree to cooperate fully in the defense of any such claim or lawsuit. If both the Receiving Party and the OTHER PARTY fail to produce all records, they will cooperate in defense and each party will pay all its legal costs and attorneys' fees.

EXHIBIT I

COST ALLOCATION FOR SERVICES

1. Administration Salary and Benefits

The City and the PSRFA have calculated a new 2018 baseline budget for Administration Salary and Benefits Costs, based on the services provided and their 2018 respective costs. This new 2018 baseline budget for Administration Salary and Benefits Costs is \$1,148,186. Commencing on January 1, 2019, the City shall pay the PSRFA \$1,148,186 plus 100% of the most recent June to June Seattle/Tacoma/Bellevue CPI-W ("Administration Cost Payment") as payment for salaries and benefits for the positions necessary to support the operation and administration of fire services to the City as identified in this Exhibit. Each January 1 thereafter, the Administration Cost Payment shall be adjusted by 100% of the most recent June to June Seattle/Tacoma/Bellevue CPI-W.

a. Administration Salaries (Human Resources, Finance, PIO, Chaplain and related Support Staff)

The City and the PSRFA agree that \$256,784 shall be included in the new 2018 baseline budget for Administration Salary and Benefits Costs for this service. This amount was calculated as 14.06% of the total salary cost of administration services in the 2018 PSRFA budget.

b. FD Cares

The City and the PSRFA agree that \$75,402 shall be included in the new 2018 baseline budget for Administration Salary and Benefits Costs for this service. This amount was calculated as 8.93% of the total salary cost (less King County Grant) of FD Cares services in the 2018 PSRFA budget.

c. Logistics

The City and the PSRFA agree that \$154,765 shall be included in the new 2018 baseline budget for Administration Salary and Benefits Costs for this service. This amount was calculated as 14.06% of the total salary cost of Logistics in the 2018 PSRFA budget.

d. Planning

The City and the PSRFA agree that \$87,664 shall be included in the new 2018 baseline budget for Administration Salary and Benefits Costs for this service. This amount was calculated as 15.38% of the total salary cost of Planning and Analysis services in the 2018 PSRFA budget.

e. Fleet

The City and the PSRFA agree that \$116,407 shall be included in the new 2018 baseline budget for Administration Salary and Benefits Costs for this service. This amount was calculated as 0.65 FTE of the total salary cost of a Heavy Mechanic in the 2018 PSRFA budget.

f. IT

The City and the PSRFA agree that \$160,699 shall be included in the new 2018 baseline budget for Administration Salary and Benefits Costs for this service. This amount was calculated as 14.06% of the total salary cost of IT services in the 2018 PSRFA budget.

g. Community Risk Reduction

The City and the PSRFA agree that \$296,467 shall be included in the new 2018 baseline budget for Administration Salary and Benefits Costs for this service. This amount was calculated as 7.00% of the total salary cost of Community Risk Reduction services in the 2018 PSRFA budget.

2. Recurring Costs (supplies, professional services, etc.)

The City and the PSRFA have calculated a new baseline budget for 2018 Recurring Costs, based on the services provided and their 2018 respective costs. This new 2018 baseline budget for Recurring Costs is \$913,228. Commencing on January 1, 2019, the City shall pay the PSRFA \$913,228 plus 100% of the most recent June to June Seattle/Tacoma/Bellevue CPI-W ("Recurring Cost Payment") as payment for the recurring costs necessary to support the operation and administration of fire services to the City as identified in this Exhibit. Each January 1 thereafter, the Recurring Cost Payment shall be adjusted by 100% of the most recent June to June Seattle/Tacoma/Bellevue CPI-W.

a. Admin Costs Operating Costs (Non-Salary and Benefits): The City and the PSRFA agree that \$256,784 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount was calculated as 14.06% of the total operation costs for administrative services in the 2018 PSRFA budget.

b. FD CARES Supplies: The City and the PSRFA agree that \$8,077 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount was calculated as 9.93% of the operation costs for the PSRFA FDCARES Program in the 2018 PSRFA budget.

c. Logistics Operating Costs (Non-Salary and Benefits): The City and the PSRFA agree that \$62,690 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount was calculated as 16.73% of the operation costs for logistics in the 2018 PSRFA budget.

d. Planning and Analysis (Non-Salary and Benefits): The City and the PSRFA agree that \$26,428 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount was calculated as 15.38% of the operation costs for Planning in the 2018 PSRFA budget.

e. Operations (Non-Salary and Benefits): The City and the PSRFA agree that \$91,034 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount was calculated as 17.65% of the operation costs for Planning in the 2018 PSRFA budget.

- f. **Training:** The City and the PSRFA agree that \$214,720 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount was calculated by the South King County Fire Training Consortium rate of \$4,880 multiplied by 44 operational contract fire fighters.
- g. **Fleet (Non-Salary and Benefits):** The City and the PSRFA agree that \$55,000 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount, which is intended to cover parts for the fleet, was calculated as approximately 50% of associated the labor costs.
- h. **Community Risk Reduction (Non-Salary and Benefits):** The City and the PSRFA agree that \$10,017 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount was calculated as 7.00% of the operation costs for Community Risk Reduction in the 2018 PSRFA budget.
- i. **Dispatch Services (Valley Communications):** The City and the PSRFA agree that \$194,530 shall be included in the new 2018 baseline budget for Recurring Costs for this service. This amount was calculated as 4,900 estimated City calls at \$39.70 per call. 17.65% of the operation costs for Planning in the 2018 PSRFA budget.

Total Costs (for new 2018 Baseline Budget)

Administrative Salaries: \$1,148,186

Recurring Costs: \$ 913,228
 \$2,061,414

Costing Legend

Legend	Rationale
14.06%	Calculated by taking the total of contracted positions (44) and dividing by total employees for PSRFA (313)
8.93%	Calculated by taking the number of projected annual FD Cares responses to SeaTac (250) and dividing by total projected annual FD Cares responses (2800)
15.38%	Calculated by taking the number of planning zones (2) and dividing by the total number of planning zones (13)
.65 FTE cost	Calculated by estimating total maintenance hours needed to maintain first due fleet for three first due apparatus (1350 hours annually) divided by total hours worked annually of one FTE (2080)

7%	<p>Calculated by totaling existing contract costs defined in Exhibits B, C, D, and E) and divided by total labor cost of Community Risk Reduction.</p> <table> <tr> <td>Community Risk Reduction</td><td>\$4,207,557.00</td></tr> <tr> <td>Public Education</td><td>\$0.00</td></tr> <tr> <td>Fire Marshal</td><td>\$64,940.00</td></tr> <tr> <td>Inspections</td><td>\$118,025.70</td></tr> <tr> <td>Investigations</td><td>\$33,108.00</td></tr> <tr> <td>Emergency Management</td><td>\$80,393.00</td></tr> <tr> <td></td><td><u>\$296,466.70</u></td></tr> </table>	Community Risk Reduction	\$4,207,557.00	Public Education	\$0.00	Fire Marshal	\$64,940.00	Inspections	\$118,025.70	Investigations	\$33,108.00	Emergency Management	\$80,393.00		<u>\$296,466.70</u>
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16.73%	<p>Calculated by taking the total number of contracted positions (44) and dividing by the total number of operational positions (263)</p>														
17.65%	<p>Calculated by taking the total number of frontline apparatus (3) in SeaTac and dividing by total number of frontline apparatus in RFA (17)</p>														