



REGIONAL FIRE AUTHORITY

June 15, 2021 City Council Meeting



WHAT IS A REGIONAL FIRE AUTHORITY?

- It's a municipal corporation in Washington State and a separate taxing district
- It can be made up of two or more cities and/or fire districts in reasonable proximity to each other that want to participate
- The entity is created by a vote of the people
- The Regional Fire Authority (RFA) operates pursuant to a plan, which is formulated by a planning committee and approved by the voters in the service area
- RCW 52.02.160 allows for the creation of a fire district within the same boundaries of a city as an alternative

HOW ARE REGIONAL FIRE AUTHORITIES FUNDED?

- Fire Levy - collection up to \$1.50/ \$1,000 of assessed valuation, or \$1.00/\$1,000 in conjunction with a Fire Benefit charge including the authority to run multi-year levy lid lifts
- Emergency Medical Services (EMS) Levy
- Excess Levy
- Fire Benefit Charge
- Bonds for Capital Purchases

All funding, with the exception of the AV Fire Levy (property Taxes), requires a super majority to pass

A decorative graphic consisting of several overlapping, wavy, horizontal bands in shades of gray, creating a sense of motion or a stylized landscape, positioned at the top of the slide.

WASHINGTON STATE REGIONAL FIRE AUTHORITIES

- Valley Regional Fire Authority created 2007
 - Cities of Algona, Auburn, and Pacific
- Puget Sound Fire Regional Fire Authority created 2010
 - City of Kent & King Co. FPD #37
- West Benton Regional Fire Authority created 2015
 - City of Prosser & Benton Co. Fire Dist. # 3
- Renton Regional Fire Authority created 2016
 - City of Renton & King Co. Fire Dist. #25
- South Beach Regional Fire Authority created 2017
 - City of Westport, Pacific Co. Fire Dist. #5, Grays Harbor Fire Dist. #3, #11, #14

There are nine (9) RFAs listed on MRSC's website (examples are above)

2021 FIRE DEPARTMENT BUDGET

- General fund total expenditures = \$15,658,328
- EMS Fund total expenditures = \$ 1,531,876
- LEOFF 1 (fund 612) = \$ 1,176,390
- Combined total expenditures = \$18,366,594

Capital fund not included

2021 FIRE DEPARTMENT REVENUES

- Yakima County EMS Levy = \$1,540,874
- Yakima Co. Fire District # 11 = \$35,000
- Yakima Co. Fire District # 10 = \$28,000
- City of Union Gap = \$1,596,439
- Misc. Fire inspection fees = \$212,855
- Sub total revenues : \$3,413,168
- Revenue needed: \$14,953,426

The balance needed to cover expenditures comes from the general fund from property tax, sales tax and other revenue sources.



FUNDING OPTIONS

- Option A : Fire Levy \$1.50/1,000 AV - typically used by departments that are primarily volunteer
- Option B : Fire Levy \$1.00/1,000 AV and a Fire Benefit Charge no greater than 60% of the operating budget
- Emergency Services Levy: Currently a county-wide levy

CITY OF YAKIMA PRELIMINARY ANALYSIS

Current City of Yakima AV = \$7,941,594,873

• Fire Levy @ \$1.50/1000 =	\$11,912,393.00	<u>insufficient revenue</u>
• Other revenues =	\$3,413,168	\$3,041,000 short
• Total =	\$15,325,561	
• Fire Levy @ \$1.00/1000 =	\$7,941,595	
• Other revenues =	\$3,413,168	
• Total =	\$11,354,763	

Balance of the required revenue would need to be made up from a fire benefit charge



WHAT IS A FIRE BENEFIT CHARGE?

- A fire benefit charge is designed to apply a fee to properties that benefit the most from the fire department
- A formula can be used that shares the cost of the department fairly within the RFA
- Although a formula may be somewhat complex, it spreads the cost in a reasonable fashion

FIRE BENEFIT CHARGE FORMULA

2018 Puget Sound Fire Authority - Benefit Charge Formula:

Square root of total square footage X 18 X Category Factor X Response Factor X Risk Factor X Fire Flow Factor X Applicable Discount = Benefit Charge

Square Footage Categories	400 - 1,799	1,800 - 2,699	2,700 - 3,599	3,600 - 3,999	4,000 - 4,999	5,000 - 7,999	8,000 - 9,999	10,000 - 14,999	15,000 - 19,999	20,000 - 29,999	30,000 - 49,999	50,000 - 99,999	100,000 - 139,999	140,000 - 199,999	200,000 - 299,999	300,000 - 399,999	400,000 - 499,000	500,000 - 599,999	600,000 - 699,000	700,000 - 999,999	1,000,000 - and >
Category Factors:																					
Residential	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75												
Mobile Homes	0.225	0.225	0.225	0.225	0.225	0.225	0.225														
Camp Ground Spaces	\$50.00																				
Apartments	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	3.25	3.25	3.25	6.70	6.70	8.60	11.10	14.25	14.25	14.25	14.25	14.25	14.25
Commercial	1.10	1.10	1.10	1.10	1.30	1.30	1.30	1.40	1.40	1.40	1.50	1.50	2.05	2.05	3.05	3.35	3.50	3.75	4.00	4.15	5.15
Fire Flow Factor:	0.39734349																				
Response Factor:**																					
Residential	1.05	Variable to firefighters needed to deliver needed water																			
Manufactured Homes	1.00	1.00	1.00	1.00	1.00	1.00	1.00														
Apartments	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Commercial	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.75	1.75	1.75	2.65	1.60	4.20	4.20	4.20	4.20	4.30	4.30	4.40	4.50	4.50
Risk Factor:***																					
Light Hazard/Regional	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Ordinary Hazard/Regional - 1	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Ordinary Hazard/Regional - 2	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Extra Hazard/Regional - 1	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Extra Hazard/Regional - 2	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40
Discounts:																					
Automatic Fire Sprinklers	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900
Manual Local Alarm	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980	0.980
Automatic Local Alarm	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970	0.970
Automatic Central Alarm	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925	0.925
Agricultural	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250

**Response factor: Based on number of firefighters needed to deliver required fireflow. Base residential response force is 16 firefighters on scene. When a residential property needs more than 16 firefighters to deliver the calculated fire flow, that number is auto calculated using the adopted formula and 50 gpm fire flow delivery per firefighter on scene up to 3,599 sq. ft. and 48 gpm for homes greater than 3,599 sq. ft.

*** Risk factors apply to commercial property and are defined by the National Fire Protection Association and deal with fire hazards and hazardous materials.

CITY TAX CHANGE CONSIDERATION

- It is important to note that, in accordance with State mandate, when a Regional Fire Authority is created, the amount of property tax previously collected by the City must be reduced and will be collected by the RFA. (RFA Feasibility Report, 2013, pg. 38)

- Example:

Current Assessed Valuation (AV) = \$7,941,594,873

Current rate per \$1000 = \$2.57

Current Property tax collected = \$20,409,898

City Property tax less \$1.00 to RFA = \$12,468,304 (\$1.57 per \$1000)



CONTINUED

- The difference in property taxes collected by the City will be a decrease of \$7,941,594
- However, if approved, the general expense of the fire department is much greater than the amount of tax revenue relinquished to the new RFA
- The estimated net savings to the City is around 7 million



NEXT STEPS?

- Contract with a Consulting Firm to re-evaluate fiscal analysis
 - Cost estimate from ESCI \$30,000 - \$40,000
 - Estimated time to complete 90 days
- Determine if other jurisdictions support the concept studying the possibility of forming an RFA
- Governing bodies appoint three members each, to form a planning committee
- The planning committee develops the entire make-up of the Regional Fire Authority; this can take up to a couple years to complete

ANY QUESTIONS?

