

SAMMAMISH

ISSUE 137

CITY NEWSLETTER

Nov. 2013

Special Edition: Should Sammamish start its own fire department?

City manager's recommendation due on Nov. 5

COUNCIL WILL MAKE DECISION ON Nov. 12

Although the city continues to share ideas with its Eastside Fire & Rescue (EF&R) partners, the calendar is closing fast on Jan. 1, the beginning of a new year and, perhaps, the dawn of a new era in Sammamish firefighting.

On that date, Sammamish must notify EF&R whether it plans to continue as a partner in the regional fire consortium. If it decides to leave, Sammamish will receive one more year of service from EF&R but will have to start its own fire department, or contract for fire services with a different entity, by the end of 2014.

If Sammamish doesn't give notice

See FIRE, pg. 6



If the city starts its own department, it won't be a "bare-bones" operation

When FCS Group consultant Peter Moy presented his final fire services report to the City Council on Oct. 14, he said many important things – but two stand out.

One, he said it was financially feasible for the city to start its own fire de-

partment. And two, he said his analysis was based on the assumption that the city would offer "at least the same service levels as currently provided by EF&R."

"If the decision is made to leave Eastside Fire & Rescue, and that's a big

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MAYOR'S MESSAGE

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\$445,000

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FIRE STATION 83

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The Sammamish Fire Service Decision

Sammamish is seriously considering leaving the East-side Fire and Rescue (EF&R) regional fire agency largely over funding issues. The regional approach has not worked as we had hoped - the cost of our service is high as we subsidize some other members of the partnership. We are also paying for services that a city of our size and makeup does not need. Additionally, our fire fighters are frequently called out of the city, which negatively affects our own coverage.



Tom Odell
Mayor

Our current agreement with EF&R runs through Dec. 31, 2014. We are required to give notice by the end of this year if we choose to leave.

EF&R is comprised of Sammamish, North Bend, Issaquah and Fire Districts 10 and 38. We have been a member of this agency for most of the time since our 1999 incorporation. The current agreement expires Dec. 31, 2014.

Sammamish has been intensively reviewing its fire and emergency services options over the past 18 months. These include contracting with another city, starting our own fire department, and contracting, rather than partnering, with EF&R. Your City Council and city administration have felt for some time that the current arrangement is unfair to Sammamish, both financially and operationally.

As a Councilmember who represented Sammamish on the EF&R Board of Directors for three years, I do very much appreciate the service provided by our individual firefighters. They have been very responsive to the needs of our residents and to members of my own family.

We Are Subsidizing our Partners

Currently, the only criteria used to determine partner cost is the assessed tax valuation of the area covered. This puts Sammamish at a disadvantage since we have the highest assessed values in the partnership. No consideration is given to factors commonly used elsewhere such as population or the number of calls responded to. Differences in facilities or other issues affecting operating costs are also ignored.

Total EF&R operating costs are divided equally among the fire stations and then further divided solely on the basis of geographic coverage. Expenses associated with volunteer firefighters and specialized teams are considered overhead

and evenly allocated to the partners irrespective of the benefits derived. This results in a 2014 budgeted cost per station of \$2.4 million, which is then allocated solely on the basis of the assessed value of the property in that fire station's primary response area.

A look at some numbers provided by EF&R shows why we are unhappy. Our Sammamish firefighters responded to a total of 3,262 calls in 2012. Only 1,737 (53.2%) were within the Sammamish city limits, while 1,386 others (42.5%) were either to Issaquah (967) or Fire District 10 (391). These were largely for calls from Providence Point and Klahanie, respectively. Call activity in 2012 for each of our three stations is as follows:

Station:	Total Calls	In Sammamish	To partners
81 (Pine Lake)	800	523 - 65.4%	261 - 32.6%
82 (Sahalee)	897	741 - 82.6%	57 - 6.4%
<u>83 (Sunny Hills)</u>	<u>1565</u>	<u>473 - 30.2%</u>	<u>1068 - 68.2%</u>
Total	3262	1737 - 53.2%	1386 - 42.5%

Another 139 calls answered under the fire mutual aid agreement are not included in the above figures. By contrast, last year our partners responded to only 124 calls to our city – an 11:1 imbalance that is very lopsided and definitely NOT in our favor.

The total EF&R operating budget for all three Sammamish fire stations for 2012 was \$5.86 million. In 2013 it is \$6.04 million and in 2014 it will be \$6.31 million – annual increases of 3.2% and 4.4% respectively.

Cost and call shares for 2012 were:

Jurisdiction	2012 Cost Share	2012 Call Share	Total 2012 Calls
Sammamish	28.8%	18.6%	1861
District 10	36.6%	21%	2108
Issaquah	24.7%	40.2%	4029
North Bend	4%	7.9%	788
District 38	6.9%	5.8%	585
Mutual Aid calls	--	6.4%	645

The imbalance with Issaquah is huge and amounts to a major subsidy to that city by Sammamish. This situation has persisted throughout our membership in EF&R despite repeated requests by your Council representatives to change it. Over the life of the agreement this subsidy amounts to millions of dollars and is the major reason why Sammamish is considering options other than EF&R.

Over the past 18 months we have held many time-con-

MAYOR'S MESSAGE

suming and intense meetings on both funding and operational issues with our partners in an effort to reach a more equitable arrangement. Frustratingly, we've made no progress and our partners have essentially told us they're quite content with the status quo. Only a single partner, the city of North Bend, has shown any interest in fixing the inequity. All others have voted against any alteration of the current funding formula – a formula which was supposed to be temporary when EF&R was initially set up in 1999.

We have had no meaningful discussion on the key funding issue since last August. Only very recently has there been any talk about funding formula changes. Exactly what that might look like is very uncertain, and it's accompanied by a request for another year's extension of the agreement – and all the costs that go with it. Even then, it will only produce an opportunity to negotiate possible changes to a new agreement in 2014.

The Station Call-up and Brownout/Blackout Issue

Among our major concerns are station call-ups, brown outs and black outs, all of which reduce the available fire staffing within our city. In a call-up, a station (often our Pine Lake station) is closed and the staff and equipment are moved to another part of the consortium area. This most often occurs when either the Carnation or North Bend stations are on a lengthy call or are in training and out of service for an extended period. To be fair, the same happens to Station 72 in Issaquah.

Brownouts or blackouts occur when high use of overtime early in the year leaves insufficient overtime funding remaining for the second half of the year. This can result in a reduction of staffing (brownout) or the outright closure (blackout) of the station. Our Pine Lake station has been affected by both.

Call-ups, brownouts and blackouts significantly impact our level of coverage, particularly in the case of a medical emergencies. When Station 81 closes, the response times in the western part of Sammamish, especially along East Lake Sammamish Parkway, go from good to acceptable, or from acceptable to poor, thus significantly increasing the risk to our residents. Attempts to satisfactorily address these issues have also been unsuccessful.

Is Our Own Fire Department Feasible?

The answer is yes. Establishing our own department is operationally less difficult than many might think. The city of Sammamish owns all three of its stations and enough ambulances, fire trucks, and other vehicles currently operated by

EF&R to equip four fire stations. We would be in a position to keep all three stations in service with no change in service levels or station staffing. We would also hope to retain most of the very qualified men and women who currently staff these stations by offering regionally competitive salaries that would minimize turnover. And, of course, we would continue to encourage and support the participation of volunteers, including those who make CERT (Community Emergency Response Team) so valuable. Most importantly, Sammamish residents should know that the Council and city administration will not reduce the level of service we now enjoy.

Our consultants' financial analysis indicates that a Sammamish fire department would bring at least \$400,000 in annual operating cost savings vs. our current arrangement. And that does NOT include any potential revenue to be gained from contracts to continue service to the Providence Point area of Issaquah or the Klahanie area in District 10. Both of these areas are covered by our Sunny Hills Station 83 today – and we would be happy to continue this service if fully reimbursed. If obtained, some of that added revenue could be used to further improve our own services. If not, our resources would be more fully available to our own residents and we would still enjoy lower costs than today.

Transition and start-up costs, which could be recovered relatively quickly, are conservatively estimated to be \$2 million. But that figure does not include any credit for our share of the equipment replacement fund, the ending fund balance at EFR, or any gain on the possible sale or lease of our excess vehicles. We have more than enough to establish our own city fire department.

Our Pending Decision

Quite often, bigger is better and regionalism is a winner. But our EF&R partnership has proven to be financially disadvantageous to the tune of at least \$400,000 per year. It has also produced the operational concerns discussed earlier. The hard truth, today, is that we are receiving less coverage than we are paying for, and significantly subsidizing others.

Our agreement with EF&R expires at the end of 2014 and obliges us to give the partnership 12 months advance notice of any decision to leave. After two years of intense and fruitless discussions the Council will be making a decision shortly. Conversations with our partners and others will continue until then, but in the end, you can rest assured, we will make a decision that is in the best overall interest of you – our residents.



REPORT, cont. from pg. 1

if, the new department would not be a bare-bones operation,” City Manager Ben Yazici said. “It would still be a three-station department, with three firefighters at each station, on duty 24 hours a day, seven days a week. Plus, our level of service would be enhanced because our firefighters wouldn’t be leaving the city all the time like they do now.”

Notable items in the report:

- During its first full year of operation, the city’s three-station fire department would cost about \$6.3 million.
- With its share of the King County EMS levy funds (\$400,000 in revenue), the net cost would be \$5.9 million.
- Salaries would be set at a “competitive rate for the area” to prevent excessive turnover.
- A firefighter in the middle of the salary range would earn \$74,000.

- The fire chief’s salary would come in at around \$132,000.

“It’s clear from the FCS Group’s report that there would be both benefits and challenges associated with starting our own fire department,” Yazici said. “My inclination as a city manager has always been to pursue the contracting model. We’ve done it very successfully and smoothly, for example, by contracting with the King County Sheriff for police services.

“But that doesn’t mean it always works to be part of something big. Obviously, you have to consider your arrangements on a case-by-case basis.”

The FCS Group report said the city should begin implementing its transition steps in 2014 if it wants to leave EF&R and have its own department up and running in 2015. It estimated the transition costs in 2014 would be around \$2 million.

Note:

Over the past two years of negotiation with EF&R, there have been many stops and starts, and many moments of hope followed by disappointment.

At presstime, there were once again indications that the city’s EF&R partners might be considering changes to the funding model. But there was little evidence those changes would approach the threshold outlined by Sammamish. (See below.)

It’s possible, nevertheless, that in the few days it took to print and deliver this newsletter that circumstances could have changed, and that some of the content contained herein may no longer be up to date.

--The Editor

What has the city requested from its EF&R partners?

THE CHANGES TO THE AGREEMENT WOULD SAVE THE CITY \$445,000

The essence of the city’s request is simple: Instead of basing each partner’s share of the cost solely on assessed valuation, give 25 percent of the weight to “calls for service,” system wide. Sammamish says the current approach causes Sammamish taxpayers to subsidize the taxpayers in some of the other Eastside Fire & Rescue jurisdictions. Below are some of the stipulations Sammamish would like to see in the interlocal agreement that binds all the partners.

- **A 75% “assessed valuation”/25% “calls for service” funding formula**
 - **A five-year contract with retention of existing veto powers or an 18-month notice of termination**
- **Crediting Emergency Medical Service levy collections attributable to each partner as a part of their individual operating fund contribution**
- **Base the equipment/Facilities Reserves Fund contributions on usage**
 - **Retention of city ownership of capital assets with building maintenance responsibility retained by the city**

Fire Station 83, next to Klahanie, takes center stage

Fire Station 83, just across the road from Sunny Hills Elementary, is in Sammamish. But it's only a hose length or two away from Klahanie, and makes many of its calls there, so it's commonly referred to as the "Klahanie" station.

In many ways, it's at the center of the debate over the proper funding of Eastside Fire & Rescue (EF&R). Sammamish pays for 62 percent of the cost of Fire Station 83, but receives only 30 percent of its service calls. Most of the calls go to either Klahanie, which is in unincorporated King County, or to Providence Point, the retirement community in Issaquah.

"Looking at the figures from the vantagepoint of a Sammamish taxpayer, the figures are stunning."

Ben Yazici, City Manager

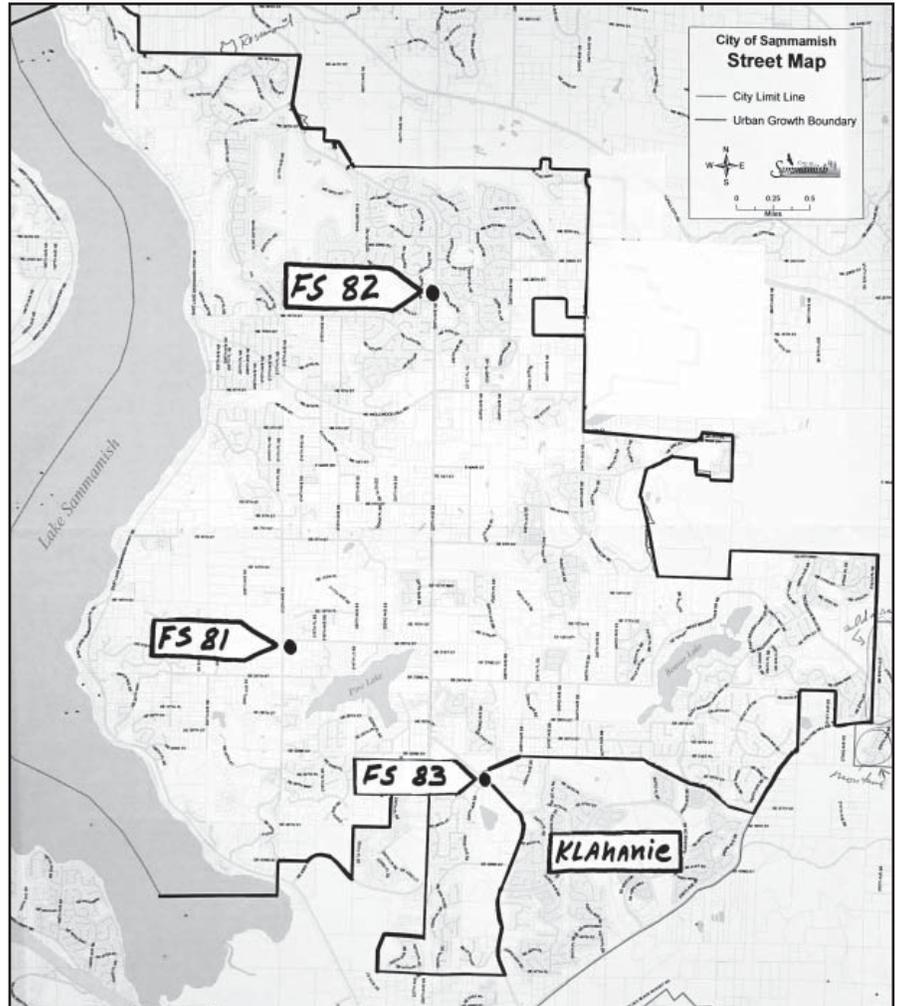
"That's where the greatest imbalance exists," City Manager Ben Yazici said. "And it's one of the reasons we've asked for a funding formula that gives some weight to 'calls for service,' instead of basing everything on a partner's assessed valuation.

"Looking at the figures from the vantagepoint of a Sammamish taxpayer, the figures are stunning."

Issaquah pays only 8 percent of the cost for Station 83, but receives 48 percent of its calls for service. And here's an even more striking stat.

If you divide Issaquah's contribution to Station 83 by the number of service calls it receives from the station, each call costs Issaquah \$221. If you do the same with Sammamish, each call from Station 83 costs Sammamish taxpayers \$2,748.

"Given those numbers, I think the change we're asking for is pretty modest," Yazici said. "Even if calls for service were to count for 25 percent of the funding formula, which is what we've suggested, Issaquah would still be getting a great deal at Station 83."



The city's three fire stations: FS 81 (Pine Lake), FS 82 (Sabalee), FS 83 (Klahanie).



Fire Station 83 is located across the street from Sunny Hills Elementary.

FIRE, cont. from pg. 1

in January, the city will automatically roll into another 7-year term as a partner with EF&R.

The current partnership is comprised of Issaquah, North Bend, Sammamish, Fire District 10 and Fire District 38. Sammamish has long expressed concerns about the governance of the fire consortium and, most importantly, what it describes as an unfair distribution of costs and services.

Despite years of discussion, the EF&R board of directors, which includes representatives from all the partners, has been unable to arrive at a funding formula that Sammamish officials believe is fair to the city's taxpayers.

At press time, the schedule called for City Manager Ben Yazici to make his recommendation on the matter at the Nov. 5 City Council meeting, and then for the Council to make a decision at its meeting on Nov. 12.

That decision will be the culmination of a lengthy and comprehensive examination of fire issues in Sammamish.

The city hired a consultant, FCS Group, and appointed a Technical Advisory Board (TAB) in February 2012. The TAB was made up of three former City Council members – Kathleen Huckabay, Lee Felling and Ron Haworth. In years past, all three served as city representatives on the EF&R board, and Haworth was a fire department chief before joining the Council.

After almost two years of study and public input from all stakeholders, the TAB recommended on Oct. 14 that the city should form its own fire department, and FCS Group concluded that such a move would cost the city

the same, or a bit less, than remaining with EF&R.

With his recommendation due and the City Council's decision just a few days away, Yazici shared his thoughts on what brought Sammamish to this moment:

Q: Why has this been such a difficult matter to work out? Everybody seems to be looking for a solution, but none seems forthcoming.

A: Well, so far, our efforts have run up against some stubborn realities. We think we're paying more than our fair



*Ben Yazici
City Manager*

share, effectively subsidizing the other partners. But reducing our costs will cause others to pay more. And that's the rub. All the partners want to protect their taxpayers from greater expenses.

Q: Isn't there a simple formula that could allocate costs fairly?

A: You would think so, but it's really a challenge. A fire partnership has a lot of moving parts, and many different ways to measure fairness and value.

Q: Could you give us an example?

A: Sure. For a variety of reasons, we have very few fires in Sammamish, and rarely call on EF&R for firefighting

services. So, looking at it that way, you could say that we're not getting much value for the \$6 million plus we put into EF&R every year.

Q: What's the other way to look at it?

A: Well, all of our homes and buildings in Sammamish have an assessed valuation of \$8.4 billion, a larger figure than any other partner. That's a lot of value that needs to be protected from fire. You could look at that and say that Sammamish is getting more wealth protection than any other city, so it should, indeed, pay more.

Q: Doesn't EF&R spend most of its time responding to emergency medical calls rather than fires?

A: It does, and that has produced some very unbalanced numbers from our point of view. For example, Sammamish pays for 62 percent of the cost of Fire Station 83, the one across from Sunny Hills Elementary, but we receive only 30 percent of the calls for service. Most of the emergency medical calls from Station 83 go to the Providence Point retirement community, which is in Issaquah.

Q: So what has Sammamish proposed?

A: The current funding formula is based solely on assessed valuation. We've proposed a new formula that gives some weight to calls for service. The last one we proposed asked that system-wide service calls count for 25 percent and assessed valuation for 75 percent.

Q: And the response?

A: It wasn't accepted by EF&R.

Q: So that's where you're stuck?

A: Yes. I understand that it's hard for a partner to pay more. It's hard to ask taxpayers to spend more money without receiving more or improved services. But it's hard for us, too, because we don't think our taxpayers should subsidize the other partners. From our point of view, why should our residents

pay more than their fair share?

Q: Are there other concerns the city has besides the funding formula:

A: We've also had some heartburn over governance of the consortium. As you can imagine, when you're just one of five partners, you don't have the kind of control you would like, especially when fire services, at \$6 million plus, are your biggest annual operating expense. Between 2007 and 2012, our costs for fire service went up 20 percent. That's a scary increase, especially when you're locked into a 7-year agreement that doesn't give you much control over costs.

Q: If Sammamish leaves EF&R, what are the alternatives?

A: One option is to start our own fire department, a prospect that is both exciting and daunting.

Q: Why is it exciting?

A: Not many people realize this, but the fire stations, the trucks and the rest of the equipment in Sammamish already belong to us. We wouldn't be starting from scratch. And having our own department would give us more control.

Q: What steps would the city have to take to make it happen?

A: Basically, we would have to hire a chief and a management staff to run the department, and hire the firefighters to fill out our fire stations.

Q: Would the firefighters be the same ones you have now?

A: Possibly. We'd have to see how things played out. But I'll tell you this – we'd be delighted to have the firefighters we have now. We've received terrific service from them since we became a city.

Q: Would having your own fire department reduce your costs?

A: It might over the long haul as we find ways to implement efficiencies, but initially our costs would probably be in the same ball park. The primary

benefit would be our ability to control our own destiny, have more predictable costs, and focus on the specific needs of our community.

Q: What makes the prospect of having your own fire department daunting?

A: We'd be taking on significant administrative duties that are currently handled by EF&R. And we'd be getting into the business of negotiating salaries and benefits with the firefighters' union. That would be a big change, especially for a lean city like Sammamish that has kept its staff small by

“Not many people realize this, but the fire stations, the trucks and the rest of the equipment in Sammamish already belong to us. We wouldn't be starting from scratch.”

Ben Yazici
City Manager

contracting for services.

Q: Instead of starting your own fire department, couldn't you stick with the contracting approach and get your fire services from another city?

A: That's another option. Bellevue, for example, provides fire services to some of its neighboring cities. But they're probably not a good fit for us. Their level of service is designed to deal with really tall buildings, something we don't need. Our early conversations with Bellevue indicate that they would probably be too expensive.

Q: What about Redmond?

A: They would probably be the most logical partner, but, unfortunately, they say they're not in a position to extend services to us right now.

Q: Is a mixed formula that includes both “calls for service” and “assessed

valuation,” the kind Sammamish has requested, an unusual approach?

A: No, it's quite common. Bellevue, for example, uses a version of that formula with its partners.

Q: During recent Council meetings, there's been criticism from some firefighters and their supporters that this process has been rushed.

A: Well, we've been having public conversations about this for almost two years. When the FCS Group report came out on Oct. 14, we even added another public meeting on Oct. 29 so there would be plenty of time for people to review the report's findings and speak their piece. Plus, all the stakeholders will have two more opportunities at the Nov. 5 and Nov. 12 Council meetings. This doesn't seem rushed to me. At some point, a decision is required.

Q: It's also been said that you announced your recommendation before the FCS report was finalized.

A: Not true. I won't make my recommendation until Nov. 5. But it is true that all the stakeholders have been talking openly and honestly about the options during public meetings. Members of our Council have said many times that we'd have to consider alternatives if EF&R isn't responsive to our concerns. As of now, we don't feel EF&R has been responsive.

Q: Is it in stone that the Council will make a decision on Nov. 12?

A: Normally, I would say yes, but to be frank, EF&R has been a moving target. At our Oct. 14 meeting, for example, they sprung the possibility that we could contract with EF&R instead of being a partner. That was strange, because long before that meeting we'd been told repeatedly that contracting was a non-starter. So you never know. We'll see what tomorrow brings.



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Should Sammamish start its own fire department?

Come speak your piece
before the City Council
on Nov. 5 and Nov. 12, 6:30 p.m.,
at City Hall

To read the FCS Group final report,
“City Fire Department Analysis,”
and other pertinent documents,
go to the city website at
www.sammamish.us.

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