

Next Ord: 2045-23
Next Res: 1120-23

**CITY COUNCIL STUDY SESSION
AGENDA**

IN PERSON OR VIA ZOOM

March 1, 2023

6:00PM

Sedro-Woolley Municipal Building

Council Chambers

325 Metcalf Street

a. New Business

1. Fire Department - Levy Lid Lift

b. Adjournment

Next Meeting(s) City Council Meeting March 8th,2023

Topic: Sedro-Woolley City Council Study Session
Time: 6:00 PM to 8:00 PM

Join Zoom Meeting

<https://zoom.us/j/9178585U179Powd=Vys0Y29XalZmOTRmem1BM2txVDIUQT09>

Meeting ID: 917 8685 0179

Passcode: 091845

OR One tap mobile

+12532158782,,91786850179#,,,,,0#,,091845# US (Tacoma)

+16699006833,,91786850179#,,,,,0#,,091845# US (San Jose)

OR Dial by your location

+1 253 215 8782 US (Tacoma)

+1 669 900 6833 US (San Jose)

+1 346 248 7799 US (Houston)

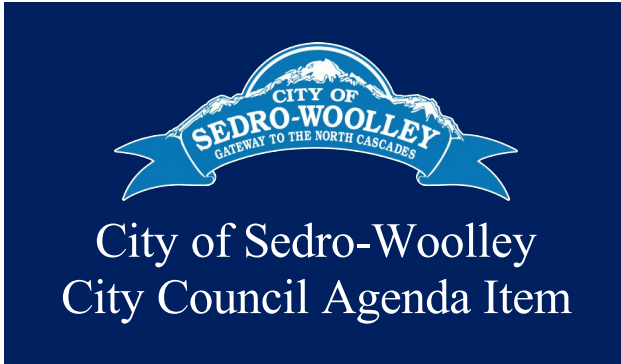
+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington D.C)

+1 312 626 6799 US (Chicago)

Meeting ID: 917 8685 0179

Passcode: 091845



Agenda
Item No. _____
Date: March 1, 2023
Subject: Fire Department - Levy Lid Lift

FROM:

Fire Chief Frank Wagner and Finance Director Kelly Kohnken

RECOMMENDED ACTION:

ISSUE:

City staff will present several options for paying for the necessary additional firefighter / EMTs. City staff are requesting guidance from council on which option to pursue.

BACKGROUND/SUMMARY INFORMATION:

The City's Fire Department is consistently understaffed and requires an additional four to sixteen firefighter / EMTs to provide sufficient shift coverage and increased public safety.

FISCAL IMPACT, IF APPROPRIATE:

Five year cost forecast including wages and benefits, training, uniforms, overhead, one-time radio costs (\$300,000) and one-time bunker gear (\$20,000) for an additional four, eight, and 16 firefighter / EMTs is \$3,368,197, \$6,416,394, and \$12,512,789.

ATTACHMENTS:

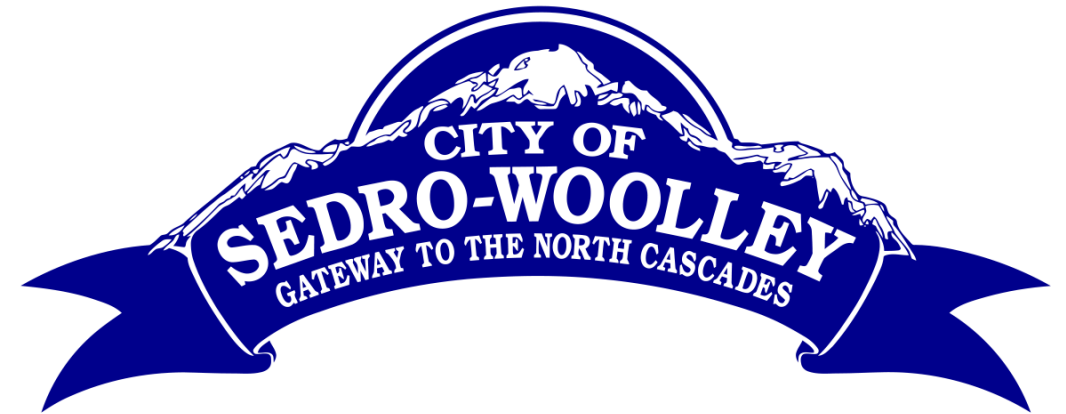
1. Fire Levy Lid Lift Presentation

Fire Department Levy Lid Lift

March 1, 2023

Kelly Kohnken, Finance Director and City Clerk

Frank Wagner, Fire Chief



Background

General Fund

The General Fund is the City’s largest fund and includes legislative, judicial, executive, finance, IT, planning and development, engineering, law enforcement, fire/EMS, and other areas.

Budgeted revenues and expenditures are included below (includes revisions not yet approved by council).

General Fund	2023	2024
Total Budgeted Revenues	10,618,604	10,576,506
Total Budgeted Expenditures	10,748,252	11,173,253
Excess (Deficit)	(129,648)	(596,747)

Revenues

General Fund	2023	2024	Percent
GF Property Tax	1,632,827	1,651,972	15%
GF Sales & Use	1,786,400	1,860,680	17%
Utility Tax: Stormwater	99,160	102,135	1%
Utility Tax: Sewer	449,470	467,200	4%
Utility Tax: Solid Waste	300,000	306,000	3%
Other Utility Taxes	1,318,320	1,326,130	12%
Other Taxes	629,680	630,060	6%
Licenses & Permits	333,790	342,260	3%
Intergovernmental	2,216,457	2,137,569	21%
Charges for Services	1,422,400	1,372,400	13%
Fines & Penalties	58,100	58,100	1%
Interest & Other Earnings	30,000	30,500	0%
Interfund Transfers	342,000	291,500	3%
Total	10,618,604	10,576,506	100%

Background

Fire/EMS Services

Fire/EMS Service accounts for approximately 33% of the General Fund expenditure budget.

To the right are specific Fire/EMS revenues and expenditures. Fire/EMS is also supported by property tax and sales tax revenue.

Description	2023	2024
EMS Levy Fees - Skagit County	1,279,705	1,318,100
Fire Transport Fees	761,250	761,250
GEMT Payment Program - Medicare	406,000	406,000
Fire Protection District No. 8	350,000	350,000
Transportation Billing Fee - City of Burlington	42,000	42,000
Fire Training HUB	16,350	16,350
Fire Training Center Fees	3,000	3,000
Fire Control Services	500	500
Total Budgeted Revenues	2,858,805	2,897,200
Total Budgeted Expenditures	3,564,150	3,684,750
Excess (Deficit)	(705,345)	(787,550)

Fire Department Need

The City's Fire Department is consistently understaffed and requires additional 4-16 firefighter/EMTs to provide sufficient shift coverage and increased public safety.

Fire Department Current Staffing:

- FTE Line Staff: 8
- Part-Time FF: 8
- Volunteers: 27
- Admin (Chief + two Assistant Chiefs): 3

- 2022 Incidents: 3,635

Fire Department Need

Staff Comparisons to Other Jurisdictions

Staffing	City of Sedro-Woolley	City of Burlington	City of Anacortes	City of Mount Vernon
FTE Line Staff	8	24	25	50
PT FF	8	12	0	0
Volunteers	27	0	0	0
Admin	3	4	3	5
Community Paramedic	0	0	1	0
2022 Incidents	3,635	4,383	4,601	8,184

What Do We Need to Pay For?

Fire/EMS Costs

- Wages and Benefits
- Training
- Uniforms
- Overhead
- Radios
- Bunker Gear

New radios are estimated at approximately \$300,000 and bunker gear at \$20,000. In the following estimates, these items have been spread over five years.

Five Year Costs of Additional Staff

4 Additional Fire/EMTs

	Wages	Additional Annual Costs			One-Time	Total
Year	Wages Total	Training	Uniforms	Overhead	Radios and Bunker Gear over 5 Years	Total
2024	507,398	44,000	3,328	10,148	64,000	628,874
2025	526,363	45,760	3,461	10,527	64,000	650,112
2026	546,961	47,590	3,600	10,939	64,000	673,090
2027	567,509	49,494	3,744	11,350	64,000	696,097
2028	588,879	51,474	3,893	11,778	64,000	720,024
Total	2,737,111	238,318	18,026	54,742	320,000	3,368,197

8 Additional Fire/EMTs

	Wages	Additional Annual Costs			One-Time	Total
Year	Wages Total	Training	Uniforms	Overhead	Radios and Bunker Gear over 5 Years	Total
2024	1,014,796	88,000	6,656	20,296	64,000	1,193,748
2025	1,052,727	91,520	6,922	21,055	64,000	1,236,224
2026	1,093,922	95,181	7,199	21,878	64,000	1,282,181
2027	1,135,019	98,988	7,487	22,700	64,000	1,328,194
2028	1,177,759	102,948	7,787	23,555	64,000	1,376,048
Total	5,474,223	476,636	36,051	109,484	320,000	6,416,394

16 FF/EMTs: \$12,512,789

How Do We Pay for It?

- Continued operational expenditures, should be paid with continued operational revenues.
- One-time funding, such as ARPA (federal funds) or other federal or state grants, are not sustainable.
- The City does not have significant control on sales tax collection, other taxes, or other utility taxes (water, electricity, natural gas, cable, telephone).
- Licensing, permits, and fees are contingent on market forces.
- Utility Tax on Sewer, Solid Waste, and Stormwater would need to increase from 10.5% to approximately 20% for four additional FF/EMTs and 29% for eight.

How Do We Pay for It?

Property Tax

- Each year the City determines the total dollar amount of property tax to be collected, levy or budgeted levy.
- However, state law limits property tax to 101% of the prior year levy, plus new construction.

Levy Lid Lift

- The City can increase the budgeted levy by more than 1%.
- Must be approved by voters in primary or general election.
- Maximum levy rate is 3.6000 (not recommended by City staff).

How Do We Pay for It?

Nine Levy Lid Lift Options:

- Options 1, 4, 7: Breakeven after 5 years with significant deficit over 10 years.
- Options 2, 5, 8: Breakeven after 10 years with deficits beginning in 11th year.
- Options 3, 6, 9: Sustainable for 10+ years.

Option	4 Additional FF/EMTs			8 Additional FF/EMTs			16 Additional FF/EMTs		
	1	2	3	4	5	6	7	8	9
Description	Breakeven in 5 years	Breakeven in 10 years	Breakeven in 10+ years	Breakeven in 5 years	Breakeven in 10 years	Breakeven in 10+ years	Breakeven in 5 years	Breakeven in 10 years	Breakeven in 10+ years
2024 Levy Increase	674,000	733,000	775,000	1,284,000	1,433,500	1,475,000	2,503,000	2,835,000	2,900,000
2024 Levy % Increase	21.54%	23.42%	24.76%	41.03%	45.81%	47.13%	79.98%	90.59%	92.67%
2024 Levy Rate	2.125	2.158	2.182	2.470	2.554	2.578	3.158	3.346	3.383
5 Year Excess (Deficit)	1,803	296,803	506,803	3,606	751,106	958,606	2,211	1,662,211	1,987,211
10 Year Excess (Deficit)	(586,759)	3,241	423,241	(1,493,518)	1,482	416,482	(3,317,036)	2,964	652,964

Impact to Homeowner

Total assessed value of home is \$447,200
 2023: \$805.32

Option 3: 4 FF/EMTs, sustainable 10+ year
 2024 Estimate: \$975.83
\$170.52 annual or \$14.21 a month

Option 6: 8 FF/EMTs, sustainable 10+ year
 2024 Estimate: \$1,152.71
\$347.39 annual or \$28.95 a month

2023 Property Tax, Assessments, and Fees		
Tax District	Rate	Amount
SKAGIT COUNTY	0.9832	\$439.68
CONSERVATION FUTURES FUND	0.0333	\$14.89
MEDIC 1 SERVICES	0.3180	\$141.31
SEDRO WOOLLEY	1.8008	\$805.31
HOSPITAL DISTRICT 304	0.1009	\$45.13
PORT DISTRICT 2	0.4503	\$201.35
STATE LEVY	2.3183	\$1,038.78
SCHOOL DISTRICT 101	2.8165	\$1,259.56
Special Assessment and Fees		
SKAGIT CONSERVATION DISTRICT		\$5.00
CONSERVATION DISTRICT FEE		\$0.00
2023 Property Tax, Assessments, and Fees Total:		\$3,948.99

Tentative Timeline

- March – May, 2023 – Public Outreach
- May 10, 2023 – Regular Council Meeting – 1st Read of Ballot Measure
- May 24, 2023 – Regular Council Meeting – 2nd Read of Ballot Measure
- June 2023 – Submit Ballot Measure to Skagit County, Ahead of Deadline
- August 1, 2023 – Skagit County Deadline
- November 8, 2023 – General Election

Questions?