



# RFA GOVERNANCE BOARD SPECIAL MEETING AGENDA

10:00 A.M. – Monday, October 23, 2023

Fire Station #13, 18002 108<sup>th</sup> Ave SE, Renton, WA 98055

Zoom Webinar: <https://us02web.zoom.us/j/86340359638>

Dial-in: (253) 215-8782 | Webinar ID: 863 4035 9638

View Live via Facebook: <http://www.Facebook.com/RentonRFA>

- Call Meeting to Order
- Flag Salute
- Roll Call
- Public Hearing on Revenue Sources, 2024 Proposed Expense Budget, Property Tax, and Fire Benefit Charge
  - RRFA Board Chair O’Halloran: Open Public Hearing
  - Chief Heitman: Anticipated Level of Service
  - CAO Samantha Babich: Budget and Revenue and Benefit Charge
  - Public Hearing Comments and Questions

*Members of the audience may comment on items relating to the Public Hearing. Comments are limited to three (3) minutes per person. The Chair may make exceptions to the time restrictions of persons speaking at a public hearing when warranted, at the discretion of the Chair.*
  - RRFA Board Chair O’Halloran: Close Public Hearing
- Future Meetings:
  - Monday, November 13, 2023, 10:00 a.m., Governance Board Regular Meeting, Fire Station #14 (1900 Lind Ave SW, Renton) / Video Conference
  - Monday, November 27, 2023, 10:00 a.m., Budget/Finance Committee Meeting, Video Conference
  - Monday, November 27, 2023, 10:30 a.m., Operations/Capital Committee Meeting, Video Conference
- Adjournment



RENTON REGIONAL FIRE AUTHORITY

M E M O R A N D U M

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DATE: October 23, 2023

TO: Renton RFA Governing Board

FROM: Brian Snure, Snure Law Office, PSC  
Steve Heitman, Fire Chief

**SUBJECT: Report on Process for Setting Annual Benefit Charge**

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I. OVERVIEW

The first step in the benefit charge process is to obtain voter approval, which was originally obtained at the April 26, 2016 election. In 2021 the voters approved a ten year extension of the benefit charge with the first year of collections occurring in 2023. Once the benefit charge is authorized, the Fire Authority must hold a public hearing preceding each year the charge is to be imposed. RCW 52.26.230 provides, in part:

“... (2) Prior to November 15<sup>th</sup> of each year, the governing body of the authority shall hold a public hearing to *review* and *establish* the regional fire protection service authority benefit charges for the subsequent year.” (Emphasis added)

The hearing allowed staff to present detailed information regarding the benefit charge and will allow the public to provide input to staff regarding the benefit charge. After the hearing is over, the Fire Authority establishes the aggregate amount of the benefit charge for the following year by resolution. This resolution is submitted to the County Treasurer in the form of a request for imposition of the charge by separate designation on the tax statement. The Fire Authority works with the County Treasurer in apportioning the Benefit Charge among individual property owners. Thus, the process for imposing the Benefit Charge on individual properties involves four basic steps:

1. First, a determination is made of the *total* benefit charge for the next calendar year. A crucial part of this process is the hearing itself. The Board will review the benefits received by all property owners, obtain input from the community and set a charge that is no more than 60% of the estimated total operating budget for the next year, and which does not exceed the total value of the benefits conferred.
2. Second, the charge is apportioned throughout the properties in the Fire Authority service area. The actual mechanics for apportioning the charge is generally done by following the formula adopted by the Fire Authority Board. In order to comply with the requirements of RCW 52.26.180 and consistent with Section 6.B.2 of the RFA Plan, the formula is adjusted on an annual basis to ensure that the benefit charge is reasonably proportioned to the measurable benefits to property resulting from the services provided by the Fire Authority.
3. Third, the Fire Authority notifies the County Treasurer of the charge and requests the apportioned charges be included as a separate item on the annual tax statements. The apportioned benefit charge is collected by the County Assessor, along with taxes.
4. Finally, individual property owners will receive a notice of the amount of the apportioned charge imposed on their property. The individual charge is a combination of a number of elements which when combined does not exceed the total benefits conferred on the individual property. If any property owner believes that the apportioned charge has been unfairly imposed on his or her property, the property owner may make a written appeal to the Regional Fire Authority Board which will consider the points raised and may reduce or eliminate the charge.

The Board's primary functions in the process is setting the total benefit charge, establishing the formula for allocation and hearing any appeals.

II. VALUE OF BENEFITS TO ALL PROPERTIES IN REGIONAL FIRE AUTHORITY

The Renton Regional Fire Authority has adopted a policy of establishing the benefit charge on the basis of fire flow and the resources required to effectively deliver that fire flow, which relates, not only to the direct benefit received by the property but also to insurance savings as determined by the Washington State Survey and Rating Bureau. Other benefits can also be included in establishing the overall benefits conferred to properties in the Fire Authority. The following sections describe in dollar terms the value of the total benefit.

A. INSURANCE BENEFIT

Based on historical information the aggregate insurance savings for the entire Fire Authority exceeds the Benefit Charge imposed on properties based upon standards established by the Insurance Services Office (ISO) and adopted by the Washington State Survey and Rating Bureau (WSRB). This estimated savings is the direct result of the risk reduction from fire that insurance companies base their insurance premiums upon. The direct benefit to property owners is that the emergency response capabilities of the Fire Authority as rated by the WSRB, are sufficient enough for insurance companies to reduce fire premiums paid by Fire Authority residents, when compared to the cost that would be charged if the Fire Authority and its services did not exist.

This is a fair estimate in that it takes into consideration the individual characteristics of each property and is based upon industry standards that serve as the basis for rate setting schedules.

B. EMERGENCY MEDICAL SERVICES BENEFIT

The RFA's emergency medical services are delivered using substantially the same staffing and equipment that has been set in place to achieve the WSRB rating which reduces insurance costs to the residents of the RFA. While these resources have been carefully deployed to achieve effective fire response and positive ratings from the WSRB, they have reserve capacity and are also positioned just as effectively to provide emergency medical response. Both fire and emergency medical events are time critical, quick response limits property loss from fire, and saves lives. The dual use of these resources provides a value-added cost-effective benefit to the RFA community.

C. OTHER BENEFITS

Insurance savings only address savings derived from structural or personal property loss. Standard insurance rate savings do not take into consideration the other benefits received by citizens. The fire benefit charge allows sustainability of the following programs that are used to monitor and improve services in an efficient and cost-effective manner:

- 1) Fire Prevention Services: The Fire Authority administers fire prevention services in concert with state building and fire codes. An emphasis is placed on implementing mitigations where necessary to better match emergency response capabilities with the risk of a particular structure, its ongoing use or storage of

hazardous materials, and any risks related to manufacturing processes. Where emergency response is less than adequate for the use, storage or process, fire prevention, protection and alarm systems are used to provide an adequate level of public safety and reduce the long-term cost of emergency response personnel and resources that would be needed without built in protection.

- a. Assures fire and life safety of public and private buildings to reduce fire and life safety risk to the general public and neighboring property.
- b. Assures built in fire suppression and alerting systems in buildings that pose the risk of overwhelming Fire Authority resources to safeguard neighboring properties from conflagrations.

2) Public Education Services: The National Fire Protection Association in its Standard 550 recognizes that there is no such thing as perfect emergency response and recommends the use of fire prevention techniques and public education to reduce the numbers of fires, minimize community risk and improve outcomes when fire or emergency medical incidents do occur. Public Education Services are provided in the following methods:

- a. Collaborative partnerships between local schools and the Fire Authority are used to develop and implement fire prevention, general safety and first aid curriculum in area schools. This joint effort with partner schools provides the most cost-effective fire and life safety education possible.

- b. CPR classes provided by the Fire Authority empower citizens with the critical knowledge needed to save a life. The Fire Authority's population enjoys one of the best cardiac survival rates in the world as a result of this educational partnering program that delivers "by-stander CPR" until emergency responders can arrive.
  - c. An intensive "Juvenile Fire Setter" program provides local families an outlet to deal with juveniles who set fires, creating a life safety risk for themselves and their families. Many of these individuals have set fires in area schools; this value-added program provides them and their families with the counseling resources necessary to change this dangerous behavior.
  - d. CARES program: The Community Assistance Referral and Education Services program provides an assistance and referral service for many people who without the program, would be forced to frequently call 9-1-1 for assistance. This cost-effective program reduces the need for emergency response, saving money by creating greater capacity within existing resources and providing more appropriate care to those in need.
- 3) Technical Rescue Services: As an all hazards response organization, the Fire Authority maintains specialized teams of firefighters who respond to all types of technical rescue. These teams are made up from the same daily staff that provides fire and emergency medical response. Their specialized training

provides citizens with heavy rescue tools and techniques for machinery accidents; rope rescue teams are capable of high and low angle rescues; vehicle rescue teams can quickly remove trapped and injured patients from vehicle wreckage; hazardous materials teams respond to chemical spills and releases; trench and confined space rescue teams are also incorporated into the fabric of daily staffing providing value added service to the basic service delivery model.

Thus, by this limited analysis (under which the most conservative numbers are always used), cumulative benefits to Renton Regional Fire Authority residents are in excess of the proposed Benefit Charge. While this analysis does not attempt to establish a total benefit to Renton Regional Fire Authority properties, it does demonstrate the total benefits are substantially in excess of any benefit charge likely to be imposed under current Renton Regional Fire Authority benefit charge formula.

### III. THE FORMULA FOR APPORTIONING THE BENEFIT CHARGE

The statute requires that the benefit charge imposed must be reasonably proportioned to the measurable benefits to the property afforded by the authority, RCW 52.26.180(2). In this instance the Renton Regional Fire Authority Administration suggest that the aggregate charge established by the Board based upon the measurable benefits afforded by services provided by the Regional Fire Authority be apportioned in a manner equitable among property types, structure size and the inherent risk posed by a structure or occupants to the community and/or fire service personnel. In addition, the formula takes into account the amount of firefighting water that would be required to extinguish a fire, the number of firefighters and Fire



Authority resources it would take to deliver that water and any factors present in the structure that would either increase or reduce the need for firefighting water. The formula is based upon a fire flow formula used by the Insurance Services Organization and the Washington State Rating Bureau and is assembled as follows:

**Square root of structure area<sup>1</sup> x 18<sup>2</sup> x category factor<sup>3</sup> x response factor<sup>4</sup> x risk factor<sup>5</sup> x discount<sup>6</sup> = FBC**  
A complete listing of benefit charge formula factors is attached to this memo.

The aggregate benefit charge throughout the RFA is roughly apportioned by property types as follows:

**Total Residential Properties = 67.5% Benefit Charge Amount**

- Single Family Homes = 43.7%
- Multi-Family Dwellings = 23.5%
- Mobile Homes = 0.3%

**Commercial Property = 32.5% Benefit Charge Amount**

**Total apportioned = 100.00%**

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<sup>1</sup> The formula begins with the square root of the square feet of the structure being assessed. The RFA uses data from the King County Assessor to determine the area of the structure.

<sup>2</sup> The number 18 is critical to the ISO fire flow formula

<sup>3</sup> The category factor is derived from one of four uses, 1) One & two family homes, 2) Mobile homes, 3) Mutli-family dwellings, 4) Commercial structures. Each category has a specific factor according to its structure size.

<sup>4</sup> Response factor relates to the units of initial response force in personnel and resources needed to deliver the required fire flow for extinguishment.

<sup>5</sup> Risk factors apply to commercial structures and are determined by the type of material handled, stored or used in manufacturing. From the type of material on site, definitions established by the National Fire Protection Association are used to define the risk factor.

<sup>6</sup> Discounts are offered for automatic fire sprinkler systems in homes and for automatic sprinklers and alarm systems in apartments and commercial structures.

## QUESTIONS AND ANSWERS ON BENEFIT CHARGE

### 1. **What is a benefit charge?**

The 1987 Washington State Legislature passed RCW 52.18. This statute provided that fire districts, with the approval of the voters in the district, are authorized to collect a benefit charge from residential and business property owners. A similar statute was subsequently passed as part of the legislation authorizing regional fire authorities under RCW 52.26, see specifically RCW 52.26.180 - .270. That law allows regional fire authorities to impose benefit charges which shall be reasonably proportioned to the measurable benefits received by the property resulting from the services provided by a regional fire authority. This is referred to as a “benefit charge.”

The benefit charge is not a per call charge and is not based on property value. The benefit charge is a fee which is based on the benefit of having fire protection. The benefit charge is collected by the County Treasurer’s office along with the property tax bill.

### 2. **How will a benefit charge provide a better source of funding for the Renton Regional Fire Authority?**

The benefit charge is a fairer way of funding fire service. Property taxes only take into consideration the value of the property and not the benefits provided. These benefits include lower fire insurance costs which are passed on to the property owners. Other benefits include charging the cost of specialized equipment and training required by some properties to those properties. By using a benefit charge, costs will be more fairly distributed.

### 3. **Who establishes the benefit charge and what does it cover?**

RCW 52.26.180 provides that the Regional Fire Authority may fix and impose a benefit charge on personal property and improvements to real property. The benefit charge does not apply to land. The benefit charge would cover such property as residential buildings, commercial structures, agricultural buildings, and other structures affixed to the land. The statute also provides for certain exemptions, which include:

- A. Personal property not used in business. RCW 52.26.190.
- B. Property that is the subject of a contract for services with the Fire Authority, including publicly owned buildings. RCW 52.26.190.
- C. Any property used for religious purposes by a recognized religious organization, including educational facilities. RCW 52.26.180(1).
- D. Property which maintains its own fire department. RCW 52.26.180(2).

The Regional Authority Board may also determine that certain classes or types of property are not receiving any measurable benefit based on criteria it establishes. RCW 52.26.180(2).

**4. How much revenue will be available from the benefit charge?**

The statute states that the total amount that can be raised by a benefit charge cannot exceed 60% of the operating budget. If a fire authority enacts a benefit charge *it must reduce its maximum regular property tax levy from \$1.50 to \$1.00 per \$1,000.00 assessed valuation.*

**5. How will a benefit charge help the average homeowner?**

It will provide a continued level of dependable fire service by maintaining well equipped fire fighters; and because you will have a regular voice in the benefit charge, you will have greater control over the cost of your fire service.

**6. How long is the benefit charge good for?**

The benefit charge law provides for annual public hearings and must be put to the voters for renewal every six to ten years. Current authorization extends through 2032.

### Renton Regional Fire Authority Benefit Charge Formula

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

Total square footage of structure(s)																					
	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 >
<b>Category Factors:</b>																					
Residential	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60												
Mobile Home	0.20	0.20	0.20	0.20	0.20	0.20															
Apartment****(Multi-Family)	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	3.50	3.50	3.50	6.80	6.80	8.70	11.30	14.50	14.50	14.50	14.50	14.50	14.50
Commercial	1.20	1.20	1.20	1.20	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	2.20	2.20	3.15	3.45	3.60	3.85	4.10	4.15	5.10
<b>Fire Flow Factor:</b>																					
<b>0.266221 PRELIMINARY</b>																					
<b>Response Factor:**</b>																					
Residential	1.05	<i>Variable to Firefighters Needed to Deliver Needed Water**</i>																			
Manufactured Homes	1.00	1.00	1.00	1.00	1.00	1.00	1.00														
Apartment****(Multi-Family)	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	1.25	1.25	1.25	1.25	1.25	1.25	1.75	1.75	1.75	2.65	4.20	4.20	4.20	4.20	4.30	4.30	4.40	4.50	4.50	4.50	4.50
<b>Risk Factor:***</b>																					
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
<b>Discounts:</b>																					
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
Manual Central Alarm	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950
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
<p>**Response factor is based upon the number of firefighters needed to deliver the required fireflow. A 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 gallons per minute fire flow delivery per firefighter on scene up to 3,599 square feet and 48 gallons per minute for homes greater than 3,599 square feet</p> <p><b>FORMULA: 400-3599(SQ.RT X 18)/50 = FIREFLOW/16 = RESPONSE FACTOR.....&gt;3599(SQ.RT X 18)/48 = FIREFLOW/16 = RESPONSE FACTOR</b></p> <p>*** Risk factors apply to commercial property and are defined by the National Fire Protection Association and deal with fire hazards and hazardous materials. Hazrd Factors based on NFPA-13</p> <p>**** Apartment Multi-Family: 3 or more dwelling units connected to a common building. These structures are configured in a manner that generally have a higher life hazard, requiring additional and specialized resources to support Firefighting Tactics. These buildings include some Condos and Townhomes</p>																					