

**Whatcom County Fire District #21
Whatcom County Fire District #4
Station 61 – Blaine
9408 Odell Rd
8:00 a.m.
June 4, 2022
Special Board of Fire Commissioners Meeting
Work Session**

CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL

Chairman Ansell called the special Whatcom County Fire District #21 Board of Fire Commissioners workshop for June 4, 2022, to order at 8:01 a.m. at Station 61 – 9408 Odell Rd, Blaine, WA.

ROLL CALL

NWFR Attendees: Chairman Bruce Ansell; Vice-Chairman John Crawford; Commissioners Rich Bosman, Scott Fischer, and Kimberly McMurray; Fire Chief Jason Van der Veen; Division Chief Shaun Ward.

District #4 Attendees: Chairman Mark Lann; Vice-Chairman Steve Cooley, and Commissioner Tim Johnson.

Other: Bellingham Fire Department and District 8 Fire Chief Bill Hewitt; Local 106NW Representatives Scott Brown and Chris Hollander; Local 106 Bellingham Unit Leaders Scott Farrell and Hunter Elliot.

Chairman Ansell noted that this meeting would not be streamed live due to technical difficulties. The public from both districts and the media were made aware of the meeting and invited to attend in person.

PUBLIC COMMENT

None

WELCOME / INTRODUCTIONS / OVERVIEW

Chairman Ansell pointed out that this joint workshop fulfills the yearly meeting obligation via the contract for services interlocal agreement between the two districts.

Each attendee provided background information regarding their ties to either district or the City of Bellingham.

Chief Van der Veen noted that the main focus of this meeting is to review the history of how we got here and then have a conversation regarding the future direction and transparent strategy of all involved, including the City of Bellingham, District 4, and North Whatcom Fire and Rescue.

With the failure of recent levy requests, District 4 has been limited in its capacity to generate revenue. At the same time, and for a myriad of reasons, North Whatcom Fire and Rescue has also failed to pass either of their recent levy requests.

DISTRICT #4 ANNEXATIONS: After a long delay due to the pandemic, the City of Bellingham has revitalized its efforts to continue its future planning following the 2018 annexation strategic document. This document outlines multiple annexations, including those in District 4's area. Other proposed annexations will also affect North Whatcom Fire and Rescue. It was noted that developers had signed no contest agreements in certain areas that already provide water and sewer services, and those annexations will not require a vote by the public.

Future annexations by the City of Bellingham include:

- Kelly/Kline area (.87% of District 4's AV)
- Hillsdale/Northern Heights (9% of District 4's AV)
- Ultimately Tweed Twenty, which once surrounded on three sides, can be annexed without a vote (12% of District 4's AV).

In 1997, an agreement between the City of Bellingham and Districts 2, 4, and 8 outlined the sixty percent (60%) threshold for a city to take over a district. It is somewhat unclear how those calculations are created. Chief Van der Veen noted that after debating with District 4's Attorney Joseph Quinn regarding state statute, the attorney's interpretation concluded that the calculations are based on the assessed valuation at the time of annexation and are nowhere near the 60% threshold. Chief Van der Veen emphasized that District 4 revenue is limited and that within two years will no longer be able to provide the same level of service to its constituents, given the proposed annexations.

Chairman Ansell provided historical information regarding the consolidation between North Whatcom Fire and Rescue and District 4 that began in 2011. In 2020, North Whatcom Fire and Rescue entered into lengthy regional fire authority (RFA) discussions regarding providing services to District 4. During the talks, there were three or four changes to the District 4 board chair during that time frame, all with differing opinions and agendas. The plan had been to place the RFA proposal, which included a levy lid lift, before both districts for approval, thus creating one entity. The document's language came into scrutiny by the former District 4 board chair, which led to the unraveling of the RFA discussions.

Chairman Ansell outlined the Board's recent concerns pertaining to North Whatcom Fire and Rescue. With the discovery of the 97 document, along with the upcoming potential annexations in District 4's area incorporating much of what is left of their tax base, it is becoming harder for the North Whatcom Fire and Rescue Board to look at those economies and justify continuing to provide those services. Everyone involved wants what is best for the citizens, however, at some point, the citizens will need to fund those services. If District 4 becomes a rural piece of property without enough tax revenue, North Whatcom Fire and Rescue will not be able to assume the role of provider and deliver the same level of service.

Chairman Ansell encouraged dialogue regarding how to effectively provide the same level of service to the citizens of District 4. At some point, the levy will need to be increased. A District 4 EMS levy was approved in 2012, and the fire levy has not been raised for twenty-five plus years, although a past bond measure was approved to build the facilities on Britton Loop Road and purchase an engine. In addition, North Whatcom Fire and Rescue has not increased its levy in the past fifteen years. The cap either District can request is \$1.50.

Current levy amounts:

- North Whatcom Fire and Rescue fire levy: \$1.02
- District 4 fire levy and EMS Levy: \$0.94

Chairman Ansell pointed out that Initiative 747 limits how much a fire district can raise property taxes (1%) without the public's vote. Chairman Ansell noted that last year, the inflation rate was six percent (6%). Citizens assume that fire districts are not struggling and receive a higher amount based on those increases. According to his current property tax increase (35%), only one extra dollar (\$1) per month goes to the fire district. It is challenging to portray the message that the fire districts cannot grow with those limitations.

Chairman Ansell elaborated on the communication challenges to the public residing in our large, combined response area (182 square miles). The various microclimates are very diverse politically and economically, and the ability to communicate in any form is difficult. Almost all people have multiple social media accounts and are more interested in their neighbor's opinion on how they should vote regarding the fire district rather than the fire chiefs who know the facts.

Due to the upcoming potential City of Bellingham annexations, Chairman Ansell stated that the North Whatcom Fire and Rescue Board would need to determine the practicality of continuing on the path of taking over an area that will not generate enough revenue to allow them to operate effectively and with the current level of service.

Vice-Chairman Crawford requested information from Chief Hewitt regarding the total percent of annexed and proposed District 4 annexations. Chief Hewitt reiterated that the 97 agreement did not address how the annexations would be calculated over time. In fact, some of the previous completed annexations or annexations in process before the agreement were exempt (East Bakerview). The City of Bellingham's planning department has composed various annexation calculation methods, which currently come out to approximately fifty percent (50%). The two upcoming proposed annexations include Meridian/Kline/Kelly Rd. (\$9 million in assessed valuation) and McLeod/Britton Rd. (just under \$94 million in assessed valuation). Chief Hewitt noted if those annexations move forward, it will trigger the sixty percent (60%) clause in the 97 agreement. The public was given the opportunity to meet with the city to ask questions and express concerns regarding the urban growth area (UGA) in 2019.

Chief Hewitt pointed out that the City of Bellingham and District 8 initially consolidated to avoid the repercussions of the 97 agreement (60% clause) and a more extensive annexation that has yet to come to fruition. The City of Bellingham is expected to update its comprehensive plan due to the financial realities, which may trigger modifications to the current UGA and proposed annexations.

Any annexations expanding the City of Bellingham will trigger the need for additional infrastructure in fire, public works, and law enforcement. Chief Hewitt pointed out that the Bellingham Fire Department continues to operate with the same number of fire units per day as in 1974. If the fire department took on District 4 and Britton Loop Station 12, they would need to hire additional firefighters, apparatus, and a battalion chief to offer an urban service level. Regardless, the Bellingham Fire Department would need to add another station and

infrastructure to service those annexations. The endeavor would be expensive, dependent on the area and agency, and annexation revenue may not support those upgrades.

Chief Hewitt pointed out the need for the City of Bellingham to grow, which will continue to impact District 4 and North Whatcom Fire and Rescue.

Commissioner Bosman surmised that sometimes economic realities force elected officials to work together collaboratively. Over the years, North Whatcom Fire and Rescue have always fought to provide good service with their limited resources. Commissioner Bosman agreed with Chairman Ansell, stating the district cannot continue to contract with District 4 status quo and offer the same level of service to North Whatcom Fire and Rescue citizens. Many other fire districts in the county may also face similar struggles within the next few years. Commissioner Bosman further stated that while dealing with the current struggles, it is exciting to consider that this group may set the tone and clear a path for the future of the fire service in this area.

Chairman Ansell noted that while the District 4 commissioners are all relatively new, with little institutional knowledge, they all are interested in doing what is best for their citizens. Both Boards are trying to provide good service to both districts with diminishing funding.

Chairman Ansell reiterated that the current contract for services expires in 2022. While not wanting to abandon District 4, North Whatcom Fire and Rescue is responsible to their citizens just as the Bellingham Fire Department has a responsibility to theirs. It may be that the citizens need to be better educated regarding the severe repercussions of not approving a levy lid lift. Running an election multiple times is very expensive (\approx \$50,000).

Vice-Chairman Cooley concurred that all three district board members are relatively new and realize they may not have a fire service soon. The District 4 Board thanked North Whatcom Fire and Rescue and the Bellingham Fire Department for working with them to find an agreeable and workable solution for their mutual problem.

He also agreed that the public needs to be better educated, specifically in the District 4 area, who may not fully understand the impact of a no levy vote. The District 4 Board intends to improve public education actively.

Chairman Lann indicated that his position from day one was to cooperate and be a good partner to North Whatcom Fire and Rescue. As chair, he has had to make some tough personnel decisions to ensure District 4 could pay its bills and maintain that good relationship. Chairman Lann noted that the recent annexation discussions are a game-changer since it creates tension and realistic concerns surrounding their capability to pay the contract for services fee. Although he understood from Chief Hewitt that the City does not see anything imminent, District 4 feels caught in the middle.

District 4 is willing to partner with whoever will be the future of service for District 4 and the people they represent. Chairman Lann hopes to continue to provide the highest level of service in their area that they can afford while keeping firefighters employed. Chairman Lann is unsure of how that will be accomplished.

While new to the Board, Commissioner Johnson echoed Chairman Lann's statement regarding the district's inability to continue without forming a cooperative partnership with another agency. Commissioner Johnson stressed that partnership is the key to forward movement. District 4 needs to focus on being transparent with its citizens and provide education regarding the reality of the current situation.

Vice-Chairman Cooley concurred and further stressed the importance of the District 4 Board better educating their citizens and the ramifications of a failed levy.

OPERATIONAL ISSUES: Chairman Ansell posed the following questions to the fire chiefs.

- If both the City and North Whatcom Fire and Rescue stepped out, could District 4 continue to operate a fire district financially at its current level of service?
- Even if District 4 passed a levy lid lift, could they restart a fire district, given that North Whatcom Fire and Rescue has been running District 4 for the past twelve years?

Chairman Ansell noted that from his perspective, it does not make economic sense for District 4 to restart a fire district. Chief Van der Veen agreed, stating that even if the fire and EMS levies were raised significantly, they still could not afford the costs to rebuild a command structure, add firefighters and administrative support, and provide the same level of service. Commissioner Cooley agreed, stating that the twenty-year-old station has some significant maintenance issues that need to be addressed. The district also needs to address its immediate capital needs and significant repairs at Britton Loop Station 12.

Chief Hewitt stated that with a \$1.50 levy, the district could bring in \$3.1 million, while the cost of an engine company alone would be approximately \$2 million. Other costs would include capital and facility upgrades, fire chief, training, and administrative support, which would utilize any remaining funds. Although it may be possible, it may not be the best use of the taxpayers' money.

Chief Hewitt pointed out that seven or eight departments have blended with other agencies since he began in the fire service, allowing more firefighters to respond to calls and eliminating duplicate administration positions.

Chief Van der Veen further pointed out that the district could not keep employees based on what they could pay, creating a step-up department that would be incredibly expensive to maintain.

Vice-Chairman Cooley noted that the idea of running their department is beyond the realm of possibility and not an option for the future. Chairman Lann concurred, noting that it would not change the annexation outcomes.

Chief Van der Veen disclosed that, in his opinion, the future of the fire service in this area is forming a county or even west county RFA, allowing even more firefighters to respond to calls, with the need for less administration.

Chief Hewitt mentioned that a companion document to the 97 agreement (draft 1998 master plan), which was never adopted, concluded that Districts 2, 4, and 8 should merge, while the City should remain a stand-alone department given the way it generates revenue. Today, however, the City is much closer to the other districts concerning funding their department, partly since the Bellingham Fire Department has not seen any growth.

Chairman Lann stated that District 4 recently sent a letter to the Bellingham mayor's office to begin a conversation regarding the proposed annexation impacts formally. An appointment has been scheduled with the Mayor, his finance team, Chairman Lann, Chiefs Van der Veen, and Hewitt for Wednesday, June 8, 2022.

RECESS

Chairman Ansell recessed the special meeting at 9:02 a.m.

MEETING RECONVENED

Chairman Ansell reconvened the workshop at 9:25 a.m.

FUTURE ANNEXATIONS: Chief Van der Veen provided a map of past and potential annexed areas by the City of Bellingham.

Chief Hewitt provided information regarding how areas can annex.

- Voter approved
- Petition (all annexations in the City of Bellingham so far)
- Interlocal method

Chief Hewitt explained that if the City, County, and fire district agree to sign an interlocal, then the City can annex an area already surrounded by city limits on three sides. If the Britton loop station area becomes part of the annexation, the station and training grounds are still owned by District 4. Chairman Ansell reiterated that the total planned annexations within District 4 will affect their revenue and will not generate enough funds to operate the fire service at the current level of service.

Chief Van der Veen pointed out that the signed interlocal auto aid agreement between District 4, North Whatcom Fire and Rescue, and the City of Bellingham provides service via the closest response in any district, is significantly impacting District 4. Almost half of the responses out of Britton Loop Station 12 are going into the city. Although the agreement is a huge asset, especially during fire calls, and allows District 4 to collect more revenue, it raises issues regarding vehicle wear and tear, firefighter burnout, and pay disparity.

DISCUSSION AND NEXT STEPS

Chairman Lann noted that although there was conversation surrounding long-term strategic goals, he inquired about the short-term realities of the soon-to-expire current contract for services with North Whatcom Fire and Rescue. He does not see the City of Bellingham stepping in after 2022 to provide services to District 4. Chairman Lann requested further discussion regarding realistic options for District 4 in 2023, so they can be further explored.

Chairman Ansell noted that the critical question is what happens on January 1, 2023? Currently, there is no contract for services extension, nor does the North Whatcom Fire and Rescue Board want to provide or ethically offer those services if it will negatively impact their constituents. The issue is the ability of District 4 to be able to pay their fair share. According to the current figures, Chairman Ansell stated that he is unsure whether District 4 can make their contract for services payment, and if they cannot, it is unclear where the extra money would originate.

Chief Van der Veen noted that District 4 is expected to receive some unanticipated revenue from the BLS fund disbursement and additional mutual aid BLS revenue. It is not clear when these unanticipated revenues will be seen. District 4 will not need to dip into its reserves for the 2022 payment. If the ALS EMS levy is approved, they will be able to make their 2023 payment.

Chairman Lann noted that District 4 will need to aggressively explore how they will meet the 2023 shortfall, including:

- How to fully utilize the Britton Loop Station 12 administrative offices and training grounds.
 - Possible Whatcom County Emergency Medical Services (WCEMS) interest in renting Station 12 office space. (willing to fund some IT upgrades)
 - City of Bellingham's potential to rent more office space
 - New training prop utilized by law enforcement
- Lease of Smith Rd Station 13 by the Department of Natural Resources (DNR)

The District 4 Board will have further conversations with North Whatcom Fire and Rescue if additional revenue is utilized.

It was agreed that the above are band-aids rather than a long-term solutions. Vice-Chairman Cooley noted that District 4 could probably get by for the next year, however, the goal will be to have something different in place by the end of 2023.

Chief Van der Veen noted that they might consider a six-month extension, which may also be a valuable communication tool for the District 4 voters. Hopefully, the voters will realize they need to take action, as will the rest of the agencies involved.

Chairman Ansell stated that although the City cannot fund another station at this time, they, along with District 4, receive a benefit from the auto aid agreement. Chairman Ansell inquired if the City may be favorable to redirecting funds to maintain the current service level out of Britton Loop Station 12 and how that could be quantified.

Chief Hewitt cannot say that the City is willing to subsidize District 4, however, it is not in their best interest to have District 4 fail. His understanding is that Britton Loop Station 12 would not come with employees. With the Bellingham Fire Departments' current staffing situation, it could take two to three years to hire, train, and fully staff the station.

Chief Hewitt offered assistance with the Britton Loop Station 12 training grounds revenue. Chiefs Hewitt and Van der Veen agreed to analyze some revenue options in the very near future.

The City of Bellingham is vested in ensuring that District 4 remains solvent and continues to partner with North Whatcom Fire and Rescue until all parties can collectively establish a long-term plan for fire service in the region.

District 4's potential options:

- Stand-alone fire department – *not feasible*
- North Whatcom Fire and Rescue take over District 4 – *not possible due to future diminishing revenue*
- City of Bellingham take over District 4 – *at least a three-year project if agreed*

Chairman Ansell noted that the current members of both Boards are on the same page and working together well. Both Boards will need to provide the same message to their constituents regarding continuing the current level of service, which will not be possible if growth continues, and funding does not change.

In addition, Chief Hewitt pointed out that North Whatcom Fire and Rescue and other agencies are responding with fewer staffed fire stations now, than in the past, due to dwindling volunteerism in the fire service.

Local 106NW Representative Scott Brown expressed his concern regarding the loss of positions if there is a split. Although the district does receive an engine response from the City during a fire, since 49.9% of Britton Loop Station 12's calls are in the city, those additional calls may add to firefighter burnout. In addition, there is considerable concern that Bellingham firefighters are making substantially more money than North Whatcom Fire and Rescue firefighters for doing the same work, which will strain relationships at some point.

Local 106N Representative Chris Hollander concurred that keeping District 4 afloat is crucial to all involved. He acknowledged the agencies for coming together to discuss options proactively and that everyone seemed to be on the right track. He hopes to keep the partnership between District 4 and North Whatcom Fire and Rescue.

Local 106 Bellingham Unit Leader Scott Farrell appreciated the invite and the information. He further noted that having all these representatives in the same room from the various groups is very optimistic. He echoed Chief Hewitt's summary of the stresses of the City's added call volume and growth. Scott Farrell noted that their labor group intends to represent their members, stay in their lane and offer support as much as possible.

Chief Van der Veen confirmed that the group did not create this problem, although everyone at the table is bound and determined to solve it so they can focus on the things that have been placed on hold while this issue can be rectified.

Both Chairman Ansell and Chief Van der Veen suggested that the RFA or merger path between North Whatcom Fire and Rescue and District 4 be paused until the Bellingham and District 4 issue is resolved. Vice-Chairman Cooley agreed and further noted that previous RFA planning did not consider annexation issues. Once the City of Bellingham and annexation issues are figured out, the RFA topic can be reevaluated.

Chairman Lann reiterated that he would be attending a meeting with the Mayor and others on Wednesday, June 8, 2022. Highlights will be reported during the upcoming commissioner meetings.

Chief Hewitt agreed that all options should remain open for review, including various RFA options, which could include multiple and varying agencies. Chief Hewitt pointed out that past RFA discussions between the City and District 8 failed due to a lack of urgency and need. It also would have been beneficial to include other agencies in those conversations. After discussing his fire department's financial needs with the City of Bellingham, Chief Hewitt relayed that they understand that strategic planning is crucial for future funding.

CLOSING COMMENTS

Vice-Chairman Crawford was pleased that this group could participate in a positive discussion.

Chairman Ansell thanked the attendees and looks forward to hearing the Mayor's comments. He thinks the six-month band-aide may be an option if the financial component is realized, although he remains unsure of a permanent fix.

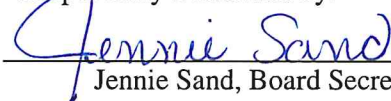
Chairman Lann is also optimistic that a permanent solution will be realized.

Chairman Ansell stressed that it would be crucial for the District 4 Board to educate their constituents better as it will be for the North Whatcom Fire and Rescue Board.

ADJOURNMENT

MOTION: There being no further business Chairman Ansell moved to adjourn the meeting at 10:08 a.m.

Respectfully Submitted by:

A handwritten signature in blue ink, reading "Jennie Sand", is written over a horizontal line.

Jennie Sand, Board Secretary


ATTEST:

Bruce Ansell, Chairman


John Crawford, Vice-Chairman

Rich Bosman, Commissioner

Scott Fischer, Commissioner



Mark Lann, Chairman



Steve Cooley, Vice-Chairman



Tim Johnson, Commissioner



Jason Van der Veen, Fire Chief