

Funding Additional Fire Resources

VANCOUVER
CITY HALL

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Vancouver
WASHINGTON

November 1, 2021

Vancouver City Council Workshop

Natasha Ramras, CFO

Presentation Overview

Provide an overview of available funding options for increased resource in Fire:

- Voted
 - Property Tax Options
- Non-voted

Target Workshop Objectives

Obtain council direction on:

- Ballot design:
 - Levy tool(s) to fund fire service enhancements
 - Inclusion of station resiliency investment
 - Inclusion of permitted property tax exemptions
 - Desired timing of ballot
- Fire Impact Fee development

Prior Council Review

10/4/2021 Council Workshop:

- Reviewed current Fire/EMS performance shortfalls compared to Standard
- Reviewed proposed increases to Fire's current service level to meet Standard of Cover targets
- Council requested adding a Resiliency component
- Council requested staff to bring back additional information on the potential funding sources.

Prior Council Review

Cost Component		One-time Capital Costs (assumes debt financing)	TOTAL ANNUAL COSTS (including annual debt service)
Operating Costs	Staffing and other operating costs		8,992,000
	Vehicle- related annual costs		285,000
Capital Costs	Squad vehicle (1 new)	302,000	
	Ladder truck company (1 new)	2,156,000	
	Station 8 remodel	3,151,000	
	Debt Service to fund Equipment and Facility Remodel		692,000
Station 11	On-Going Funding to Sustain beginning in 2025		2,823,000
	Staffing and other operational costs		
	TOTAL PROJECTED ANNUAL COST		12,792,000

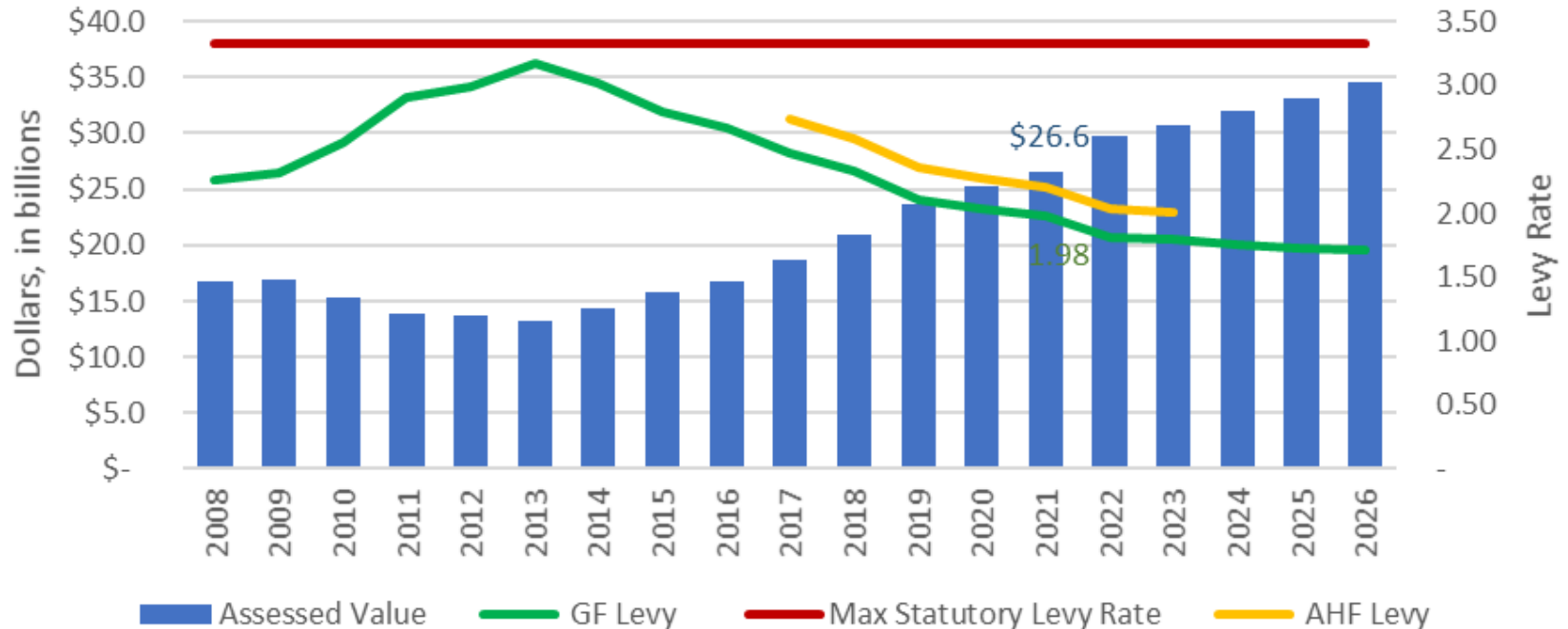
Total costs represent all-inclusive costs to the system, using 2025 as an example of a full year

Facility Resiliency component

- 5 of 10 existing stations are beyond useful life or do not meet seismic standards for essential facilities
 - Station 3 and 6 – beyond useful life – need replacement and relocation to serve new and future demand
 - Stations 4, 5 and 8 – need seismic/resiliency retrofit
- Reliable costs not available at this time
 - Most recent cost estimate is more than 3 years old
 - New expectations on energy efficiency/climate goals not included
 - Updated cost development is getting underway; likely available Q1 2022
- For purposes of this discussion, replacement and resiliency costs estimated at \$60 million

Property Tax: Overview

City of Vancouver: Assessed Valuation and Levy Rate



Property Tax Observations

- Projected General Fund (GF) levy rate in 2022 is \$1.8/1,000 assessed value (AV) due to growing assessed valuation of the City
- Projected Affordable Housing Fund (AHF) levy rate in 2022 – additional \$0.2/\$1,000 AV
- Total City AV is \$29.8 billion (2022).
- The City unlikely to trigger the cumulative \$5.90 local government levy limitation or the \$10/1,000 AV constitutional limit over the next 10 years

Property Tax Increase Tools

Operating:



Permanent EMS Levy
(60%)

Permanent Levy Lid
Lift
Single/Multi-yr. (50%)

Capital:

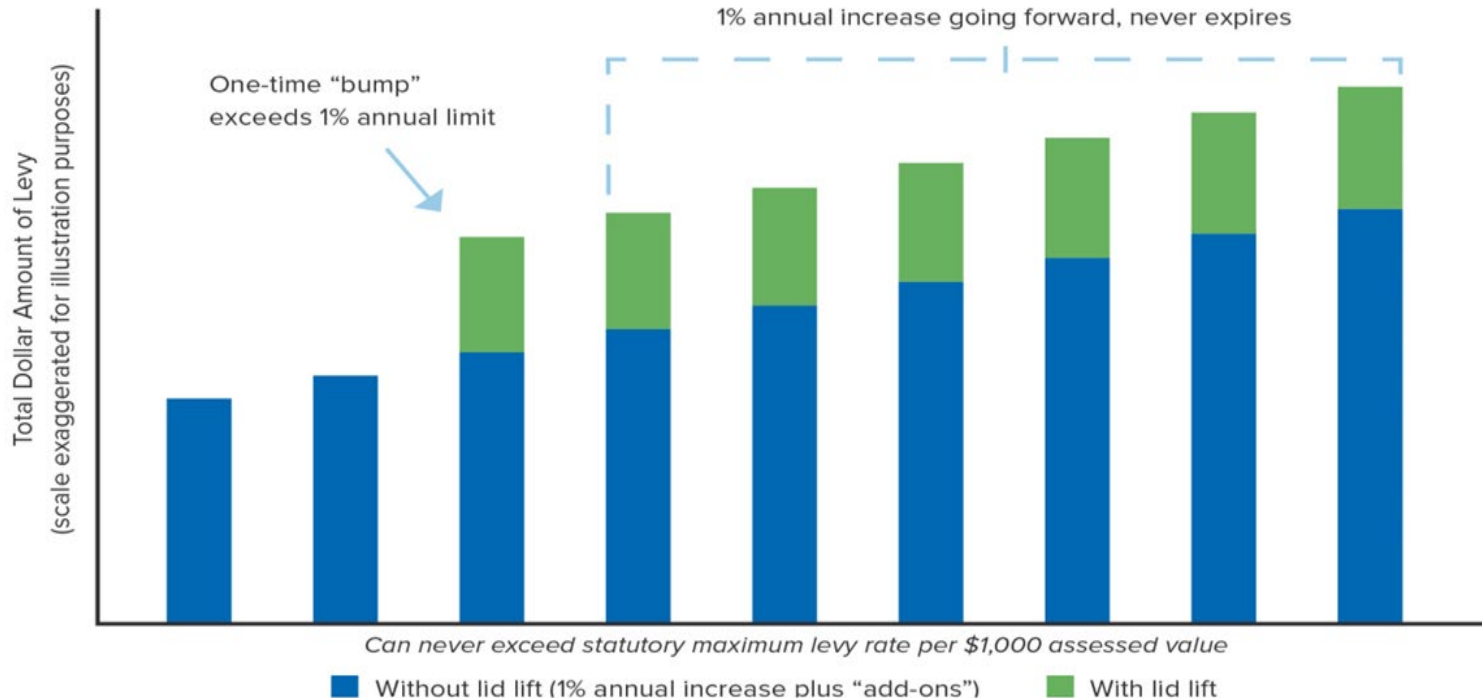


Voted Capital Bond
(20 yrs., 60%)

Levy Lid Lift Capital
(9 yrs., 50%)

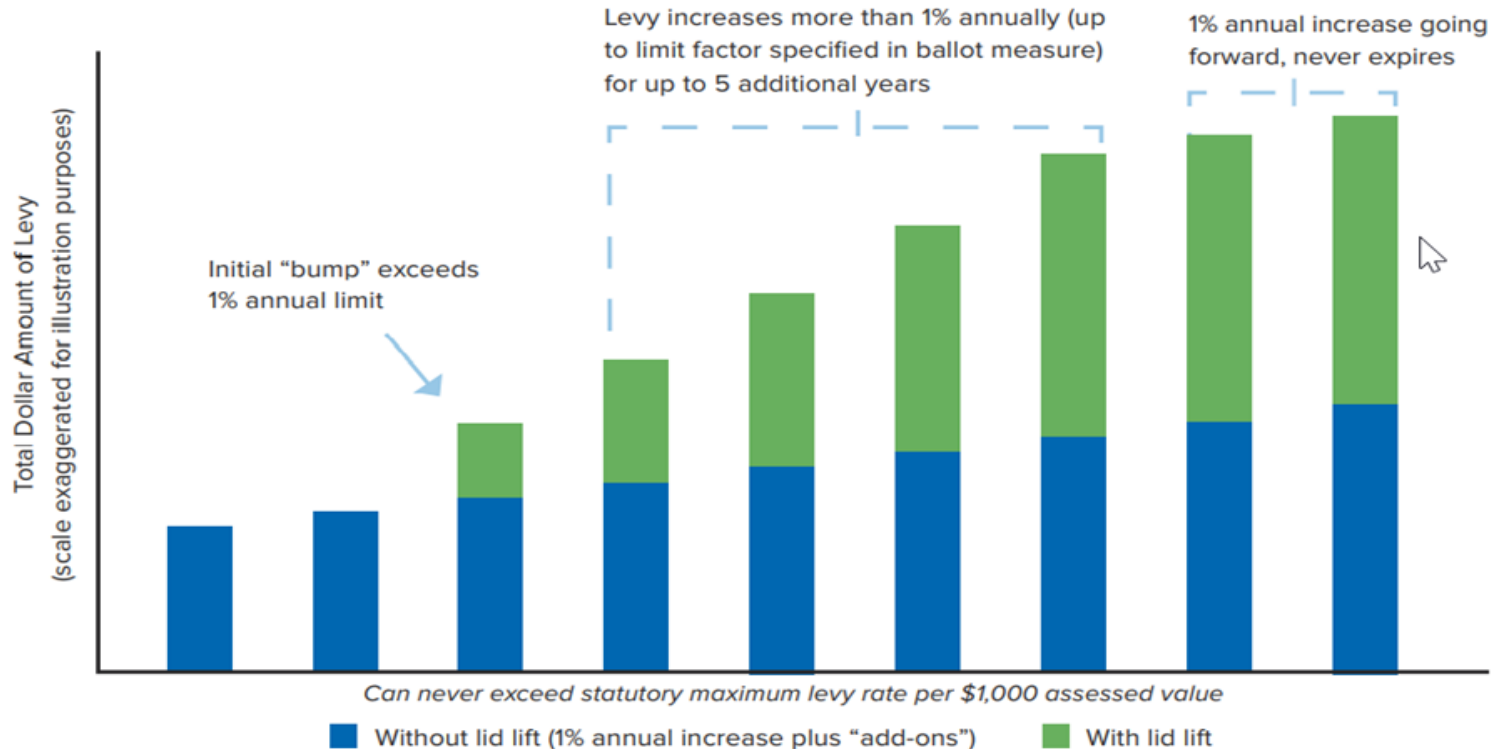
Property Tax – Single-Year Permanent Levy Lid Lift

SINGLE-YEAR PERMANENT LEVY LID LIFT



Property Tax – Multi-Year Permanent Levy Lid Lift

MULTI-YEAR PERMANENT LEVY LID LIFT



Property Tax: Levy Lid Lift “Single-Year” v.s. “Multi-Year”

Comparison of Levy Lid Lift Options

	“Single-Year” Option	“Multi-Year” Option
Number of years you can exceed the 1% annual levy limit	1	Up to 6
Temporary option	After Year 1, levy amount increases up to 1% annually for specified number of years. After measure expires, levy reverts as if lid lift never occurred.	Lid lift lasts up to 6 years, with annual limit factor specified by city. After measure expires, levy reverts as if lid lift never occurred.
Permanent option	Year 1 levy is used to calculate all future 1% levy increases	Levy amount in final year is used to calculate all future 1% levy increases
May be used for	Any lawful governmental purpose	Any limited purpose stated in the ballot measure
Supplanting restrictions?	None	Cities within King County may not supplant funds
Election date	Any special, primary, or general election	Primary or general election only
Voter approval required	Simple majority	Simple majority

Use of single-year lift of multi-year lift for debt service triggers a 9 yr. duration limitation

Property Tax: Options for Consideration

Two Purposes: Operating and Capital

Operating

\$10 m/yr.

\$0.34/\$1,000 AV

Single-Year Permanent
Levy Lid Lift

Multi-Year Permanent
Levy Lid Lift

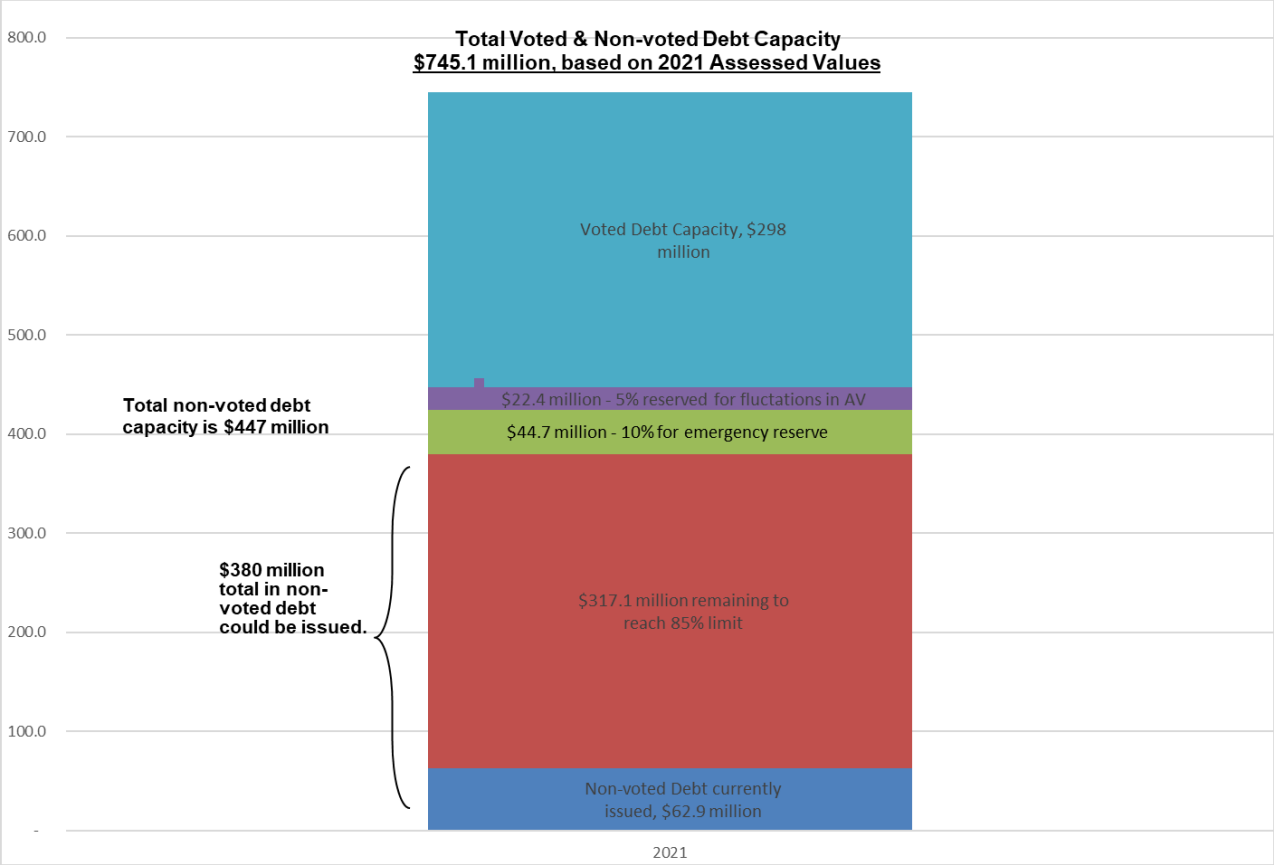
Capital

\$60 m. Total

Voted GO Bond (20 yr.,
\$0.12/\$1,000)

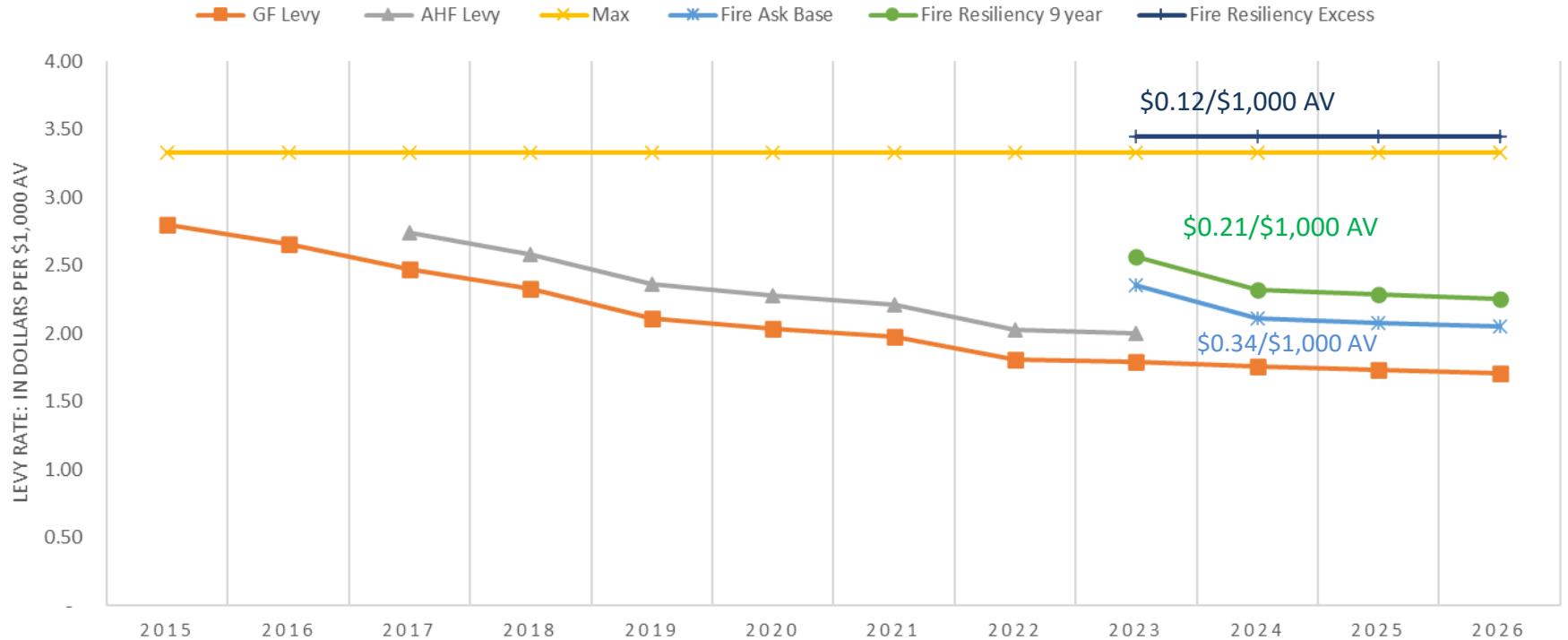
Capital Levy Lid Lift (9
yr., \$0.21/\$1,000)

City of Vancouver: G.O Debt Capacity



Property Tax Levy Rates Projections

CITY OF VANCOUVER LEVY RATE HISTORY AND PROJECTION



Annual Impact on a House Owner

	<u>Levy Rate per \$1,000</u>		<u>Impact on an</u>
	<u>AV</u>		<u>owner of a</u>
			<u>\$441,000 House</u>
Fire Operating	Permanent	\$0.34	\$150
Fire Capital	9-yr	\$0.21	\$93
	20-yr	\$0.12	\$53

Council Discussion & Direction

- Scope of levy(s)?
 - Operating and associated capital
 - Capital for Station resilience
- One or two levy(s) on the ballot?
 - Levy
 - Levy + Bond
 - If Bond included, Levy Lid Lift or Excess Levy?

Council Discussion & Direction

- Type of levy lid lift?
 - Single year
 - Multi year
- Include exemption for senior citizens, disabled veterans, and other people with disabilities (as defined in [RCW 84.36.381](#))?
- Timing of election? (depends on levy or bond type selected)

Discussion and Direction



Other Potential Revenues to Fund New Fire Capital

Fire Impact Fees: Fire impact fees must be used for “fire protection facilities” that are addressed by a capital facilities plan element of a comprehensive plan adopted under the GMA ([RCW 82.02.050\(4\)](#) and [RCW 82.02.090\(7\)](#)).

- Rate study is required (per unit, per sf rates)
- Amendment to comprehensive plan required
- Interlocal agreement with County and Fire District, for unincorporated areas
- Applicable to new development only
- New expanded facilities vs. replacement
- Estimated 18 months to develop and adopt

Next Steps

- Develop recommend ballot language
- Council Resolution of intent
- Election 2022
- Integrate Fire Impact Fee into work program

Questions and Discussion

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