

Proposed Wenatchee Valley Fire Department Regional Fire Authority

Regional Fire Authority (RFA) Information

The primary purpose of forming an RFA is to improve emergency service delivery and gaining efficiencies in facilities and administration. Douglas County Fire District 2 will benefit from an additional staffed engine company and gain a fleet maintenance and training facility. Chelan County Fire District 1 will benefit from an additional staffed engine company too. The additional staffed engine company ensures greater unit availability when you need to call 911, which was over 5,200 times in 2021.

The proposed RFA Plan has two key components: Operations and Finance.

Finance

Fire Districts are capped at \$1.50 rate per \$1,000 in assessed value from property tax. This amount can be exceeded if the voters approve additional levies with a 60% majority. The RFA is asking for \$1.50 upon formation. Optimistically, a lower rate may be asked for shortly after the formation of the RFA. By staying under \$1.50 a simple majority (50%) is required to pass the ballot measure.

Comparable to other communities our size, the Regional Fire Authority will still be the cheapest in the State at \$1.50. Our volunteer ranks have diminished by 70% over the past 10 years. However, we are able to stay below the \$1.50 by having college students volunteer for critical roles on our fire apparatus. Thus, saving the cost of full-time firefighters.

Albeit an immediate cost savings is realized by eliminating administrative positions. The hiring of additional firefighters exceeds that savings. Yet, this is where the service is delivered, firefighters at your door for a fire, automobile accident or life-threatening medical event. The RFA Plan includes hiring/retaining 6 additional firefighters.

Fire districts/RFA's are restricted with their ability to collect tax revenue by Initiative 747. This initiative limited an entities revenue from property taxes to 1% growth over the prior year's budget. The only time a fire district receives an influx in revenue is the year a new levy rate takes effect. After that first year, the budget only increases by 1% year after year. The 1% cap results in our fire districts needing to reestablish the rate on a 7 to 10-year interval. The greater inflation is, the sooner the need for a levy rate reset materializes. In our current inflationary environment, it will be 4-6 years. Yet, if inflation stays at 1%, the fire districts could sustain much longer.

Secondarily, the growth in assessed value, year over year, results in the fire districts levy rate declining. When the property is assessed, at greater than 1% annually, the rate drops. For example, Douglas County Fire District 2's rate dropped from \$1.35 to \$1.26 from 2021 to 2022.

Therefore, a sound financial plan to maintain fire service operations while keeping the cost to the taxpayer incremental and consistent, is to ask for a rate e.g., \$1.40 and an annual percentage in excess of 1%. The increased percentage tracks with inflation, maintains the levy rate and increases the cost to the taxpayer nominally over a 6-year period. Therefore, when the district asks to reset the levy rate it stays closer to the original rate, minimizing the impact to the taxpayer.

Both districts have experienced substantial growth in community development and demand for services. A \$1.50 rate is needed to form the RFA. The RFA Plan is to ask the voters for a lower rate, with a corresponding percentage above 1%, shortly after the formation of the RFA. If we remain separate districts, each district will be asking for the same funding.