



CITY OF KIRKLAND
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager
Joe Sanford, Fire Chief
Tim Day, Deputy Fire Chief
Dave Van Valkenburg, Deputy Fire Chief
Sri Krishnan, Deputy Director of Finance and Administration
Anneke Davis, Senior Project Engineer
Chris Dodd, Facilities Services Manager
Andreana Campbell, Management Analyst

Date: March 3, 2021

Subject: ADOPTION OF RESOLUTION R-5469 APPROVING THE FIRE AND EMERGENCY MEDICAL SERVICES PROPOSITION 1 IMPLEMENTATION PLAN AND REQUESTING FIRE IMPACT FEE LEGISLATION

RECOMMENDATION:

That the Kirkland City Council adopt Resolution R-5469 approving the Fire and Emergency Medical Services (EMS) Proposition 1 Implementation Plan and requesting that the City Manager develop Fire impact fee legislation for Council consideration by June 1, 2021.

BACKGROUND DISCUSSION:

At the April 21, 2020 Council meeting, Council adopted Resolution R-5413, accepting the Community Safety Advisory Group's (ComSAG) report completed on February 26, 2020. In that report, the ComSAG recommended both capital and operating elements to be funded by two measures, an excess levy, and a permanent operating levy lid lift to be placed on the November 3, 2020 ballot. The ComSAG completed their recommendation to Council just two days prior to the first COVID-19 related death in the United States and the eruption of the pandemic in Kirkland and the nation. Because of the dramatic societal impacts of COVID-19 and the resulting economic uncertainty, Council directed the City Manager to seek further public input on whether to continue to the ballot. In May, the Council received very positive results from two surveys. The ComSAG also strongly recommended that the Council still place the measures on the ballot as fire and emergency medical services were critical to the pandemic response. Given the uncertain financial impacts of COVID-19 to the community, and to avoid potential voter confusion with multiple ballot measures, the Council directed staff to present an option of placing a single permanent levy lid lift to fund both operating and capital ballot measure elements. Ordinance O-4731 was brought to the Council and adopted on July 21, 2020, placing a \$0.23513/\$1,000 of assessed valuation (AV) levy on the November 3, 2020 ballot.

Before Council formally adopted Ordinance O-4731 in July, the City Manager convened an interdepartmental Recommendation Review Team (RRT) consisting of staff from the City Manager’s Office, the Finance and Administration Department, the Fire Department, the Public Works Capital Projects Division, the City Attorney’s Office (and Bond Counsel, as needed), and TCA, the architectural firm the City has worked with in the past to plan for renovation and construction of the City’s fire stations. The RRT was assembled to review operating overhead and internal service charges, as well as the elements and sequencing of all capital construction and financing. The RRT met twice per month from March to July 2020. The list and chart below summarize the key operating and capital program elements outlined in Ordinance O-4731 and reviewed by the RRT. Staff updated Council as the RRT refined project costs and timelines individual elements.

Operating Elements:

- Acquire pandemic response equipment, including stockpiling personal protective equipment;
- Hire 20 additional full-time equivalent firefighter/emergency medical technicians (EMTs); and
- Fund additional operating, maintenance, vehicle and capital expenses to provide enhanced public safety services.

Capital Elements:

- Relocate and construct a new Fire Station 27 in Totem Lake;
- Renovate Fire Stations 21 in Forbes Creek, 22 in Houghton, and 26 in Rose Hill; and
- Design and construct a temporary fire station to house firefighter/EMTs while renovations of Stations 22 and 26 take place.

Capital Expenditures	Total	2021	2022	2023	2024	2025
Fire Station 27	\$ 28,521,821	\$ 5,250,613	\$ 18,230,643	\$ 5,040,565		
Fire Station 22	\$ 9,617,300	\$ 834,067	\$ 6,644,830	\$ 2,138,404		
Fire Station 26	\$ 8,437,000		\$ 343,133	\$ 746,385	\$ 7,347,482	
Fire Station 21	\$ 6,023,000			\$ 252,086	\$ 559,256	\$ 5,211,658
Temporary Station	\$ 3,205,909	\$ 387,249	\$ 2,818,660			
Grand Total	\$ 55,805,030	\$ 6,471,929	\$ 28,037,266	\$ 8,177,439	\$ 7,906,738	\$ 5,211,658

The ballot measure passed on November 3, 2020 with 71.28% support. In October 2020, the City Manager convened a ballot measure steering team as a continuation of the Recommendation Review Team to formulate an implementation plan. The steering team is comprised of representatives from Fire, Finance and Administration, Human Resources, the City Manager’s Office, Public Works, and the City Attorney’s Office. This group consists of director-level decision makers and has met six times since the measure passed. Staff also convened two subgroups consisting of technical experts in the departments mentioned above, meeting twice a month to make recommendations to the steering team about the different aspects of the implementation plan. One subgroup focuses on capital elements and the other focuses on operating elements. The groups’ research and recommendations inform the steering team meetings as high-level recommendations are brought to the larger group. This implementation plan is the result of those deliberations to date.

FUNDING GENERATED BY THE MEASURE:

Before the Council’s decision in July 2020 to place the single measure on the ballot, King County Assessor John Arthur Wilson mentioned during an address that assessed value (AV) trends were showing a slight decrease in the high value areas on the Eastside, while south King County were increasing, and that there would not be more detailed data on specific jurisdiction trends until the Fall of 2020. Since the impact of a decrease in Kirkland’s 2021 AV meant the levy would not have collected the projected revenue needed to fully fund the ballot measure investments within the current timeframe expected by constituents, Council decided to add an additional \$0.01/\$1,000AV to the overall levy lid lift, for a total of \$0.23513/\$1,000AV. When actual AV results were available late in 2020, Kirkland’s 2021 AV decreased slightly, but not enough that the entire additional \$0.01/\$1,000AV is needed to cover the recommended investments.

The actual levy rate is expected to generate revenue of \$7,259,770 in 2021, of which \$7,015,191 is needed to carry out the recommended implementation plan. The remainder of \$244,579 (difference between the revenue generation and the amount needed to implement the program) is being set aside for Council deliberation. One potential option would be to use these funds as part of the on-going funding source for a portion of the Community Safety Initiative Co-Responders. The table below summarizes the revenue expected to be generated by the measure and projected growth at 2% per year (the 1% optional levy and 1% in new construction) for the first five years.

APPROVED REVENUE GENERATION	2021	2022	2023	2024	2025
Total Revenue from Levy	\$ 7,259,770	\$ 7,404,965	\$ 7,553,065	\$ 7,704,126	\$ 7,858,208
Less Revenue Generated by Added Increment (for Community Safety Initiative/Other Programs)	\$ (244,579)	\$ (249,470)	\$ (254,460)	\$ (259,549)	\$ (264,740)
Levy Revenue for Program	\$ 7,015,191	\$ 7,155,495	\$ 7,298,605	\$ 7,444,577	\$ 7,593,468

Note that use of all of the revenue must also comply with the categories outlined in the enacting Ordinance O-4731 (Attachment A).

OPERATING IMPLEMENTATION:

HIRING TIMELINE AND CONSIDERATIONS:

Fire Proposition 1 includes hiring approximately 20 additional full-time equivalent firefighter/emergency medical technicians (EMTs). The traditional hiring timelines are no longer meeting the needs of the Fire Department, which utilizes Public Safety Testing for entry level testing. Once candidates complete the interview process, conditional job offers are extended, background checks, medical and psychological evaluations, and physical assessments are completed. Potential new hires are fitted for bunker gear, necessary personal protection equipment (PPE) and uniforms. It takes approximately four months from the time a conditional job offer is extended to the issuing of formal employment letters. The lengthy timelines necessary to hire only reinforce the need to implement the strategies outlined below.

The goal is to provide formal job offers three to four months prior to the start of the Recruit Academies as there are several advantages to this approach. First, the City would be making offers well before other agencies. This is helpful as the City is often in competition with other cities for qualified and diverse hires. Since the Fire Department is hiring a large number of new employees over the next two to four years, this allows the greatest level of anticipation and planning. Furthermore, early employment offers provide the City with flexibility to address attrition and concerns that may surface during background checks.

Below is the hiring timeline proposed by the operating subgroup. This timeline anticipates the completion of fire Stations 24, 27, and 22 when hiring five additional Firefighter/EMTs at each of the next four Recruit Academies (which encompasses all necessary Firefighter/EMT training). This allows the Fire Department to more effectively onboard and staff the fire stations as the renovations and construction are completed. The first five Proposition 1 hires will start the Academy in August 2021. The next five will enter the Academy in February of 2022. The Fire Department will continue this hiring and training cycle until all Proposition 1 vacancies are filled. In addition to the five Proposition 1 hires each cycle, the Fire Department will fill any vacancies due to retirements or attrition in the same hiring cycles. The Fire Department could have as few as five and as many as seven recruits in an Academy for the next two and a half years.

TIMELINE	2021				2022				2023			
	1	2	3	4	1	2	3	4	1	2	3	4
	March		Aug		Feb							
5 each		June			Feb	Jun						
4 academies					March		Aug		Feb			
2.5 years						June			Feb	Jun		
24 Const	Oct-20			Nov								
27 Const							Aug				Jul	
22 Const							Aug			Jun		
	Indicates hiring timeline											
	Indicates recruit academy											

If these hiring plans are successful, the annual cost of these 20 positions for the next five years is summarized in the table below. Please note, the one-time PPE purchase shown at the top of the table will be discussed later in this memorandum.

OPERATING CASH FLOW	FF/EMTs	2021	2022	2023	2024	2025
One Time Expenses						
PPE Purchase		\$ 116,931				
2021 Hires (half year)	5					
One-time costs		\$ 131,658				
Ongoing costs		\$ 454,556	\$ 943,481	\$ 979,188	\$ 1,016,284	\$ 1,054,824
2022 Hires (full year)	5					
One-time costs			\$ 132,974			
Ongoing costs			\$ 943,481	\$ 979,188	\$ 1,016,284	\$ 1,054,824
2022 Hires (half year)	5					
One-time costs			\$ 132,974			
Ongoing costs			\$ 471,741	\$ 979,188	\$ 1,016,284	\$ 1,054,824
2023 Hires (full year)	5					
One-time costs				\$ 134,304		
Ongoing costs				\$ 979,188	\$ 1,016,284	\$ 1,054,824
TOTAL ANNUAL COSTS		\$ 703,145	\$ 2,624,652	\$ 4,051,055	\$ 4,065,135	\$ 4,219,298

The collective bargaining agreement between the City and International Association of Firefighters (IAFF) Local 2545 expired on December 31, 2020 and meetings to bargain a new agreement are underway. Fire Administration and Human Resources have identified multiple items within the contract that may influence onboarding efficiency, management, and allocation of uniformed personnel. These items include such elements as work schedules, organizational structure, leave accrual and use. The City will endeavor to work collaboratively with the union on addressing these issues through collective bargaining.

DIVERSITY, EQUITY, INCLUSION, AND BELONGING INITIATIVES:

Deputy Fire Chief Dave Van Valkenburg continues to represent the Kirkland Fire Department as a member of the King County Fire Chiefs and Washington State Fire Chiefs diversity and inclusion committees. The goal of both working groups is to increase the recruitment and retention of women and people of color into the fire service. The City’s involvement in County and State-wide initiatives provides support and resources for the City’s Diversity, Equity, Inclusion, and Belonging (DEIB) efforts.

Locally, the City continues to focus on three primary strategies. The first is removing roadblocks to testing. Staff have been exploring subsidizing testing fees and partnering with other agencies to allow greater test access at a lower cost to potential candidates.

The second strategy is centered on recruiting. The Fire Department is collaborating with the City’s Communications team to produce short advertisement videos featuring diverse Firefighter/EMTs of the City’s Fire Department. Staff is also working on creating and formatting a longer, three to five-minute general recruitment video to publish online and within Public Safety Testing’s advertisements. Meanwhile, staff is participating in the “Women in Fire and EMS” workshops sponsored by King County EMS, which has since created and published the following [video](#)¹ that shares what it is like to be pregnant and/or a mother while working in the

¹ <https://www.kiro7.com/news/local/firefighters-share-experiences-with-pregnancy-while-working-fire-service/RSZ52RFZNAQ5HM34AYIP4HBYI/>

fire service. The City will be hosting an event in conjunction with King County EMS' "Women in Fire and EMS" program in the Fall of this year. The Human Resources Department is in the process of hiring a temporary new recruitment and hiring position to specifically help with public safety recruitment (Police and Fire) and generate additional innovative ideas.

The third strategy is to improve the interview process. Future hiring panels will include a greater cross-section of the Department's workforce. The goal is to have the Department's underrepresented groups participate in each of the three interview panels. Staff is working with Sound Solutions to create behavior-based questions and scoring criteria for use in the hiring program that reduce bias and subjectivity in the interview panels and testing criteria.

PERSONAL PROTECTIVE EQUIPMENT (PPE) PURCHASE:

Proposition 1 funds have been allocated to purchase a twelve-month reserve of PPE for a one-time cost of \$116,000. The purchase was made the first week of March and was based on the current PPE burn rate of 354 sets of masks, eye protection, gowns, and gloves (MEGG) per week.

Staff analyzes the burn rate of the N95 respirators as a gauge of the Fire Department's operational readiness. Current PPE inventories allow the City a 28-week supply of N95 respirators. Respirators and eye protection are the two most important PPE items utilized by Firefighter/EMTs. The purchase of PPE will also incorporate items received from King County EMS (KCEMS). The numbers of eye protection, gowns and N95 required for a reserve stock have been adjusted to reflect PPE obtained and purchased by King County and the State. The option recommended by staff includes supplies for the KCEMS directed "[Scout Model](#)" for COVID-19 patient assessment.² This expense will be paid for as a one-time cost in 2021 from levy revenues.

CAPITAL IMPLEMENTATION:

PAY AS YOU GO CAPITAL TIMELINE CONSIDERATIONS:

When the decision was made to place a single levy lid lift measure on the ballot, it limited the ability to issue long-term bonds secured by the levy for capital purposes. One option for carrying out the capital program is to use a pay-as-you-go (PAYG) strategy, where available revenue is saved up over time until there is enough accumulated to complete one capital project at a time. This approach means it would take longer for the City to complete the entirety of the *recommended* capital projects. However, unlike a time limited excess levy (such as a 20 or 30 year bond) this permanent levy lid lift does allow the City the possibility of completing *more* than the recommended capital projects in the future. The ongoing revenue source does not expire after the recommended projects are completed.

The table below summarizes the levy revenue available for capital projects after factoring in the cost of onboarding twenty firefighter/EMTs and purchasing PPE over the next five years.

² <https://www.emsonline.net/assets/2020-Announcements/COVID-19-EMT-Scout-Model-Guideline-V-2-05-26-2020.pdf>

REVENUE FOR CAPITAL	2021	2022	2023	2024	2025
Levy Revenue for Program	\$ 7,015,191	\$ 7,155,495	\$ 7,298,605	\$ 7,444,577	\$ 7,593,468
Less Operating Costs for 20 FF/EMTs	\$ (703,145)	\$ (2,624,652)	\$ (4,051,055)	\$ (4,065,135)	\$ (4,219,298)
Remaining Revenue for Capital	\$ 6,312,046	\$ 4,530,843	\$ 3,247,550	\$ 3,379,441	\$ 3,374,170

In addition, the City set aside \$1 million in Ground Emergency Medical Transportation (GEMT) revenue toward fire station capital. At the June 16, 2020 Council meeting, staff proposed setting aside \$4.46 million in Real Estate Excise Tax (REET 1) to pay back the interfund loan used to purchase the new Fire Station 27 property if the levy lid lift did not pass.

In the PAYG model, each project would have sufficient funding to proceed by the dates summarized in the table that follows, recognizing that the cost growth due to inflation does not allow all the projects to be completed until 2046.

Project Completion w/PAYG	Funds Available in:
Fire Station 27	2027
Fire Station 22/Temp Station	2034
Fire Station 26	2040
Fire Station 21	2046
Annual Remainder	after 2046

These dates assume the use of the GEMT and REET funds are used to accelerate the program. The REET funds are recommended to be returned to REET reserves since they were only set-aside in the event the levy lid lift was unsuccessful. In the absence of those funds, the PAYG completion dates would move even farther into the future.

Given that this timeline would not meet community expectations, the ballot measure steering team worked with the City's financial advisors and bond counsel to develop a recommendation that allows the City to complete Stations 27 in Totem Lake, 22 in Houghton, and the temporary station in the first three years of the permanent levy, and complete all the recommended capital projects by 2026, which is described in the alternative funding plan for capital below.

ALTERNATIVE FUNDING PLAN FOR CAPITAL:

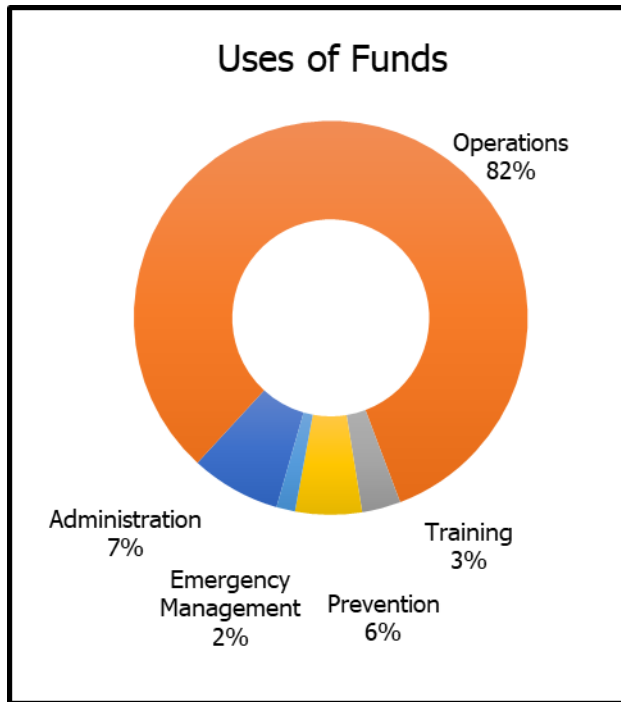
Before outlining the proposed alternative funding plan for capital, it is important to recognize the flexibility granted within the enacting Ordinance O-4731:

- Section 1 allows the Council to determine "the best interests of the residents of the City" related to "Fire and EMS Services," and identifies a list of items including but not limited to "other public safety operations, maintenance, improvements, equipment and services as determined by the Council should anticipated investments become infeasible or City public safety needs significantly change."
- The ordinance also includes language stating, "The Council may alter, make substitutions to, and amend such components as it determines are in the best interests of the City and consistent with the general public safety descriptions provided herein."

Within this framework, staff's proposed alternative funding plan was formulated around the goal of keeping the original capital timeline of completing the recommended projects by year 2026. A breakdown of each stations' estimated costs by year can be seen in the chart that follows.

Capital Expenditures	2021	2022	2023	2024	2025
<i>Fire Station 27</i>					
Repay Land Interfund Loan	\$ 3,724,000	\$ 2,219,740			
Design and Construction	\$ 1,526,613	\$ 16,010,903	\$ 5,040,565		
<i>Fire Station 22</i>					
Design and Construction	\$ 834,067	\$ 6,644,830	\$ 2,138,404		
<i>Fire Station 26</i>					
Design and Construction		\$ 343,133	\$ 746,385	\$ 7,347,482	
<i>Fire Station 21</i>					
Design and Construction			\$ 252,086	\$ 559,256	\$ 5,211,658
<i>Temporary Station</i>					
Design and Construction	\$ 387,249	\$ 2,818,660			
Total	\$ 6,471,929	\$28,037,266	\$ 8,177,439	\$ 7,906,738	\$ 5,211,658

To accomplish this program, it is necessary to issue limited tax general obligation (LTGO) bonds secured by the full faith and credit of the City, not by proceeds of this levy. In other words, debt must be supported by and payable from other General Fund revenues. To make sufficient General Fund revenues available to support the bonds, staff analyzed the current Fire department operating budget for 2021-2022 of \$49.6 million as shown below.



	2021-2022 Budget
Administration	\$ 3,667,067
Operations	\$ 40,911,529
Training	\$ 1,576,404
Prevention	\$ 2,716,020
Emergency Management	\$ 758,853
TOTAL	\$ 49,629,873

The revenue sources that support the current Fire operating budget include approximately \$5.8 million in fire-specific revenues with the remainder of \$43.8 million funded by general tax revenues, as shown in the table below.

2021-2022 Biennial Revenues for the Fire Dept.	
EMS Transport Fees	\$ 1,084,654
BLS-EMS Levy	\$ 2,672,767
Mobile Integrated Health (MIH) - EMS Levy	\$ 1,011,216
EMTG and Zone 1 Revenue	\$ 132,300
Redmond Fire - Paramedic Training Backfill	\$ 118,162
Review	\$ 626,016
EMPG Grant	\$ 97,782
Grants and Donations	\$ 72,000
General Tax Revenue	\$ 43,814,976
Total	\$ 49,629,873

Given the provisions of the ordinance cited above, the levy funds can be used to support existing on-going firefighter/EMT positions, in addition to the twenty new firefighter/EMTs hired through Proposition 1. As noted earlier, the levy funds remaining after hiring the 20 new firefighter/EMTs is summarized in the table below.

REVENUE FOR CAPITAL	2021	2022	2023	2024	2025
Levy Revenue for Program	\$ 7,015,191	\$ 7,155,495	\$ 7,298,605	\$ 7,444,577	\$ 7,593,468
Less Operating Costs for 20 FF/EMTs	\$ (703,145)	\$ (2,624,652)	\$ (4,051,055)	\$ (4,065,135)	\$ (4,219,298)
Remaining Revenue for Capital	\$ 6,312,046	\$ 4,530,843	\$ 3,247,550	\$ 3,379,441	\$ 3,374,170

Rather than using the remaining revenue available for capital, the table below shows it being used to support a number of existing firefighter/EMT positions, thus making the general tax revenues currently supporting those positions available to support debt service.

	2021	2022	2023	2024	2025
Remaining Revenue After Operating Costs	\$ 6,312,046	\$ 4,530,843	\$ 3,247,550	\$ 3,379,441	\$ 3,374,170
Existing FFs Supported by Remaining Levy	-	24.01	16.58	16.63	15.99
General Fund Available for Debt Service	\$ 6,312,046	\$ 4,530,843	\$ 3,247,550	\$ 3,379,441	\$ 3,374,170

In order to meet the Council's goal of completing the recommended capital projects by 2026, staff recommends using the available General Fund revenues to issue Councilmanic LTGO debt. Using the levy to fund existing operating costs will allow the Council to accelerate delivery of the capital projects using Councilmanic bonds paid by General Fund revenues rather than the extended PAYG option. The table below shows the proposed alternate capital funding sources.

Funding Sources	
Cash Available from Levy in 2021	\$ 6,312,046
General Fund Cash in 2022 and 2023	\$ 3,766,383
GEMT funds for capital	\$ 159,882
Debt Proceeds	\$ 45,566,718
Total Funding Sources	\$ 55,805,030
Debt Issue with Issuance	\$ 46,005,599

Note that funds available from the levy in 2021 are due to the phased-in hiring strategy and are used to fund the initial capital costs in 2021, reducing the amount to be borrowed. The total \$1 million in GEMT funds are used for both PAYG capital and 2021 debt service. Revenues above debt service needs in 2022 and a portion in 2023 are also applied to capital costs, with the remainder of the capital costs paid through the issuance of Councilmanic LTGO bonds. The REET funds (\$4.46 million) are returned to REET reserves as intended and can be reprioritized for other capital program uses. This strategy provides for completion of the projects as follows:

Project	Completion Year
Temporary Station	2022
Station 27	2023
Station 22	2023
Station 26	2024
Station 21	2025

Currently, Stations 27 and 22 are in the early design phases. Both have had the design scope and budget established with the architect selected through a competitive process. Station 27's phase 1 environmental study was completed last month and geotechnical investigations are currently underway at Stations 22 and 27. It is important to note that the cost estimates for the projects are based on standard industry practice at the early planning and design phases of the projects. Senior Project Engineer Anneke Davis has provided a description of the cost estimating process and how contingencies are used to mitigate risk as Attachment B. Budget estimates will be refined throughout the project phases, particularly at 30/60/90% design, bid award, and 75% construction. If costs change at these milestones, the contingencies will be used to mitigate cost increases.

COUNCILMANIC DEBT ISSUANCE:

Given the alternate funding strategy, the most efficient and cost-effective way to issue LTGO bonds is to look at the City's overall borrowing needs. The Transportation CIP assumes that bonds are issued in support of the projects summarized below.

Project	2021	2022	2023	Totals
NE 124th St/124th Ave NE Ped Bridge Design and Construction	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
100th Avenue NE Roadway Improvements (North Section)	\$ 296,000	\$ -	\$ -	\$ 296,000
100th Avenue NE Roadway Improvements (Mid-North Section)	\$ 571,100	\$ -	\$ -	\$ 571,100
Juanita Drive Intersection and Safety Improvements	\$ -	\$ -	\$ 2,773,200	\$ 2,773,200
124th Ave NE Roadway	\$ -	\$ 1,982,000	\$ -	\$ 1,982,000
NE 132nd St/108th Avenue NE Intersection Improvements	\$ 500,000	\$ -	\$ -	\$ 500,000
Transportation Debt Issue without Issuance Costs	\$ 11,367,100	\$ 1,982,000	\$ 2,773,200	\$ 16,122,300
Fire Station Debt Issue without Issuance Costs	\$ 24,695,282	\$ -	\$ 20,871,436	\$ 45,566,718
Total Debt Issue without Issuance Costs	\$ 36,062,382	\$ 1,982,000	\$ 23,644,636	\$ 61,689,018

In conjunction with Bond Counsel, Finance and Administration Department staff and the City Manager's Office recommend issuing LTGO bonds in 2021 and a second issuance in 2023 to allow the capital projects to be completed on the intended timeline. The overall debt issuance strategy shown in the following table incorporates transportation debt financing needs as well.

Debt with Issuance Cost	2021	2023	Totals
Transportation Debt Issue with Issuance Costs	\$ 16,256,644	\$ -	\$ 16,256,644
Fire Station Debt Issue with Issuance Costs	\$ 24,918,511	\$ 21,087,089	\$ 46,005,599
Total Debt Issue with Issuance Costs	\$ 41,175,154	\$ 21,087,089	\$ 62,262,243

The debt service will be allocated based on each category's share of the debt issues. The Fire Department share of the debt service is shown in the chart below.

	2021	2022	2023	2024	2025	2030	2041
Debt Issuance	\$ 24,695,282	\$ -	\$ 20,871,436	\$ -	\$ -	\$ -	\$ -
Debt Service on first issue	\$ 482,992	\$ 1,545,984	\$ 1,546,984	\$ 1,546,484	\$ 1,549,484	\$ 1,548,734	\$ 1,548,984
Debt Service on second issue	\$ -	\$ -	\$ -	\$ 1,323,000	\$ 1,321,750	\$ 1,320,250	\$ 1,320,000
Total Debt Service supported by GF	\$ 482,992	\$ 1,545,984	\$ 1,546,984	\$ 2,869,484	\$ 2,871,234	\$ 2,868,984	\$ 2,868,984
<i>General Fund over/(short)</i>	\$ 357,125	\$ 2,984,859	\$ 1,700,565	\$ 509,957	\$ 502,936	\$ 429,730	\$ (133,696)
<i>Use of GF over/(short)</i>	\$ -	\$ 3,341,984	\$ 424,399	\$ -	\$ -	\$ -	\$ -
Cumulative Total	\$ 357,125	\$ -	\$ 1,276,167	\$ 1,786,123	\$ 2,289,059	\$ 4,636,796	\$ 6,593,483

To the extent that not all of the General Fund revenue is needed to pay debt service, any remaining funds will be set aside as a contingency against changes in project conditions or costs. Once the capital projects are completed, these funds could then be made available for additional Fire/EMS operating and/or capital investments.

TEMPORARY STATION OPTIONS:

Late in 2020, the Recommendation Review Team began evaluating potential sites for a temporary fire station to house Firefighter/EMTs while Stations 22 in Houghton and 26 in Rose Hill are renovated. To reasonably maintain response times during renovation requires that the temporary station house three Firefighter/EMTs, an engine and possibly an aid car. Building a temporary facility at the Houghton Park and Ride was the initial option pursued, with staff working through the logistics with WSDOT and King County Metro. TCA architects estimates a cost of roughly \$3.2 million to permit, build, operate, and lease the land needed for this temporary fire station. Note that this facility would need to be demolished and the pavement restored after the temporary periods.

In parallel with discussions related to the Houghton Park and Ride, the ballot measure steering team began researching more cost-effective options for a temporary station, such as purchasing or renting a house and/or leasing space in an already existing commercial building. The team is evaluating the option of leasing space within a commercial building on 85th and 128th in Rose Hill as a temporary station location. Preliminary estimates to lease the commercial building are \$1.35 million over four years. Given the distance of the property from Station 22, housing Station 22's Firefighter/EMTs at this property does impact response times to Station 22's area and would require mitigation strategies in order to maintain the current level of service. The impact to response times can be seen in Attachment C.

To mitigate the response time impacts, the Steering Team recommends stationing a twelve-hour aid car during peak call hours from 0900 to 2100 (9:00am to 9:00pm) at an available office space near to Station 22 to improve travel times while Station 22 is being renovated. Staff is currently in conversation with Northwest University and another landlord, about a short-term lease agreement during the duration of the Station 22 renovation. For the space required, the

estimated lease cost is expected to be less than \$100,000. Staff proposes staffing the twelve-hour aid car with overtime beginning March 1, 2022 for the duration of Station 22's construction, at an estimated cost of roughly \$500,000. This amount assumes the use of overtime, but the Fire Department may be able to staff the aid car with current on-duty Firefighter/EMTs, offsetting some of the use of overtime by backfilling those positions with new Proposition 1 hires. This twelve-hour aid car would be in addition to a cross-staffed aid car and fire engine and the Rose Hill temporary station. So during the renovation, the Station 22 service area will actually receive more fire and emergency medical services support than the existing station provides. The improvements in travel time with this mitigation strategy can be seen in Attachment D. Please note that the small area that still remains outside the four-minute travel time is also not within four minutes of existing Station 22 currently.

The total cost of this option is currently estimated at \$2.2 million, including a \$250,000 contingency. This is a potential savings of \$1 million. If the option above proves infeasible, staff has continued conversations with King County Metro and WSDOT to build a temporary station at the Houghton Park and Ride that would not require implementing mitigation efforts. A final decision will be made in April so that work on the selected option can begin.

NEXT STEPS:

MEDIC ONE:

Staff have been in communication with Redmond's Medic One about potentially stationing the Medic One unit out of new Station 27 in Totem Lake. The terms of the agreement are still being determined. The options are to either have Medic One stay in the unused bedrooms of new Station 27 until a time at which the Fire Department needs them, or, a more long-term solution should Medic One choose to financially contribute to an expansion of the Station 27 and occupy that space over a longer term. Cost estimates for the second option are under development and a final decision is expected to be made in the next month and brought to Council.

FIRE IMPACT FEES:

Council received a briefing in September 2020 on the potential for implementing a fire impact in Kirkland to ensure new development pays its fair share toward fire capital needs. Should the Council approve the attached resolution, the City Manager will present legislation to implement a fire impact fee to the Council no later than June 1, 2021.

COMMUNITY SAFETY INITIATIVE CO-RESPONDERS:

Staff is evaluating the most beneficial approach to deploying the co-responder program approved as part of the Community Safety Initiative. Staff is continuing to research national best practices and is working with a consultant to determine how the Fire Department's Mobile Integrated Health (MIH) unit and the mental health professional resources from Police Proposition 1 can be utilized most efficiently in this model. One likely potential framework includes dedicated Firefighter/EMTs paired with social workers and/or mental health professionals. As a result, the staff recommendation is to set aside the additional revenue from the portion of the \$0.01 in the levy not needed to fund the station program as part of the on-going revenue source for the co-responder program.

BOND AUTHORIZATION ORDINANCE AND BUDGET ADJUSTMENTS:

The Finance and Administration Department will present the bond authorization ordinance to Council at the March 16 meeting along with budget adjustments related to implementing the Fire Proposition 1 implementation plan presented in this document.

ANNUAL ACCOUNTABILITY REPORT:

As outlined in Ordinance O-4731, staff will be creating and presenting an annual accountability report to Council outlining Proposition 1 related accomplishments, highlights, and next steps. The first annual accountability report will be presented in Q1 of 2022.