



## Eastside Fire & Rescue

---

*Proudly Serving Issaquah, North Bend, Sammamish and Fire Districts 38 & 10, which includes Carnation*

---

January 8, 2019

King County Fire Protection District #27 Board of Commissioners,

Below you will find the estimated one-time costs associated with the merger of King County Fire Protection District #27 (D27) and King County Fire Protection District #10 (D10). The costs are broken down into three sections; deferred merger costs, direct merger costs, and merger cost avoidance.

- Deferred costs represent expenditures that D27 would be incurring regardless of the merger.
- Direct merger costs represent expenditures incurred by D27 should the merger take effect on **July 1, 2019**.
- Merger cost avoidance represents expected expenditures which will be avoided by D27 should the merger be approved.

### **Table 1 – Deferred Costs**

Aid Unit	\$238,946
Final Spartan Engine Payment (June 2020)	\$59,000

D27 currently has allocated \$225,000 for the replacement of one (1) aid unit. With the merger, Eastside Fire & Rescue (EF&R) does not have an immediate need for a “new” aid unit. This deferred cost represents the complete vehicle cost plus 10% sales tax, with a planned purchase date of January 1, 2021. Additionally, D27 has financed the Spartan Engine and has always planned on paying it off in June of 2020. These funds will be placed into the EF&R Equipment Replacement Fund (ERF), which is used to replace all vehicles and emergency equipment for the Agency.

### **Table 2 – Direct Merger Costs**

1	Liability Reserve	\$115,999
2	Capital Facilities Maintenance Fund	\$0
3	Station door cardlock system and re-key	\$15,000
4	Bunker Gear	\$45,682
5	Uniforms	\$15,500
6	Computers and I.T.	\$5,000
	<b>Total</b>	<b>\$197,181</b>

**Direct Merger Costs – Detail**

1. EF&R utilizes the Liability Reserve Fund as the mechanism to plan for the leave bank liability associated with employee retirements and separations. To properly fund D27's leave bank liability, \$71,947 is needed. Additionally, \$44,052 is needed in 2019 to cover projected overtime expense, which will be incurred due to D27 employee vacation coverage. This amount (\$44,052) is an estimate, and the actual cost will be billed to D10 at 2019-year end.
2. The Capital Facilities Maintenance Fund (CFMF) is used by EF&R to cover all costs associated with the long-term maintenance of all fire stations. This includes, but is not limited to; roofing, paint, HVAC, pavement, appliances, fixtures, windows, flooring, communications, vehicle exhaust, etc. *This was included as a one-time cost in an earlier letter, it has now been addressed in the on-going budget and not needed here.*
3. Station Door and cardlock system includes the cost of a complete rekey of Station 271 as well as upgrading all exterior doors to a cloud-based keyless cardlock system.
4. Bunker Gear expense provides all career personnel with a second set of bunker gear.
5. Uniform expense assumes 100% replacement of all uniform items. Actual costs may be lower.
6. Computer and I.T. is a one-time project cost to convert the existing D27 computers over to the EF&R network.

**Table 3 – Merger Cost Avoidance (capital expenditures)**

<b>Item</b>	<b>Estimated cost</b>
SCBA	\$75,000
Tender	\$500,000
Engine	\$600,000
<b>Total</b>	<b>\$1,175,000</b>

Due to the current fleet size and inventory of EF&R, there is no need for D27 to upgrade its SCBA's, replace its Tender (Tender 271), or maintain a second engine in reserve status. This equipment is either already owned, or already funded for replacement via the Equipment Replacement Fund.

Please do not hesitate to contact me should you have any questions.

Respectfully,

Jeff Clark, Fire Chief



**KING COUNTY FIRE PROTECTION  
DISTRICTS 10 and 27**



**2019  
Merger Summary**

<b>Overall Summary</b>	
Total Fall City <b>Expense Budget</b> :	\$2,293,500
Total Fall City <b>Expense Budget</b> if merged with FPD10:	\$2,008,733
Total Expense savings:	\$284,767
How much <b>Tax</b> Fall City residents pay now:	\$2,059,400
Effective <b>Tax Rate</b> Fall City residents pay now:	\$1.57984 per thousand
How much <b>Tax &amp; FBC</b> FPD10 residents pay now:	\$7,665,551
Effective <b>Tax Rate</b> (inc. FBC) FPD10 residents pay now:	\$1.43 per thousand
<b>Merger Revenue Summary</b>	
Total Merged Tax Revenue:	\$6,689,383
Total Merged FBC Revenue:	\$2,726,847
Total Merged Effective Tax Rate (inc. FBC):	\$1.40920 per thousand
Other Fall City Revenue:	\$258,054

<b>Other Fall City Revenue</b>	
King County EMS (same whether merged or not)	\$121,313
Investment Interest	\$15,000
Transport Revenue	
Current Fall City status:	0
If merged, amount paid by medical insurance companies:	\$121,741

<b>Transport Revenue Estimate</b>	
Total transports performed annually in Fall City:	240
EFR Payer mix history:	
Medicare	54%
Medicaid	11%
Commercial	29%
Private	6%
EFR collection rate history:	58.4%



**KING COUNTY FIRE PROTECTION  
DISTRICTS 10 and 27**



**2019  
Merger Summary**

<b>FPD27 Parcel Summary</b>	
FPD27 Total Tax Parcels	2478
Parcels with tax decrease	1926 (77.72%)
Average Savings	\$136.28
Parcels with tax increase	375 (15.13%)
Average Increase	\$65.78
Parcels with no change	177 (7.14%)

<b>FPD27 FBC – Commercial Summary</b>		
Parcels with tax decrease	21	\$1-\$1,525
Parcels with tax increase	18	Less than \$100 increase
	10	\$101-\$200 increase
	4	\$201-\$300 increase
	5	\$400-\$600 increase
	2	\$700-\$950 increase
	2	\$1827-\$1992 increase
Total Commercial Parcels	62	



**KING COUNTY FIRE PROTECTION  
DISTRICTS 10 and 27**



**2019  
Merger Summary**

**FPDD27 – Fall City Revenue & Expense Detail if merged with FPD10**

**Revenue Detail**

<b>Description</b>	<b>Amount</b>
2019 Tax Revenue - D27 (w/ 2.5% delinq.)	\$1,283,696.29
2019 Fire Benefit Charge	\$466,982.21
KCEMS - D27	\$121,313.00
Transport - D27	\$121,741.06
Investment Interest	\$15,000.00
<b>Total revenue</b>	<b>\$2,008,732.56</b>

**Expense Detail**

<b>Description</b>	<b>Amount</b>
Personnel	\$1,684,242.00
Capital Facilities Maintenance Fund	\$31,332.00
Overtime	\$69,360.00
Liability Insurance	\$28,500.00
Protective Clothing	\$11,563.56
Shop	\$28,200.00
Facilities	\$35,000.00
I.T./NORCOM/Radios	\$47,790.00
Custodial	\$3,605.00
EMS Supplies	\$10,500.00
Commissioner Compensation	\$14,940.00
Fuel	\$10,300.00
Utilities	\$33,400.00
<b>Total expense</b>	<b>\$2,008,732.56</b>