



May 7, 2020

Whitefish Fire Service Area Property Owner,

We understand many of you received a letter from your Whitefish Fire Service Area Board of Trustees regarding our ongoing contract negotiations. Some of the information in their letter is bothersome to us and we would like to provide you with the history of our Whitefish Fire Department (Department) and the partnership we have with the Whitefish Fire Service Area (WFSA).

The City of Whitefish and the WFSA have enjoyed a partnership since the creation of the WFSA in November of 1989. At that time the Department was a strong all-volunteer department. As both the City and WFSA have grown, so have the demands on the Department. In 1995, the City hired its first Fire Chief followed shortly by the first two career firefighters. Whitefish has proudly continued to be a combination fire department with both volunteers and career firefighters. We continue to accept volunteer applications year-round.

By 2009 the demands on the Department necessitated around the clock coverage and the City taxpayers supported "24-for-24", a 24-mill levy to add staff and provide 24-hour coverage. The 24-mills were in addition to the City's continued General Fund support of the Department.

Today the Department is staffed with three shifts of five firefighters each cross trained as paramedics or advanced EMTs, structural firefighters, wildland firefighters, hazardous materials operational level responders, driver operators, with numerous rescue skills including extrication, water and ice rescue, rope rescue, and confined space rescue to name a few. All of today's Department volunteers are either EMTs or paramedics too.

More important than the training, skills and experience that our firefighters bring to your emergency is our response time. In an emergency, nothing gets better with time. Our firefighters are out-the-door and headed to your call for help typically

within 90-seconds. In 2019 when we requested additional help from our neighboring fire departments, we experienced a 3 to 5 minute out-the-door response from staffed stations and a 20 to 30 minute out-the-door response from those departments with members responding from home.

In Fiscal Year 2019 the fire portion of the City's Fire Department budget was \$1,068,294 of which the WFSA provided \$290,995 or 27%. In Fiscal Year 2020, the fire portion of the City's Fire Department budget was \$1,171,978 of which the WFSA provided \$296,495 or 25%. As we reviewed the fire related calls in 2019 and years prior, on average 40% of the calls were within the WFSA and 60% were within Whitefish city limits.

In March of this year the City desired to start negotiations and proposed to extend the contract with the WFSA that is due to expire in June of 2021. Being good stewards of City taxpayer dollars, we are seeking fair and equitable support from the WFSA. Our proposal was sent to the WFSA Board of Trustees on March 13, 2020, with an offer to meet to discuss the City's proposal and continue negotiations. However, the City has not received a response as of the date of this letter and we were surprised to learn of the letter mailed to the WFSA property owners.

It is important to understand the reasoning and data supporting our proposal, which was not explained in the letter. The City proposed an immediate \$20,000 increase to the first semi-annual payment in the new contract, followed by a 2.25% increase for each of the subsequent semi-annual payments. This would result in the final year payment totaling \$426,157 in 2026. While this is a significant increase, that amount represents only 36% of the Department's budget for fire protection services in Fiscal Year 2020. That percentage will drop as costs to the City increase each year from 2020 through 2026. Remember our response into the WFSA totals about 40% of our calls.

Like any other business, operating and equipment costs continue to rise even as we try to find efficiencies in our operations and maintain equipment through the end of its useful life. Did you know that a fire engine costs upwards of \$650,000? While the WFSA has contributed equipment to the City in the past and funded a portion of our newer equipment, the City is still facing an ageing fleet and the generous donations made by the WFSA are not required by the agreement. By increasing the annual payments received from the WFSA, the costs and replacement of equipment can more easily be funded and planned instead of being dependent on the timing of a donation. For example, we anticipate upgrading our brush truck that responds primarily to the WFSA at a cost of \$50,000 in Fiscal Year 2021. That purchase alone would account for the initial \$20,000 increase if the WFSA paid 40% of the cost.

When the WFSA Board of Trustees raised your annual rates from \$90 to \$144 per residential structure the amount collected increased to about \$450,000 according to WFSA Board Trustees. Therefore, the proposed \$426,127 annual payment in 2026 could still be covered and reserves for the WFSA could still grow without any change in the rates you currently pay. However, the WFSA Board of Trustees determines the amount of reserves that are necessary for their operations.

Besides the three City municipal fire departments all of the other Flathead County fire departments are fire districts, not fire service areas. The property value protected in the WFSA is greater than any one of the fire districts in Flathead County, only surpassed by the City of Kalispell and City of Whitefish. It is hard to get an apples-to-apples comparison between the fire departments as the level of service provided varies greatly. Some fire departments provide EMS and others do not. Some are staffed by volunteers, career firefighters, or a combination. Some provide wildland and tech rescue, while others do not. Also, ISO ratings used to determine property insurance rates are all different too.

There has been little or no public input by property owners within the WFSA regarding the level of emergency services desired. In fact, there has been very little public involvement with the WFSA and these elected positions on the WFSA Board for years have had no candidates or positions have gone unopposed leading to today's Board all having been appointed by the County Commissioners. The City applauds the WFSA Board of Trustees for seeking input from their voters on the quality and timeliness of emergency service they desire.

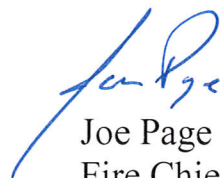
While we want to continue our partnership with the WFSA to provide you with both quality and timely responses to your emergencies, we need to work through the financial disparities. If a decision is made to not renew the contract, the City will review our mutual aid response agreements to ensure City taxpayers have the priority they are paying for.

We hope this letter has provided some clarification about our negotiations and proposal. We encourage everyone to reach out to your WFSA Board Trustees to ensure your opinion is heard. We look forward to continuing to negotiate in good faith.

Sincerely,



Dana Smith
City Manager



Joe Page
Fire Chief