



**CITY OF MOUNT VERNON  
CITY COUNCIL STUDY SESSION**

**Agenda**

**February 20, 2019 – 7:00 p.m.**

Police/Court Campus

**A. Fire Facilities Election Bond**

(Staff is recommending that Council adopt an ordinance to place a bond for fire facilities on the April 23, 2019 ballot and rescinding Ordinance 3774.)

*(required action – ordinance)*

*(staff contact – Doug Volesky, Finance Director)*

**COMMITTEE MEETINGS**

Development Services

6:00 p.m.

Next Ordinance 3777



**DATE:** February 20, 2019  
**TO:** Mayor Boudreau and City Council  
**FROM:** Doug Volesky, Finance Director  
**SUBJECT: FIRE FACILITIES BOND**

**RECOMMENDED ACTION:**

Staff recommends that Council adopt an ordinance to place a bond for fire facilities on the April 23, 2019 ballot and rescind Ordinance No. 3774.

**INTRODUCTION/BACKGROUND:**

The Mount Vernon Fire Department is responsible for fire prevention and investigation, fire suppression, emergency medical services, as well as Emergency Management for the City. Our firefighters respond to over 5,000 emergency and non-emergency calls each year.

Fire, EMS and rescue services are dispatched from three stations with the oldest one built in 1964 and the newest in 1998. Department personnel respond from three stations strategically located around the geographical center of the city. Our staffing consists of 11 personnel daily; however, we are often at minimum staffing of only seven personnel. In addition to the engine companies, which are housed at Stations 1 & 3 we staff a ladder truck out of Station 2. Also in our stations are an ambulance, brush unit, and rehab unit that is staffed by volunteers, as well as reserve engines and reserve ambulances. Station 2 is home to the Battalion Chief and Central Valley Medic 2. The department provides both Advanced and Basic life support, with the goal of consistent ALS response and ambulance transportation capabilities.

In addition to fire protection and suppression, MVFD provides emergency medical service, technical rescue, hazardous materials response, fire prevention and public education. Call volume has steadily increased over the past three years from 4,827 in 2015, to 5,994 in 2017. In the past few years, MVFD has entered into automatic aid and mutual aid agreements with many of the Skagit County Fire Districts. This has affected the response areas and types of calls that the department may respond to.

Recent action by the County has changed the way that EMS paramedic and EMT ambulance transportation will be performed. The City will be providing the services to not only our city but also to County areas. This will increase our staffing and equipment needs.

Due to the age of Fire Station 1 and the aging of Stations 2 and 3, the council has given support to move forward with a replacement station for the downtown area (station 1). In addition the Council recognized the need to expand the capacity for station 3 and address capital projects at our aging stations 2 and 3.

Mount Vernon sought a professional design consultant to assist with Phase I of a project for the replacement of station 1 and the needs assessment for stations 2 & 3. This project included a review of existing conditions at Stations 2 and 3, identified current and future space and operational needs; along with preparing conceptual design options for station 1, forecast construction and total project costs for a new station 1 and improvements to stations 2 & 3.

### **FINDINGS/CONCLUSIONS:**

The findings from the needs assessment broke down the estimated costs in to three areas; Construction Costs (the physical hard costs of building the facility), Consultant Costs (architectural and engineering and project management), and Owner Costs (soft costs for interior fixtures and furniture). These three categories were used for all three stations. Following the initial draft cost of \$29,692,184 staff reviewed the various costs with Mackenzie and reduced some areas of additions to stations 2 and 3. In addition monies were reduced for the furniture and fixtures along with some other minor adjustments to some of the construction cost areas. After those changes the estimator came back with a revised cost of \$27,997,306.

Staff believes this amount reflects the minimum needs for the three facilities. The initial draft presented by Mackenzie is a true reflection of all the needs for our fire facilities. While staff was able to reduce the initial amount, we believe that the original design and cost should be used for the bond. In addition, to ensure a safety margin for cost, staff was directed by Council in the committee meeting to adjust the construction contingency from 7.5% to 10%. This gave a revised bond amount of \$29,850,000.

The City Council must pass an election ordinance that proposes the form of the ballot measure requesting voter approval for the issuance of UTGO bonds and excess levies to pay debt service on the bonds. This will authorize a request to the county auditor to submit the ballot proposition to the voters at a special election to be held on the April 23, 2019 Special Election.

Council adopted Ordinance No. 3774 on December 19, 2018, which placed a bond for fire facilities on the April 23, 2019 ballot. Staff is recommending that Council rescind Ordinance No. 3774 and update with this new Ordinance No. 3777. This will allow for if any available funds are in excess of the amount required to complete the improvements stated in this ordinance, the balance of such funds will be able to be used to supplement the funding for the City Shop Capital Project which will provide for the repair and maintenance of public safety vehicles.

**RECOMMENDATION:**

Staff recommends that Council adopt Ordinance No. 3777 to place a bond for fire facilities in the amount of \$29,850,000 on the April 23, 2019 ballot and rescind Ordinance No. 3774.

**ATTACHED:**

Ordinance No. 3777

CITY OF MOUNT VERNON, WASHINGTON

GENERAL OBLIGATION BONDS

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ORDINANCE NO. 3777

AN ORDINANCE of the City Council of the City of Mount Vernon, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the city at a special election to be held therein on April 23, 2019, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of not to exceed \$29,850,000, or so much thereof as may be issued under the laws governing the indebtedness of cities, for the purpose of financing the replacement, construction, improvements and equipping of fire stations, and rescinding Ordinance No. 3774.

ADOPTED FEBRUARY 20, 2019

PREPARED BY:

K&L GATES LLP  
Seattle, Washington

CITY OF MOUNT VERNON  
ORDINANCE NO. 3777

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\* This table of contents and the cover page are not a part of this ordinance; they are included for convenience of the reader only.

ORDINANCE NO. 3777

AN ORDINANCE of the City Council of the City of Mount Vernon, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the city at a special election to be held therein on April 23, 2019, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of not to exceed \$29,850,000, or so much thereof as may be issued under the laws governing the indebtedness of cities, for the purpose of financing the replacement, construction, improvements and equipping of fire stations, and rescinding Ordinance No. 3774.

WHEREAS, the City Council (the “Council”) of the City of Mount Vernon, Washington (the “City”) has determined that City fire stations need replacement, additions and capital improvements to provide safe facilities for use by the City and its residents (hereinafter defined as the “Improvements”); and

WHEREAS, in order to provide all or a part of the funds to enable the City to provide financing for the Improvements, it is deemed necessary and advisable that the City issue and sell its unlimited tax general obligation bonds to provide funds for such purposes; and

WHEREAS, the Constitution and laws of the State of Washington provide that the question of whether or not such bonds may be issued and sold for such purposes must be submitted to the qualified electors of the City for their ratification or rejection;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOUNT VERNON, WASHINGTON, DO ORDAIN, as follows:

Section 1.     Findings; Capital Improvements This Council hereby finds and declares that the best interest of the residents of the City require the City to make the following capital improvements:

- replace downtown Fire Station No. 1;
- construct and equip additions to Fire Station Nos. 2 and 3; and

- make capital improvements and safety updates to Fire Station Nos. 2 and 3 for enhanced community services (collectively, the “Improvements”).

The Improvements shall be undertaken at the time or times and in the order deemed most necessary and advisable by the City Council. The cost of all necessary consulting services, inspection and testing, administrative expenses, related improvements and other costs incurred in connection with the making of the Improvements shall be deemed a part of the costs of the Improvements.

If the Board determines that it has become impractical to accomplish any of such Improvements or portions thereof by reason of state or local circumstances, including changed conditions, incompatible development, or costs substantially in excess of those estimated, the City shall not be required to accomplish such Improvements and shall either (1) not issue Bonds or (2) apply the Bond proceeds to the payment of principal of or interest on the Bonds, thereby reducing tax levies for debt service.

If available funds are in excess of the amount required to complete the Improvements, the balance of such funds shall be used to supplement the funding for the City Shop Capital Project which will provide for the repair and maintenance of public safety vehicles.

Section 2.     Authorization of Bonds. For the purpose of providing all or a part of the funds necessary to pay the costs of the Improvements, together with incidental costs and costs related to the sale and issuance of the bonds, the City shall issue and sell its unlimited tax general obligation bonds in the principal amount of not to exceed \$29,850,000. The balance of the costs of the Improvements may be paid out of any money that the City now has or may later have on hand which are legally available for such purposes. None of said bond proceeds shall be used for the replacement of equipment or for any other than a capital purpose. Such bonds shall be issued

in an amount not exceeding the amount approved by the qualified electors of the City as required by the Constitution and laws of the State of Washington or exceeding the amount permitted by the Constitution and laws of the State of Washington.

Section 3.     Details of Bonds. The bonds provided for in Section 2 hereof shall be sold in such amounts and at such time or times as deemed necessary and advisable by this Council and as permitted by law, shall bear interest at a rate or rates not to exceed the maximum rate permitted by law at the time the bonds are sold, and shall mature in such amounts and at such times within a maximum term of not to exceed twenty (20) years from date of issue, but may mature at an earlier date, as authorized by this Council and as provided by law. Said bonds shall be general obligations of the City and, unless paid from other sources, both principal thereof and interest thereon (including original issue discount) shall be payable out of annual tax levies to be made upon all the taxable property within the City without limitation as to rate or amount and in excess of any constitutional or statutory tax limitations. The exact date, form, terms and maturities of said bonds shall be as hereafter fixed by ordinance of the Council. After voter approval of the bond proposition and in anticipation of the issuance of such bonds, the City may issue short term obligations as authorized and provided by Chapter 39.50 RCW.

Section 4.     Bond Election. The City shall submit to the qualified electors of the City the proposition of whether the City shall issue the bonds at a special election to be held on April 23, 2019.

The Skagit County Auditor as *ex officio* supervisor of elections is hereby requested to call and conduct said special election to be held by all mail-ballot, within the City on said date and to submit to the qualified electors of the City the proposition set forth below. The Clerk of the City is hereby authorized and directed to certify said proposition to said official in the following form:

PROPOSITION NO. 1

CITY OF MOUNT VERNON, WASHINGTON

FIRE STATIONS INFRASTRUCTURE CAPITAL IMPROVEMENTS  
GENERAL OBLIGATION BONDS - \$29,850,000

The City Council of the City of Mount Vernon adopted Ordinance No. 3777 concerning this proposition for bonds. This proposition authorizes the City to replace downtown Fire Station 1 and make safety, operational and additional capital improvements to Fire Stations 2 and 3 for enhanced community services; to issue up to \$29,850,000 of general obligation bonds maturing within a maximum term of 20 years to finance such improvements; and levy property taxes annually in excess of regular property tax levies to repay such bonds, as provided in Ordinance No. 3777. Should this proposition be:

APPROVED ?

REJECTED ?

The Mayor or City Clerk of the City is hereby authorized to deliver a certified copy of this ordinance to the Skagit County Auditor.

Section 5. Severability. In the event that any provision of this ordinance shall be held to be invalid, such invalidity shall not affect or invalidate any other provision of this ordinance or the bonds, but they shall be construed and enforced as if such invalid provision had not been contained herein; provided, however, that any provision which shall for any reason be held by reason of its extent to be invalid shall be deemed to be in effect to the extent permitted by law.

Section 6. Repeal and Rescission of Ordinance No. 3774. The City Council does hereby rescind the authority of the City to issue not to exceed \$29,850,000 principal amount of general obligation bonds and submit such ballot proposition to the electors referred to in Ordinance No. 3774. Such authorization has been given within this ordinance to allow for the issuance of not

to exceed \$29,850,000 in general obligation bonds, and submit a ballot proposition to the electors.  
Ordinance No. 3774 is hereby rescinded and repealed in its entirety.

Section 7.     Effective Date. This ordinance shall be in full force and effect five days after passage and publication as provided by law.

PASSED by the City Council of the City of Mount Vernon, Washington, at a regular meeting thereof this 20th day of February, 2019.

CITY OF MOUNT VERNON,  
WASHINGTON

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

CITY OF MOUNT VERNON, WASHINGTON

GENERAL OBLIGATION BONDS

Summary of Ordinance No. 3777, adopted on February 20, 2019

AN ORDINANCE of the City Council of the City of Mount Vernon, Washington, providing for the form of the ballot proposition and specifying certain other details concerning submission to the qualified electors of the city at a special election to be held therein on April 23, 2019, of a proposition for the issuance of its general obligation bonds in the aggregate principal amount of not to exceed \$29,850,000, or so much thereof as may be issued under the laws governing the indebtedness of cities, for the purpose of financing the replacement, construction, improvements and equipping of fire stations, and rescinding Ordinance No. 3774.

Approved this \_\_\_\_ day of February, 2019.

CITY OF MOUNT VERNON,  
WASHINGTON

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Mayor

ATTEST:

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City Clerk

[SEAL]

CERTIFICATE

I, the undersigned, Clerk of the City of Mount Vernon, Washington (the “City”), DO  
HEREBY CERTIFY:

1. That the attached ordinance numbered 3777 (the “Ordinance”) is a true and correct copy of an ordinance of the City as passed at a meeting of the City Council of the City held on the 20th day of February, 2019, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Council voted in the proper manner for the passage of the Ordinance; that all other requirements and proceedings incident to the proper passage of the Ordinance have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of February, 2019.

\_\_\_\_\_  
Clerk

OFFICIAL BALLOT  
CITY OF MOUNT VERNON, WASHINGTON  
April 23, 2019

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INSTRUCTIONS TO VOTERS: To vote in favor of the following proposition, place a cross (X) in the square opposite the word "APPROVED"; to vote against the following proposition, place a cross (X) in the square opposite the word "REJECTED."

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PROPOSITION NO. 1

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APPROVED ?

REJECTED ?

NOTICE  
CITY OF MOUNT VERNON, WASHINGTON

April 23, 2019

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NOTICE IS HEREBY GIVEN that on April 23, 2019, a special election will be held by mail ballot in the above-named city for the submission to the qualified electors of said city of the following proposition:

PROPOSITION NO. 1

CITY OF MOUNT VERNON, WASHINGTON

FIRE STATIONS INFRASTRUCTURE CAPITAL IMPROVEMENTS  
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APPROVED ?

REJECTED ?

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Skagit County Auditor