



## CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: (907) 373-9050  
FAX: (907) 373-0788

### COUNCIL MEMORANDUM NO. 91-13

FROM: Deputy Administrator

DATE: March 5, 1991

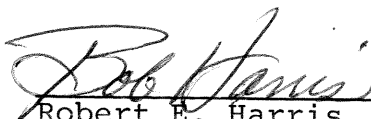
RE: Consolidation of Fire Service Districts

The supervisors of Wasilla Area Fire Service District and the Lakes Fire Service District have been discussing the potential of merging the two districts. The Mat-Su Borough code provides for service area district mergers by ordinance.

There are probably advantages and disadvantages to the merger proposal which should be presented to the City Council so that support or opposition of the City could be made known to the Borough Assembly. On the surface, the proposal does not seem to favor the City.

	<u>Wasilla FSA</u>	<u>Lakes FSA</u>
FY90 Mill Levy	.7	1.3
Estimated Fund Balance, June 1990	\$230,674	\$104,799
1989-90 Assessed Valuation	\$576,921,512	\$157,756,204

The total value of the capital assets of each fire service area is unknown but there is probably a disparity. According to the Borough Fire Service Area Coordinator the merger would result in the Lakes FSA mill levy reduction to .9 mills and the Wasilla FSA mill levy increase to .9 mills. He explained that the Wasilla mill levy will increase to .9 mills with or without the merger because new equipment is needed. Somehow, that argument fails to convince me that a merger is in the best interest of Wasilla.

  
Robert E. Harris  
Deputy Administrator

FIRE SERVICE AREA  
SUMMARY SHEET  
FISCAL YEAR 1990

EXPENDITURES

REVENUES

\*\*\*\*\*  
CPSB  
TELECOMM.  
ADMIN (B99)  
ALLOCATION

ALL  
OTHER  
EXPENSES  
EXPENDITURES

TOTAL  
EXPENDITURES

PROPERTY  
TAXES

STATE  
REVENUE  
SHARING

OTHER  
REVENUE

TOTAL  
REVENUE

ZONE NAME

B01 WASILLA FSA  
B02 BUTTE FSA  
B03 GREATER PALMER FSA  
B04 SUTTON FSA  
B22 LAKES FSA  
B24 TALKHEETA FSA  
B32 FISHHOOK FSA  
B33 BIG LAKE FSA  
B34 MEADOW LAKES FSA  
B35 WILLOW FSA

ZONE	NAME	TELECOMM. ADMIN (B99) ALLOCATION	ALL OTHER EXPENSES EXPENDITURES	TOTAL EXPENDITURES	PROPERTY TAXES	STATE REVENUE SHARING	OTHER REVENUE	TOTAL REVENUE
B01	WASILLA FSA	88,690	324,230	\$413,120	407,847	27,000	0	434,847
B02	BUTTE FSA	18,714	58,070	\$76,784	81,678	2,700	0	84,378
B03	GREATER PALMER FSA	21,981	122,455	\$144,436	114,269	9,000	0	123,269
B04	SUTTON FSA	10,543	26,530	\$37,073	28,683	5,400	4,000	38,083
B22	LAKES FSA	41,056	237,149	\$278,205	213,083	18,100	0	231,183
B24	TALKHEETA FSA	12,178	39,449	\$51,627	43,729	1,600	3,600	48,929
B32	FISHHOOK FSA	13,811	45,727	\$59,538	45,174	3,400	0	48,574
B33	BIG LAKE FSA	15,445	91,268	\$106,713	106,267	3,600	0	109,867
B34	MEADOW LAKES FSA	21,981	81,471	\$103,452	113,847	5,900	0	119,747
B35	WILLOW FSA	13,812	46,927	\$60,739	66,365	2,200	0	68,565
		258,411	1,073,276	1,331,687	1,220,942	78,900	7,600	1,307,442



# Matanuska-Susitna Borough

350 EAST DAHLIA AVE, PALMER, ALASKA 99645-6488 • PHONE 745-9680  
BOROUGH MANAGER

March 19, 1991

RECEIVED

MAR 21 1991

City of Wasilla, Alaska

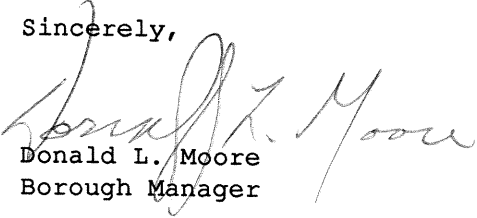
John C. Stein, Mayor  
City of Wasilla  
290 E. Herning Avenue  
Wasilla, Alaska 99687

Dear John:

I have asked that Kevin Koechlein, our Emergency Services Chief; Jack Krill, Chief of Wasilla and Lakes Fire Service Areas; and our Finance Director, Desi Mayo, make themselves available to brief the city of Wasilla on the proposed merger of Wasilla Fire Service Area and Lakes Fire Service Area.

Unfortunately the earliest that they would be available to brief the city of Wasilla would be your April 8 meeting. Please confirm this date with me so that I may have them available if this meets with your approval.

Sincerely,

  
Donald L. Moore  
Borough Manager

nm

pc: Desi Mayo, Finance Director  
Kevin Koechlein, Chief of Emergency Services  
Jack Krill, Fire Chief



# Matanuska-Susitna Borough

680 NORTH SEWARD MERIDIAN PARKWAY, WASILLA, ALASKA 99687

TELEPHONE: (907) 376-9627 / 376-9628 / FAX: 376-0799

EMERGENCY SERVICES DIVISION

March 8, 1991

Robert Harris  
Deputy Administrator  
City of Wasilla  
290 East Herning  
Wasilla, Alaska 99687

RECEIVED  
MAR 11 1991  
City of Wasilla, Alaska

SUBJECT: Consolidation, Lakes and Wasilla FSA's

Dear Bob:

Enclosed please find information per your request on the consolidation.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Jack Krill, Central Mat-Su Fire Chief  
for Kevin Koechlein, Emergency Services Chief

nc

Enclosures

cc: John Stein, Mayor, City of Wasilla  
Don Moore, Borough Manager  
Desi Mayo, Finance Director  
Eleanor Oakley, Borough Assembly member  
Duncan Frazier, Frontiersman



# CENTRAL MAT-SU FIRE DEPARTMENT

P.O. Box 873088

Wasilla, Alaska 99687

Telephone: 376-5329 / 376-5320 / 373-FIRE / 373-3766



This is an overview of the information provided to the Joint Board of Supervisors of the Central Mat-Su Fire Department (Wasilla and Lakes) during the first public hearing to consider the legal consolidation of the two fire service areas held at the Cottonwood Public Safety Building on February 25, 1991. During the public hearing the following information was presented and issues discussed.

## Process

Separate resolutions from each Fire Service Board of Supervisors to proceed with the process of legal consolidation.

The Boards of Supervisors are required to certify that the same level of service is provided in each fire service area.

The Boards of Supervisors should schedule and conduct at least two public hearings on the matter of legal consolidation, with consideration being given to the size of the Board of Supervisors and to establish a mill rate for the area.

Once the Boards of Supervisors conclude the public hearings and if their recommendation is to consolidate, a request to the Borough Administration for preparation of the ordinance should be made.

The Borough Administration would prepare the ordinance and introduce to the Borough Assembly for consideration, approval and public hearing, which should be attended by at least one member of each Board of Supervisor.

The Borough Administration will also provide information to the Department of Justice concerning the legal consolidation and voting districts.

## Financial Overview

Actual operating budgets of the two fire service areas over the past 4 fiscal years, since the functional (operational) consolidation in 1987. These figures depict a cost savings as a result of the elimination of a portion duplicated operating costs incurred by both fire service areas, while certain operating costs over this period, such as insurance, maintenance, salaries and benefits have increased.

FY 87	\$1,296,062.00
FY 88	\$890,141.00
FY 89	\$714,943.00
FY 90	\$843,649.00* Approximately \$140,000.00 of this budget was for the purchase of a new pumper/tanker, leaving an actual operating budget of \$703,639.00.
FY 91	\$708,817.00
FY 92	\$683,723.00

The proposed FY 92 budget has been developed under a new format, that being to officially combine the budgets of the two fire service areas (BO1 and B22) into one operating budget identified as B90. Reflective in this combined budget is a substantial reduction due to adjustments in salaries and benefits and the further elimination of duplicated operating costs. Even with the further reductions in this proposed budget, there have been increases in certain costs associated with operating the two fire service areas, these costs have been primarily in the Administration and Audit and Telecommunications classifications. Part of the basis for the proposed the legal consolidation of the two fire services is to further reduce these associated costs.

Additional information presented during this meeting outlined the projected assessed valuation of the two fire service areas:

Wasilla	\$587,503,048.00
Lakes	\$163,183,287.00
Total Assessed Valuation	\$750,686,335.00

As a result of the projected assessed valuation the established value of .1 (one tenth) mill \$75,067.00

Additional projected revenues for FY 92 (estimated)

State Shared Revenues	
Vehicle Tax	\$52,346.00

Based on the projected revenues of the two fire service areas combined, two proposed scenarios of an equitable mill rate were presented, one proposal projected revenues at .9 mill and the second projected revenues at 1. mill. In both scenarios adequate revenues would be provided for the operation of the legally consolidated fire service area, and the difference in the mill rates would affect the projected amounts available for the reserve fund.

One major consideration involved with the legal consolidation is the outstanding debt service presently existing in the Lakes Fire Service Area. The debt amount of approximately \$188,000.00 with a remaining 8 year payoff schedule. The discussion centered around the liability of the debt service presented different scenarios for a possible payoff. One being upon the completion of the legal consolidation and the consolidation of the fund balances, to use a portion of the combined fund balance to complete the debt payoff. Another proposal discussed is to continue with the yearly payments until the debt is repaid, and the third proposal was to delay the consolidation until the debt was paid.

In reviewing the liabilities involved with the legal consolidation from the Lakes Fire Service Area, information was also presented on the projected long term liabilities associated with the Wasilla Fire Service Area. Those liabilities involve the condition and age of the present facilities, the need for additional facilities, as required to maintain the present ISO rating throughout the entire service area, and the need for additional apparatus and equipment for those facilities.

An additional benefit that would be a result from the legal consolidation, is a more effective delivery of fire protection services in line with ISO requirements. Under the present system of operation, the resources (equipment, apparatus, personnel, response capabilities, suppression capabilities and water supply and delivery capabilities)

although utilized as one department, legally are identified under ISO guidelines as two separate departments providing mutual or automatic aide to each other. This factor impacts the ISO rating system on the negative scale. The primary area that would be affected from this rating would be the Wasilla area, due to the large area that is required to be protected. The legal consolidation would in effect improve the rating of the area through the utilization of the entire resources from the Lakes area.

The overall fire protection capabilities that have been developed under the functional consolidation with the existing resources of the both fire service areas, has provided the ability to request a re-evaluation of the fire protection delivery system for the purpose of a lower ISO rating is present. However without the legal consolidation, the potential for achieving a lower ISO rating is greater in the Lakes area, with questionable potential for the Wasilla area. The present rating of the two areas exclusive of the city is 8, and in the City of Wasilla is a 6. The potential dollar savings to the average home owner in lowering the rating from 8 to 6 and 6 to 4 is based on two different scenarios below:

1.	Home Value		\$100,000.00 (\$250 deductible)
	ISO Rating	8	Fire Insurance Costs \$428.00
		6	Fire Insurance Costs \$283.00
	Savings	8 to 6 Rating	\$145.00
	ISO Rating	4	Fire Insurance Costs \$269.00
	Savings	6 to 4 Rating	\$14.00
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2.	Home Value		\$200,000.00(\$250 deductible)
	ISO Rating	8	Fire Insurance Costs \$774.00
		6	Fire Insurance Costs \$512.00
	Savings	8 to 6 Rating	\$262.00
	ISO Rating	4	Fire Insurance Costs \$486.00
	Savings	6 to 4 Rating	\$26.00



Additional information in reference to the actual assets of the two fire service areas and additional information is included in this packet as requested.

**ASSETS - CENTRAL MAT-SU FIRE DEPARTMENT**

**WASILLA FSA**

**DATE: 2-28-91**

\*NON-INVENTORIED EQUIPMENT INCLUDES:  
HOSE, TURNOUTS, OFFICE EQUIPMENT AND MISC. EQUIPMENT

**VEHICLES**

DESCRIPTION	YEAR	ORIGINAL		ESTIMATED	
		PURCHASE PRICE	REPLACEMENT COST		
INTL TANKER	1962	\$4,000		\$185,000	
JEOP TRUCK	1968	\$5,000		\$25,000	
INTL CHEMICAL	1969	\$30,000			
MACK ENGINE	1969	\$32,668		\$185,000	
INTL PUMPER	1975	\$21,063		\$185,000	
FORD BRONCO	1976	\$5,708		\$25,000	
FORD COMBO	1977	\$53,292		\$185,000	
FORD PICKUP	1983	\$10,278		\$25,000	
THIBAULT LADDER	1984	\$276,150		\$525,000	
GRUM TRIP COMBO	1985	\$123,174		\$185,000	
FORD TANKER	1985	\$118,429		\$185,000	
GRUMMAN PUMPER	1985	\$98,140		\$185,000	
CHEVY SUBURBAN	1986	\$15,589		\$25,000	
PIERCE	1991	\$175,000			
<b>TOTAL VEHICLE ASSETS</b>		<b>\$968,491</b>		<b>\$1,920,000</b>	
<b>TOTAL EQUIPMENT ASSETS</b>		<b>\$365,807</b>			
<b>TOTAL FACILITY ASSETS</b>		<b>\$1,253,000</b>			
<b>TOTAL ASSETS</b>		<b>\$2,587,298</b>			

**EQUIPMENT**

INVENTORIED EQUIPMENT	NON-INVENTORIED EQUIPMENT
\$285,807	\$80,000

**FACILITIES**

STATION	STATION	STATION
61	62	65
\$675,000	\$145,000	\$433,000

# LAKES FSA

## VEHICLES

DESCRIPTION	YEAR	ORIGINAL PURCHASE PRICE	ESTIMATED REPLACEMENT COST
INT'L TANKER	1966	\$8,000	\$175,000
JEOP BRUSH	1968	\$3,550	\$25,000
FORD PUMPER	1978	\$46,000	\$185,000
GMC PUMPER	1979	\$36,619	\$185,000
FORD PUMPER	1979	\$48,729	\$185,000
CHEVY SUBURBAN	1984	\$13,737	\$25,000
FORD TANKER	1985	\$120,538	\$185,000
FORD TANKER	1985	\$120,538	\$185,000
CHEVY PICKUP	1987	\$15,928	\$25,000
TOTAL VEHICLE ASSETS		\$413,639	\$1,175,000
TOTAL EQUIPMENT ASSETS		\$338,534	
TOTAL FACILITY ASSETS		\$639,000	
TOTAL ASSETS		\$1,391,173	

## EQUIPMENT

INVENTORIED EQUIPMENT	NON-INVENTORIED EQUIPMENT
\$278,534	\$60,000

## FACILITIES

STATION 51	STATION 52	STATION 65
\$354,000	\$175,000	\$110,000

# CENTRAL MAT-SU FIRE DEPARTMENT VEHICLES

DESCRIPTION	YEAR	ORIGINAL		ESTIMATED	
		PURCHASE PRICE	REPLACEMENT COST	REPLACEMENT COST	
FORD TANKER	1975	\$50,000		\$185,000	
FORD PICKUP	1977	\$9,000		\$25,000	
CHEVY SUBURBAN	1984	\$13,000		\$25,000	
CHEVY SUBURBAN	1984	\$13,000		\$25,000	
FORD PICKUP	1985	\$18,000		\$25,000	
<b>TOTAL VEHICLE ASSETS</b>		<b>\$103,000</b>			

**TOTAL COMBINED ASSETS - WASILLA AND LAKES FSA'S**

TOTAL VEHICLE ASSETS	\$1,485,130
TOTAL EQUIPMENT ASSETS	\$704,341
TOTAL FACILITY ASSETS	\$1,892,000
TOTAL ASSETS	\$4,081,471

Central Mat Su Fire Service Area Consolidation  
Miscellaneous Financial Information  
March 4,1991

A. Fund Balance as of June 30,1990 (Audited figures)

Wasilla	220,402
Lakes	160,840

B. Fund Balance after FY91 Transfers

Wasilla	220,402
Lakes (34,343)	126,497

C. Miscellaneous Revenues for FY91

Wasilla	7225
Lakes	7600

D. Mid Year Transfers from Fund Balance

Wasilla	15,000
Lakes	10,000.

E. Fund Balance Estimated on June 30,1991

Wasilla	223,258.
Lakes	130,302.

F. Current Debt Service

As of June 30,1990	210,722
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Less FY91 payment (17,000)	187,722.
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## Consolidated Financial Data

Fund Balance as of June 30,1991 (Estimated)                   \$353,560.

### Assessed Values ( Real Property and Personal)

Wasilla	587,503,048
Lakes	163,183,287

Total Consolidated Assessed Value: \$750,686,335.

Value of .1 (one tenth) mill                                   \$75,067.

### Other Revenue for FY 92 (Estimated)

State Shared Revenues	
Vehicle Tax	\$52,346.

### Revenue Scenarios

#### A. Based on a 1.0 mill rate

Tax revenues	713,137
Based on a 5% reserve for uncollected taxes.	

Other revenue	52,346.
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TOTAL Revenues	\$765,483.
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#### B. Based on a .9 mill rate

Tax revenues	641,823.
Based on 5% reserve.	

Other revenue	52,346.
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TOTAL Revenues	\$694,169.
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Debt removal scenarios.

Note: Debt is payable on June 30 of each year. It can be paid off without penalty.

Assumptions :

Consolidated budget for FY92 is: \$683,723.

This includes \$40,000. in debt service.

A 1.0 mill rate will generate the following surplus: \$81,760.

A .9 mill rate will generate the following surplus: \$10,446.

Pay off scenario A.

Based on a 1.0 mill rate

Outstanding Debt	\$187,722.
Less budgeted debt service	- 40,000.
Less budget surplus	- 81,760.
Less Transfer from Fund Bal	-65,962.

This would leave an outstanding Fund Balance of: \$287,598.

Pay off scenario B.

Based on a .9 mill rate.

Outstanding debt	\$187,722.
Less budgeted debt service	- 40,000.
Less budget surplus	- 10,446.
Less fund balance transfer	-132,276.

This would leave an outstanding Fund Balance of: \$216,284.





## CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: (907) 373-9050  
FAX: (907) 373-0788

March 12, 1991

Mr. Jack Krill  
Central Mat-Su Fire Chief  
Matanuska-Susitna Borough  
680 North Seward Meridian  
Wasilla, Alaska 99687

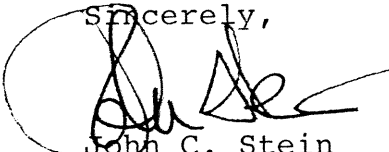
Re: Wasilla/Lakes FSA

Dear Jack:

Thank you for your packet of information on the proposed consolidation. It has been distributed to members of the City Council. The Council will review the information and take a position on the issue at their March 25 meeting.

The Council did discuss the general relationship of the City and the fire service area on Monday. With respect to the 1977 agreement, there apparently remains an option for the City of Wasilla to withdraw from the FSA. If the Council were to direct such action, what would be the City's allocation of the Wasilla Fire Service Area's real estate, fund balance, equipment, volunteer personnel and other assets?

Sincerely,



John C. Stein  
Mayor, City of Wasilla

JCS/sbh

Enclosure: 1977 Agreement

cc: Mr. Don Moore, Borough Manager  
Mr. Mike Gatti, Borough Attorney

AGREEMENT

2015  
JUN 20 1977

THIS AGREEMENT, made and entered into this 20 day of June, 1977, by and between the MATANUSKA-SUSITNA BOROUGH, a second class Borough of the State of Alaska, and the CITY OF WASILLA, a second class City of the State of Alaska;

WITNESSETH:

WHEREAS, the Matanuska-Susitna Borough, a second class Borough, exercises the power necessary to provide fire protection services and facilities within Service Area #1 under the authority of AS 29.48.030 and AS 29.63.090; and

WHEREAS, the City of Wasilla, a second class city, may exercise the power necessary to provide fire protection services and facilities within its corporate limits under the authority of AS 29.48.030; and

WHEREAS, the corporate area of the City of Wasilla lies within Service Area #1; and

WHEREAS, municipalities may, under authority of AS 29.48.010, enter into agreements, including those for cooperative or joint administration of any function or power, with other local governments;

NOW THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. The Borough shall provide fire protection services and facilities within the corporate limits of the City of Wasilla.
2. State aid to local governments for fire protection services and facilities within the corporate limits of the City of Wasilla under AS 43.18.010 (2), or other laws granting aid to boroughs and cities for providing fire protection shall be received by the Matanuska-Susitna Borough for the benefit of Service Area No. 1.
3. The Borough shall submit a proposed budget for Service Area No. 1 to the City of Wasilla prior to the date of the public hearing on the budget ordinance for each fiscal year.
4. That the Borough shall levy and collect property taxes within the City of Wasilla equal to taxes levied and collected on behalf of the Fire Service Area No. 1 outside the City of Wasilla.
5. This Agreement may be terminated by mutual consent of the parties at any time. This Agreement may be terminated by either party by giving written notice to the other party 30 days prior to the end of a fiscal year.

Signed at Palmer, Alaska, the date above written.

CITY OF WASILLA

MATANUSKA-SUSITNA BOROUGH

Pat Hjellen  
Pat Hjellen, Mayor

Ronald L. Larson  
Ronald L. Larson, Borough Mayor

ATTEST:

ATTEST:

contest the validity of the lien shall immediately be released against Lessee, the lien shall immediately be released at Lessee's expense. Lessee shall not have the authority to create any liens for labor or materials in Lessor's interest in the above-described property, and all persons contracting with Lessee are hereby charged with notice that they must look to Lessee's interest only in the premises to secure the payment of any bill for work done or material furnished during the term of this lease.

17. Any notice or demand which must be given or made by the parties hereto shall be in writing, and shall be complete by sending such notice or demand by United States registered or certified mail to the address shown on the lease or to such other address as the parties shall designate in writing from time to time. A copy of any such notice shall be forwarded by the Lessor to any lienholder who has properly recorded his interest in the lease with the Lessor.

18. The word "Lessor" as and whenever used in the lease, shall be construed to include, and shall include, bind and inure to the benefit of the Lessor, its successors and assigns, at any time during the term of this lease or any renewal thereof, and the word "Lessee" as and whenever used in this lease shall be construed to include and shall include and bind and inure to the benefit of the Lessee, his successors and assigns.

19. The fire prevention function of Lessee is presently conducted through Matanuska-Susitna Borough Fire Service Area #1. Should this function be assumed by the City of Wasilla (Lessor) this lease shall terminate immediately as per paragraph 20 below. In the event said fire prevention function is assumed by a public agency other than the City of Wasilla, this lease may be assigned.

20. Upon termination of this lease, through assumption by the City of Wasilla of part or all of the duties presently performed by Fire Service Area #1; then the parties agree to reach a settlement as to value of any improvements then-existing on the demised premises. It is the intention of the parties hereby that such improvements shall not be transferred to the City of Wasilla without reimbursement of Lessee for the value thereof. In the event the parties are unable to reach an equitable settlement as to valuation of the assets or the manner of reimbursement, the parties agree to resolve the matter through arbitration. Provided, however, the value of improvements results from the expenditure of funds from sources outside of the Matanuska-Susitna Borough shall not be considered in a determination of the amount of reimbursement due from the City of Wasilla. Provided further, that if the City of Wasilla shall assume only part of the duties of Fire Service Area #1 then, the City shall share the existing fire station with Lessee for an adequate time to allow Lessee to establish an alternate facility for fire service to the area remaining outside of the municipality wherein the duties have been assumed by the City of Wasilla.

21. Upon the expiration of this lease, unless the same has been renewed, the Lessee shall quietly and peaceably leave, surrender and yield up unto the Lessor all of the leased land with all improvements thereon, on the last day of the term of this lease. Such release of improvements shall be in accord with the provision of paragraph 20 referring to reimbursement of Lessee for the value thereof. Provided, however, Lessor shall have the expiration of the term hereof.

CITY/CSA LAND LEASE