



**Thurston County Fire Protection District 8
Special Board of Fire Commissioners' Workshop
June 22, 2020**

MINUTES of the SPECIAL Board workshop held June 22, 2020, as a video-conference call, at the South Bay Station 8-1. Commissioners Gleckler, Harper, Zvirzdys, Kilpatrick and Long were in attendance. Chief VanCamp, Assistant Chief LeMay and Secretary Stumpf also participated. The meeting was called to order at 1:00 pm.

Chief VanCamp and Commissioner Harper clarified the purpose of the meeting, which is to review projected revenues, fund balances and future expenses with the intent of creating a common framework and clear direction to ultimately make some financial decisions for the District. These would be made later in a subsequent Board meeting.

Overview – Using pre-read handouts, Chief VanCamp reviewed the various documents that included different financial projection scenarios; estimates for capital projects; our current funding policy and workshop definitions. Questions were asked for clarity. It was recommended that Policy 1-60 “District Funds & Budgets” be updated.

Revenue Options: Chief VanCamp further discussed the projected revenues, expenses and fund balances for the years 2021 through 2026. Different revenue options were also discussed that included: extending the current levy lid lift that expires in 2023; requesting voter approval for a Maintenance and Operations (M&O) excess levy; requesting voter approval for an Unlimited Tax General Obligation Bond; and reallocating money between District funds. He provided a perspective on the impacts of the SARS-COV2 / COVID-19 pandemic impacts on property tax revenues.

Capital Projects: Using handouts, Chief VanCamp reviewed projected estimates for completion of the District Training Center project; upgrades to the North Olympia Station 8-3 and cost estimates to build a new, eastside firestation. Questions were asked for clarity and discussions followed. Commissioner Zvirzdys expressed her opinion that the upgrades to the North Olympia Station 8-3 should be taken care of as soon as possible.

Capital Planning Framework: Using a handout, Commissioner Harper reviewed his vision of a Capital Planning Framework. Options to move money between funds (capital, reserve, CR&R and operating) were discussed as a possible way to delay a tax increase. Following a lengthy discussion, Commissioner Harper recommended the Chief estimate how long it would be until the District would require additional funding after evaluating three possible changes: reevaluating actual reserve requirements, prioritizing essential capital projects needed over the next 3-4 years, and reallocating unneeded capital funds for use in operations.

The following comments were discussed:

- Commissioner Gleckler expressed his opinion that we do not ask voters for any more money for the next few years and that we live within our means.
- Chief VanCamp expressed his opinion that we do not use operating funds to pay for major capital projects (e.g. new firestations) that they be funded by voter approved funding sources. He also recommended that funding to the Capital Repairs & Replacements Fund be continued and supported fully.
- The Board generally agreed that the list of capital projects needs to be prioritized. Further, they generally agreed that the upgrades to the North Olympia Station 8-3 and completion of the resident house be a top priority. These expenses could be paid for using our current capital funds.
- Commissioner Kilpatrick expressed his opinion that we could delay the new fire station and continue, in the interim, to rely on the resident responder program to help staff Johnson Point Station 8-2.

- The Reserve Fund (6683) was discussed. It was noted that the fund balance does not currently meet criteria defined in Policy 1-60 "District Funds & Budgets"; the Policy states "...maintain an approximate level of funding for six months of general operations...". Changing the policy was discussed.
- Chief VanCamp added comments that the Operating Fund (6680) cash balance averages \$1 million and has never been under \$500K. Our total cash balance could be considered the cushion for overall reserves.
- Chief VanCamp further shared comparative levy rates for other Thurston County agencies, all of which exceed our current \$1.50 per thousand. Similarly, he shared that our total labor costs, as a percentage of total expenses, are lower than other comparable agencies.
- Commissioner Harper shared three options to consider: 1) evaluate the current policy on reserve and cash levels and make appropriate adjustment, 2) review, prioritize and implement selected capital projects over the next three years and 3) evaluate and provide one or more budget scenarios to identify "trigger points" for implementing revenue changes (i.e. regular levy restoration, voter approved excess levy, etc.).
- Secretary Stumpf was asked to schedule a second workshop.

Adjourn:

The Board announced that next regular meeting is scheduled on July 14, 2020, beginning at 5:30 pm and will be a conference call to be held at the South Bay Station 8-1. There being no further business, the motion was made and seconded to adjourn. The motion was passed, and the meeting adjourned at 2:58 pm.

ATTEST:

Richard Gleckler, as Chair for TCFPD 8



Douglas Kilpatrick, as Commissioner for TCFPD 8

Pamela Long, as Commissioner for TCFPD 8

Gloria Zvirzdys as Commissioner for TCFPD 8

William Harper, as Commissioner for TCFPD 8



Heidi Stumpf, District Secretary for TCFPD