

Clallam County Fire Protection District No. 4



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Commissioners:
Marcus "Ben" Pacheco, Chair
Sam Nugent, Vice Chair
Lynne Kastner
Bruce Leiper
Chris Christie
Gregory Waters, Fire Chief

Clallam County Fire Protection District No. 4
Special Meeting of the Board of Commissioners Minutes
Joyce, Washington
September 18, 2023

Members Present

Marcus "Ben" Pacheco, Chairman/Commissioner
Sam Nugent, Vice-Chairman/Commissioner
Lynne Kastner, Commissioner
Bruce Leiper, Commissioner
Chris Christie, Commissioner
Gregory Waters, Fire Chief

Others Present

Cheryl Anderson, District Administrative Assistant
Rae Leiper, District Secretary to the Board
Bob Kastner
Donna Pacheco
Dan Peacock

I. Call to Order

Chairman Ben Pacheco called the special meeting to order at 5:30 p.m. So ordered.

II. Roll Call of Commissioners

Ben noted that all commissioners were present. He noted Chief Greg Waters was also present.

III. Introduction of Guests and Visitors

Ben welcomed community members Bob Kastner, Donna Pacheco, and Dan Peacock.

IV. Public Comment

The community members in attendance did not wish to speak.

V. For Board Action:

Before beginning the meeting, Chairman, Ben Pacheco, thanked several people involved in all the planning which has made it possible for the District to reach this stage in the Board's quest to have a secure, modern, and well-designed fire station that would provide for the various needs of the District. Ben reminded the Board members that this idea began in 2017 and the plans have been evolving since.

He thanked the following:

- Cheryl Anderson for all the extra hours of filling in paperwork and information gathering.
- The Building Committee and all the iterations of members that have researched options, investigated design elements, had many meetings with architects, and worked toward a building that was affordable by the District.
- Bruce Leiper and all the members of the Building Finance Committee for their commitment to finding the best financial solution to suit the needs of the District.

A. Motion to Approve Apparatus Bay Plans and Cost Estimate Pursuant to RCW 39.04.020

Background: A meeting is required pursuant to RCW 39.04.020 so that the Board and the public is made aware of plans, work to be done, and the estimated costs of any public work. The Special Meeting was called for the Board to discuss, approve, and sign the paperwork necessary to begin work on the apparatus bay. The apparatus bay will replace the current Station 41 which is no longer adequate to secure the District's vehicles, equipment, and medical supplies. The new bay will be built on the lawn between the CCFPD4 Admin building and Highway 112. The site already has much of the needed infrastructure in place with septic systems, stormwater systems, Crescent Water Association connections, PUD connections, and communication lines part of the existing building. The site also has parking areas and two established WSDOT-approved entrance/exits to Highway 112. The new facility will provide the District with a secure place to house its first response apparatus, additional space to adequately train its volunteers, and adequate operational space to perform Incident Command duties in the event of a disaster. The complete set of building plans are available for public viewing at the CCFPD4 Administrative Office Building.

Discussion: The board discussed the plans and the estimated costs of building the apparatus bay. The board had questions about the actual costs as compared to the provided estimates and wondered whether the District would be locked into the loan program if actual bids come in higher than estimated. First, McNeely Designs has a history of being very accurate when estimating costs. Also, the District will not sign final loan papers until project costs can be met.

The board also had questions about what the estimates included. There was much discussion regarding how sustainable and energy efficient the plans are. There was concern about costs associated using and maintaining the building. The building is considered an apparatus bay. It will be kept at a temperature suitable for the maintenance of District vehicles. It will not be a place where humans will work for long periods of time. In trying to keep building costs down, the designs do not include some features that may be added later as necessary. The board also had questions about the bidding process. Who is permitted to bid? Those that wish to bid need to be on the MSRC roster.

Questions about board member liability were raised. Chief Waters is feeling assured that between conferring with District Council, Brian Snure, who has always had District interests in mind, and working with Project Manager, Larry McNeely, who comes highly recommended by many other fire chiefs in Washington, the Board can move forward confidently.

Action: There being no further questions, Bruce Leiper made a motion to approve the building plans for the apparatus bay and accept the building cost estimates. Sam Nugent seconded the motions. Four members voted in favor and one against. The motion was carried. So ordered.

B. Review Various Funding Options, Select and Approve Funding Option for Construction of the New Apparatus Bay

Chairman, Ben Pacheco, again thanked all the members of the building finance committee for carefully researching and vetting possible financing options. Members of the BFAC are Bruce Leiper, Greg Waters, Carolyn Flint, Lynne Kastner, Jon Cash, Bob Kastner, Donna Pacheco, and Anne Kruzic

Background: In May 2022, the CCFPD4 board authorized the formation of a committee, called the Building Finance Advisory Committee (BFAC) to explore funding sources and options for the construction of the planned apparatus bay and training facility. The group met 10 times to strategize and identify possible avenues to fund the plan. It reviewed the work of the Building Committee, begun in 2017, pursued donations and grants, and investigated local and state bonds and low interest government loans.

More recently, the BFAC has studied WA OST's LOCAL Program offering for a low interest loan and several bank bids for a Limited Tax General Obligation (LGTO) bond, comparing them while weighing the costs, benefits, and risks of each. Through the end of last week and during its meeting on September 15th, members thoroughly examined offers from Kitsap Bank, Cashmere Valley Bank, and North Cascades Bank, forwarded to the District by D. A. Davidson, and reviewed the Local Program's 10-year offer. The focused discussion covered proposed interest rates, terms, annual payments, set-up fees, annual prepayment options, amortization schedules, the total principal and interest for each, opening and closing dates, existing District finances/reserves, and other particulars.

Discussion: The Board discussed the recommendation of the BFAC which is to move forward with a loan from the LOCAL Program of the Washington State Office of the Treasurer (OST). The recommendation involves taking a 10 year loan for \$700,000. The funds would be available beginning in November 2023. The first payment would be due in June of 2024. The loan will be serviced in two payments per year and the District's total annual payments are estimated to average between \$83,500 and \$88,100. Discussion revolved around whether this would be doable within the District budget. The BFAC looked at pessimistic as well as optimistic scenarios for future District revenues. The committee went with a more conservative approach as District revenue flow can be variable. The sale of Station 41 is also not taken into account as it is not certain when it will sell. If the District wished to pay the balance of the loan off early, it would be possible, but the LOCAL Program does not offer a prepayment option. There would be no benefit as the District would still be required to pay the interest due over the full ten years. The board concluded keeping District money in the bank to earn interest would be prudent.

Action: There being no further discussion, Bruce Leiper moved to select and approve funding through the LOCAL Program as recommended by the BFAC. Lynne Kastner seconded the motion. Motion carried unanimously. So ordered.

VI. Adjourn

Lynne moved and Sam seconded the motion to adjourn the meeting at 6:48 p.m. Motion carried unanimously. So ordered.

The next regular meeting of the Board of Commissioners will be held on Wednesday, September 27, 2023, beginning at 5:30 p.m. at the Joyce Fire Hall, Joyce, Washington.

Respectfully submitted,

Raeann Leiper

District Secretary

