

**MINUTES OF THE FEBRUARY 16, 2016 REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF KING COUNTY FIRE DISTRICT
NO. 2**

A regular meeting of the Board of Commissioners of King County Fire District No. 2 was held at Headquarters Station 28 on February 16, 2016, commencing at 5:00 p.m., pursuant to proper notice. District officials in attendance were: Commissioners Elwell, Hobbick and Sitterley, Chief Marrs and Acting District Secretary Eric Quinn. Others in attendance are as shown on the Attendance Roster, attached.

Call to Order. The meeting was called to order at 5:00 p.m. by Chairman Elwell, who led the Pledge of Allegiance to our flag.

Presentations/Announcements. The following presentations were made:

Jim Nelson of D.A. Davidson and Company made a detailed presentation on refinancing of the 2009 bonds. His presentation is attached to these minutes, so only a few salient points will be included herein. Jim was involved in that bond issue when he worked for Martin Nelson and Company. The bonds are callable in 2019. The interest rates are favorable right now for refinancing, but if the rates were to rise significantly before the issue, his company would halt the process. A bond purchase agreement would be necessary, delegating to the Chief the authority to sign the agreement when rates are the lowest. If the net present value savings exceed 5% then the refinancing is recommended. During the presentation, he said option #3 seemed to present the greatest savings. He emphasized regular review of plans and policies as this is always important to the rating agencies. The board members asked various questions and Jim provided answers. District 2 has the second highest rating grade available to fire districts and was the first Fire District in Washington state to receive a AA+ rating. He discussed the key factors surrounding the district's bond rating. He closed with general information about D.A. Davidson.

Chief Marrs asked about the costs of refinancing. The underwriter's fee is determined by the principal amount of the bond issue. He explained bond counsel fees, rating fees and other costs. He said Foster Pepper is fine for bond counsel. Commissioner Sitterley asked if Option #3 was a refinancing of 100% of the bonds that are capable of being refinanced at this time. Commissioner Elwell commented that option #3 seemed to present the greatest savings over the longest run, and that Option #4 had too many unknowns. Jim Nelson explained that the bonds would be a level-debt amortization schedule, so that as total assessed value increases within the district the debt service amount will

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decrease. Chief Marrs said it would be helpful to know how AV increases affect the levy rate this year and how that "meshes" with the refinancing of debt.

Jim Nelson stated that, if the district entered into a non-binding engagement letter now, he would be willing to do more in-depth calculations of the combined levy rate (the regular property tax levy plus the rate on the refinanced bonds). Thus far, it appears the combined rate was \$1.72 per thousand and the bond portion of that rate is about \$0.32 per thousand. The Board and Chief thanked Jim Nelson very much for his presentation. Commissioner Elwell said he supports refinancing if we can save one million dollars in debt service costs over the long run.

Correspondence. None.

Public Comment. None.

Local 1461 Comments. None.

Administration Reports. Chief Marrs delivered his Chief's Report as follows:

Facilities. Chief Marrs updated the board on Station 28, saying that, on the SQL roof repairs, Bayley Construction is waiting for written authorization from Carlisle on the vapor shield. They appear ready to move forward after Carlisle's approval, that this will not void the Carlisle warranty. The proposed fix would cause an overlap on the overlap and would be a self-healing membrane to repel leaks. On the sewer line problem, Fox Plumbing gave us an estimate of \$2,000 to fix it. There was an offset between the grease trap and the pipe interceptor. The Chief has been very pleased with Fox Plumbing, which states that the fix is not complicated. It should take 1-2 days. The hole will be fixed with a concrete patch. The invoice will be sent to Bayley Construction. Flagpole lighting was discussed as well. The lenses will be replaced one time. The goal is to get the lighting fixtures as water tight as possible. The Phase I assessment on old station 28 has begun. A quote for appraisal is expected soon. We anticipate three proposals from reputable appraisers. A survey of the property may also be needed. Dan Mathews has stated that there will be interested buyers for the property. Commissioner Elwell asked if anyone had contacted the citizens group(s) that had expressed interest years ago in the old station. He felt we should reach out to them to ascertain if they still have interest. The City of Burien is no longer requesting a right of first refusal and is prepared to see what interest exists in the station property.

Equipment. N/A.

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Personnel. Chief Marrs said the Trina Norsen contract is up for consideration tonight. An executive session is slated for later to evaluate her qualifications.

Events. Chief Marrs discussed the fund balances and handed out financial reports. We expect a fund balance of about \$643,990 in March. Before approving March vouchers, a reimbursement from the Construction Fund needs to be considered. The Construction Fund still seems to have over a \$4 million balance. The Board should review district expenditures. That can all be done during the second meeting in March. At that time, expenses for April through October can be reviewed as well. Tonight's vouchers include the Training Consortium costs. There are also accrued leave cashouts for certain employees. Commissioner Hobbick asked about Amy Benner's cashout, and was told by Diane Brooks and Chief Marrs that District 11 will be paying about one-third of that cashout.

Commissioner Hobbick brought up the idea of a joint awards banquet with North Highline. He expressed his opinion that the time might not be quite right and this should be revisited. Chief Marrs said there might be some benefit to a joint banquet. The Chief would like to further discuss the pros and cons of a joint awards banquet.

Consent Agenda. The Consent Agenda, all of which was approved unanimously upon a motion by Commissioner Sitterley, seconded by Commissioner Hobbick, consisted of: (1) The Chief's Report and (2) Approval of regular meeting minutes of February 2, 2016 and (3) Voucher Approval for February as follows: (a) Expense Fund - No. E16-0079 through No. E16-137 in the amount of \$781,150.88 due for payment February 29, 2016 and (b) Construction Fund - No. C16-007 through No. C16-008 in the amount of \$885.75 due for payment February 29, 2016. .

New Business. None.

Good of the Order. Commissioner Sitterley wished Commissioner Hobbick Happy Birthday.

Executive Session: After a five-minute recess, the Board held an executive session that commenced at 6:27 p.m. and ended at 6:46 p.m. The purpose of this session was to evaluate the qualifications of an applicant for public employment, pursuant to RCW 42.30.110 (1) (g).

Unfinished Business. Commissioner Sitterley moved to authorize and sign the employment contract of Trina Norsen. Commissioner Hobbick seconded the motion, and the motion passed 3-0.

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Adjournment. It was moved and seconded to adjourn the meeting. Motion carried, 3-0. At 6:48 p.m., after the Board reviewed and approved vouchers or papers, the meeting was adjourned.

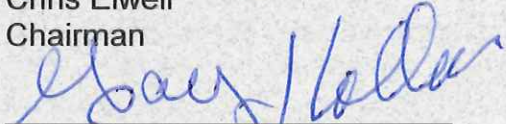
Attachments. Attached to these Minutes are copies of:

1. the Meeting Notice
2. the Meeting Agenda
3. the Attendance Roster
4. D.A. Davidson presentation materials.

Minutes Approved: March 1, 2016.

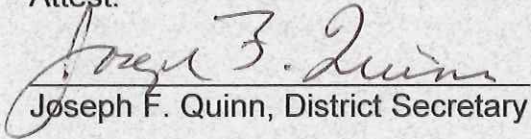


Chris Elwell
Chairman

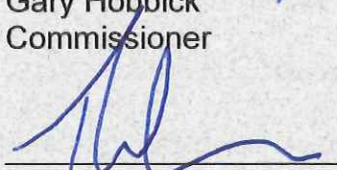


Gary Hobbick
Commissioner

Attest:



Joseph F. Quinn, District Secretary



Ted Sitterley
Commissioner

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