

**MINUTES OF THE MARCH 15, 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 March 15, 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 and announcements were made:

(1) Announcement: King County Fire Commissioners Association General Membership Meeting will be Wednesday, March 16, 2016 at Woodinville Fire Station 31 (Social Hour 6:00 p.m. and Program 7:00 p.m.) The Special Guest Speaker will be Chuck Duffy, Washington State Fire Marshal.

(2) Presentations: Marc Greenough, Esq. of Foster Pepper PLLC presented the refunding bond resolution. Marc said Foster Pepper served as bond counsel on the original bond issue that is being considered for refinancing. Refinancing is possible now because the bonds were issued in 2009 but interest rates are lower now, generally. Although there was a ten-year call on the bonds, the IRS grants a one-time exception to that. The board can delegate to an officer, such as the Fire Chief, the authority to sell the bonds, to increase flexibility regarding timing of the issue. Marc said he set out a one-year limit on the delegation. It would be good to establish a minimum amount of savings, based on present value, within the delegation.

Andrew Face of Martin Nelson and Company spoke next about refinancing. He handed out documents indicating the interest rates. Rates have already risen since February when he last spoke with the Board. Still, the savings in refinancing right now would be 6.13%. But he stressed that rates fluctuate in an unpredictable pattern, hence the delegation to the Fire Chief, to take advantage of rates at the right time. Section 17 of the resolution provided by counsel would delegate authority to Chief Marrs to administer the process in conjunction with bond counsel. Commissioner Sitterley said the Board had not yet discussed what the "floor" should be for the amount. Marc noted also the importance of the rating agencies. Commissioner Sitterley asked what the basis points mean, and noted that the rates have been on the increase for the last four weeks.

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Commissioner Elwell said that while he would like to achieve \$1 million in savings, \$850,000 would be acceptable or reasonable.

Commissioner Sitterley then made a motion, seconded by Commissioner Elwell, that Resolution 2016-02 be adopted with the following addition by motion: "The net present value savings target floor will be \$850,000.00." Motion carried, 3-0. Marc stated it would be all right for the Board to sign the resolution as written, and he will make the correction/addition, sending a conformed copy to the Board. Marc gave some papers to Commissioner Elwell that need to be forwarded to the Secretary of State. He also gave Chairman Elwell a signature page--the personal guaranty--that will be photocopied to the bonds.

Arvin Vander Veen, Senior VP of Investment Sales with Collier's International presented regarding the potential sale of the old Station 28. See handout for his background information. He spoke generally about setting the sale price. He noted that the station has the right zoning and a good location. He estimated the potential sale price both in dollars and by square footage. He stated it would take about 30 days to get everything ready for a listing. The marketing expenses would be borne by Collier's and so if there is no sale they do not get paid. He could not guarantee how long the process of selling might take. However, he did say it might take 90-120 days. He discussed the multiple possible uses for the property. Chief Marris said he met with the appraisers today and that appraisal should be done any time, most likely before the next meeting.

Chief Marris noted that although some parties have approached the District about the old station, it is best to reach out as broadly as possible. No final action is needed on this tonight, he said. Chief Marris said he recently met with Dan Mathews who brought over a distillery company interested in the building. Commissioner Sitterley mentioned the cell phone communications facility at the property.

Correspondence. None.

Public Comment. None.

Local 1461 Comments. None.

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

Facilities. Chief Marris updated the board on Station 28, saying that at the last meeting he was a bit worked up about the leak in his office. He since learned that it was not really a leak; the "water" he observed was actually ant spray, applied by the exterminator. Bayley Construction has done no remedial

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work since last meeting. Mark from Bayley Construction did a walk-through inspection and found even more doors than previously thought that need adjusting. There is also some staining of tiles that need attention, apparently caused by water traveling down the insulation and affecting the copper. Bayley is supposed to have a plumber come out and look at that problem. Commissioner Elwell opined that Johanson Mechanical (who installed the HVAC) would need to come out and look at it, not a plumber. In summary, a few more issues have been found and the old issues have not yet been resolved.

Chief Marrs said the Medic One lease will be about \$1200 per month.

Equipment. Chief Marrs discussed radio batteries. Commissioner Sitterley asked what the useful life should be. A firefighter in attendance said if you get two years' battery life you are fortunate. These are about five years old. There is a motion on the agenda later in the meeting.

Personnel. Chief Marrs announced the retirement of Fire Marshal Bill Harm; his last day of work was today. The open house was a great tribute to his work in the fire service. Chief Marrs will be drafting a notice, advertising the availability of the Fire Marshal position.

Events. A final discussion on bond financing was suggested by Chief Marrs; Commissioner Sitterley said both presenters were very clear that rates fluctuate.

Trina Norsen will make sure the reply will be sent to North Highline Fire on the joint awards banquet idea. No comments in reply have been received.

The Station 28 open house will be July 16th. The staff will start working on that. A quarterly newsletter should be out soon and the web site is looking good.

The joint District 2/North Highline meetings were designed to develop cost savings by joint operational efforts (staffing models). Both districts are seeking methods to save money while increasing service. Not much to report yet.

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 March 1, 2016, and (3) Voucher Approval as follows: (a) Expense Fund - No. E16-138 through No. E16-210 in the amount of \$696,309.34, due for payment March 31, 2016 and (b) Construction Fund - No. C16-009 through No. C16-011 in the amount of \$1,197.37, due for payment March 31, 2016.

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Unfinished Business. 1. Motion: Reimbursement to Expense and Reserve Fund from Bond Proceeds. In accordance with *Resolution No. 2008-02*, Commissioner Sitterley moved, and Commissioner Hobbick seconded, a motion to reimburse the Expense Fund from the Construction Fund (bond proceeds) in the amount of \$398,495.00 and from the Construction Fund (bond proceeds) to the Reserve Fund in the amount of \$2,588,034.00. Resolution 2008-02 allows for such reimbursement. This resolution will not close out the Construction Fund, which will still have \$700,000 left. Motion carried 3-0

Chief Marrs mentioned that he asked bond counsel, Hugh Spitzer, if bond funds could be used to replace old apparatus; counsel said the district could not do that. Chief Marrs said cash carryover would be checked again in October, and by the time vouchers clear (bills are paid) in April, we will have a pretty good idea how first half tax collections have been.

A discussion regarding the use of tablets in the apparatus ensued. Transfer of data from the rigs would be more efficient with tablets. Commissioner Sitterley asked if such tablets would be used with wireless. Renton is using tablets now. King County Medic One uses them too. On April 11th a discussion with vendors will take place. Commissioner Elwell wondered what the cost estimate might be; apparently it might cost between \$18,000 and \$30,000. It would be crucial to review the levy lid lift in August to see what funds might be available.

New Business. 1. Motion: Resolution 2016-02 Refunding Bonds. A motion to approve Resolution No. 2016-02, resolving to refund certain general obligation bonds of the District, was made by Commissioner Sitterley and seconded by Commissioner Elwell earlier in the meeting (see Presentations above). Motion carried, 3-0. A conformed copy of the modified resolution will be supplied by bond counsel Marc Greenough.

2. Motion: Purchase of Portable Radio Batteries. Commissioner Sitterley moved, and Commissioner Hobbick seconded, a motion to purchase 51 portable radio batteries to replace the failing batteries purchased five years ago, for an expenditure not to exceed \$6,000.00. Motion carried, 3-0.

Good of the Order. Commissioner Elwell mentioned tomorrow's King County Fire Commissioners meeting (see above under Announcements). Commissioner Hobbick thanked everyone for the Bill Harm Open House. Chief Marrs said he will meet with the Burien City Manager to discuss actions by the City of Seattle (annexation issues). Commissioner Hobbick stated he hopes Seattle will take "all that they can take" as that will bolster the financial stability of this district.

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Executive Session: The Board recessed into an executive or closed session pursuant to RCW 42.30.140, to discuss the District's position with regard to some sensitive collective bargaining issues, commencing at 6:45 p.m. to last 20 minutes. The Board extended the time by ten minutes and concluded the executive session at 7:15 p.m.

Adjournment. It was moved and seconded to adjourn the meeting. Motion carried, 3-0. At 7:18 p.m., after the Board reviewed and approved vouchers and papers, the meeting was adjourned.

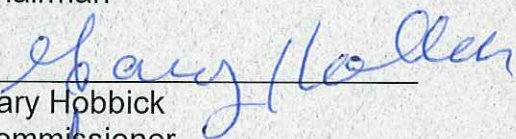
Attachments. Attached to these Minutes are copies of:

1. the Meeting Notice
2. the Meeting Agenda
3. the Attendance Roster
4. King County Fire Commissioners Flyer
5. Resolution 2016-02.
6. Arvin Vander Veen background materials
7. Materials from Andrew Face re: interest rates.

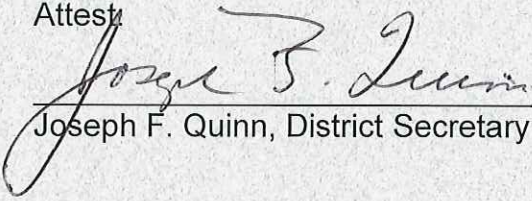
Minutes Approved: 04/05, 2016.



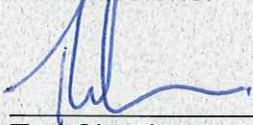
Chris Elwell
Chairman



Gary Hobbick
Commissioner

Attest


Joseph F. Quinn, District Secretary



Ted Sitterley
Commissioner

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