

Spokane County Fire Protection District 8
Minutes of Regular Commissioners Meeting
August 14, 2007
6:00 p.m.

CALL TO ORDER

The regular meeting of the Board of Fire Commissioners was called to order by Board Chair Hesse at 4:33 p.m. Present were: Commissioner Hesse, Commissioner Boling, Commissioner Ferraiuolo, Chief Walkup, Deputy Chief Blystone, Deputy Chief Nielsen, Deputy Chief Rash, Administrative Assistant Carol Trescott, members of the district and the public.

INTRODUCTIONS

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA

Chief Walkup asked to add one item to the Agenda: Executive Report - Item C, 60th Anniversary Celebration. **Motion: Ferraiuolo/Boling to approve the agenda for the meeting as amended.** The motion carried unanimously.

APPROVAL OF CONSENT AGENDA

Motion: Ferraiuolo/Boling to approve the consent agenda. The motion carried unanimously.

UNFINISHED BUSINESS

None

NEW BUSINESS

Items were taken out of order to accommodate participants in Item A. Oath of Office.

B. Draft Capital Replacement Program Presentation – Commissioner Ferraiuolo:

Commissioner Ferraiuolo presented a draft Capital Replacement Plan as developed by Commissioner Ferraiuolo, Chief Walkup and Chief Nielsen. He shared district history encompassing a 275% growth in response volume over the past 18 years, and an increase in the number of residents served from 8,000 to over 23,000 during that time period. He recognized that the district's finances and reserves have been handled well in the past and stated his interest in adding another component in planning for the fire district's future with a CRP.

As a part of the study, the group looked at the capital replacement structure of neighboring fire districts. Items were then placed into four categories: Class A - buildings, land and stations, with a lifespan of 20 – 50 years; Class B - response and staff vehicles, with a lifespan of 15 to 30 years (vehicles under \$100k classified as small apparatus, vehicles \$101k and over classified as large apparatus); Class C - personnel equipment, with a lifespan of 3 to 10 years; and Class D - business equipment, with a lifespan of 3 to 10 years.

Under the draft plan, Class A items would be financed using bond monies; Class B items would be included in the Capital Replacement Plan and/or bond monies; items under \$25,000, which would include all Class C and D items, would be funded through the annual operating budget.

Once an item has been procured, maintenance and upkeep for that item will be budgeted for out of the general or maintenance budget. In all situations, the purchase of Class B and C items would be aligned and matched to the timing of purchases with other local districts in effort to secure best possible pricing. Each time a piece of equipment is purchased it would be added to the master schedule in order to calculate future replacement and salvage value. During the yearly budget planning process, the Capital Replacement Plan master schedule would be updated to access items needing to be replaced or retired. Items may also be deleted or added to suit the future needs of the district.

Total district current estimated sunk costs per station, minus depreciation, are estimated at \$2,453,970. Under the draft plan, SCFD8 would use a replacement guideline based on a balance of years and mileage of each item.

The draft Capital Replacement Plan includes an Asset Schedule (master equipment list) with the district's current apparatus, initial cost, current replacement cost and a schedule of replacement for the next 25 years. In this model, tenders would be replaced at 30 years, rotated to reserve at 20 years; engines would have a 30-year service life, rotated to reserve at 20 years; large brush engines would have a 25 year service life; light duty brush engines would have a service life of 20 years, rotated into reserve at 15 years; staff vehicles service life would be 6 – 8 years, rotated to station support unit status at 4 years (approx 65,000 miles).

The estimated cost per year was outlined on a Costing Expenditure Estimate schedule and graph which outlined the district's need for an unadjusted average per year of \$144,447 or an inflationary adjusted average per year of \$286,430. These funds would be placed in capital replacement reserves for the next 25 years.

Commissioner Ferraiuolo presented three different options which could be used to finance the \$7.1 million required to fund the 25 year capital replacement needs. Option A would use a combination of bond, operational, and unallocated monies; Option B would use bond and unallocated monies; and Option C would use unallocated monies and operating budget (potential lease option).

Commissioner Ferraiuolo said the purpose of a Capital Replacement Plan is to begin a process today so as not to find the district in future financial crisis. He has also listened to concerns from district members regarding apparatus rotation and the need for equipment to be available for volunteers.

Chief Walkup said another policy question for the board is on the appropriate number of apparatus required to fill the district's needs. The district currently maintains several apparatus solely for the use of volunteer members and that has a capital cost associated with it.

Commissioner Hesse gave positive comments regarding the draft presentation and suggested a staff meeting in the near future to discuss how the Capital Replacement Plan will align with the Strategic Plan and with and future levy lid lifts.

Commissioner Boling voiced his appreciation for the work that was put into the draft proposal. He added there may be a portion of the community who is not in favor of the district having a savings account and would prefer to be asked for funding as need arises.

Commissioner Hesse said the district should to be cautious since it has failed 3 operational levies in the past and needs to be aware of asking the community for more than is needed. He felt if the public were to receive thorough and correct information which they can understand they are more likely to support a request.

A. Oath of Office – Cress and Moe: Chief Walkup introduced Kris Cress and Jeff Moe who joined the district as full-time firefighters on August 1st. Chief Walkup administered the Oath of Office to both Cress and Moe, followed by a badge pinning by Deputy Chief Nielsen.

C. District Insurance – Chief Walkup reminded the board the district’s insurance is due for renewal September 1st. He is currently awaiting quotations and price information for evaluation. The chief said if the district were to change insurance vendors he would inform the board which firm was selected and the rationale for the selection.

EXECUTIVE REPORT

A. County Ambulance Agreement: No update.

B. High Fire Staffing: Chief Walkup told the board that an additional unit is being staffed during this high fire harvest season. The district has received a very favorable response from the farming community for the extra coverage.

C. 60th Anniversary Celebration – Commissioner Hesse was please with the 60th Anniversary event and the turnout from the community and thanked everyone involved with the planning and execution of the celebration.

Commissioner Ferraiuolo added a thank you to AMR and MedStar for their participation. He enjoyed visiting families who attended and thanked all those who contributed to the event’s success.

Commissioner Boling said he was very impressed with the work that has been done at Station 85 and the recent organization and maintenance of that facility. He commended Dan Manheimer and Shawn Garrett for their personal interaction with the children and for the membership who helped with tours and answered questions during the open house.

Commissioner Hesse added that the same is true for all four stations and felt the facilities and grounds were in excellent condition.

Commissioner Ferraiuolo was impressed with the professionalism and the focus of the district’s firefighters as they received a call at the conclusion of the open house at 84s, He felt it was a very appropriate ending to the morning activities.

Chief Walkup noted the comments and positive feedback he received from the community who expressed their appreciation to District 8’s membership for the services they provide.

CORRESPONDENCE

1) Lani Powell thank you letter 2) Bobby Williams thank you e-mail 3) Bette Harder letter to Spokane Valley 4) City of Kennewick thank you 5) Valley Herald article 6) Valley Voice opinion 7) Tacoma News Tribune article 8) McAllister family thank you

PUBLIC COMMENTS

Karen Miltenberger of Nicholson & Associates, the district's insurance agent, presented Chief Walkup with a proposal for insurance coverage for 2007-2008. Her agency is offering a third term on the district's current policy and Ms. Miltenberger said they have maintained their promise to keep the rates the same as they were in the first year of the policy. During the past three years they have paid out approximately \$24,000 in claims on behalf of District 8. Ms. Miltenberger said Nicholson and Associates is an independent agency and appreciates the district's business.

EXECUTIVE SESSION

None

ANNOUNCEMENTS

- BVFF meeting immediately following the BoFC meeting
- The next regular meeting of the Board of Fire Commissioners is scheduled for Wednesday, September 19, 2007, 6:00 pm at Station 82

ADJOURNMENT

With no further business, Commissioner Hesse adjourned the meeting at 5:27 pm.

Gregory A. Hesse, Chair
Fire District 8 Commissioner

ATTEST:

William A. Walkup
District Secretary