

SNOHOMISH COUNTY FIRE PROTECTION DISTRICT #17

BOARD OF COMMISSIONERS

STATION 87 HQ PLANNING SESSION

May 27th, 2015

The Meeting was called to order at 6:15p.m.

Board members in attendance were: Kevin Hayes, John Gillett, and Ron Stephenson.

Staff members in attendance were: Fire Chief Jim Haverfield, Captain Bill Dane, and Administrative Assistant Jennye Cooper.

Visitors in Attendance: Jim Nelson with DA Davidson

Jim Nelson with DA Davidson arrived at 6:15 and presented a PowerPoint presentation on the bond voting process.

Jim Nelson and the committee discussed the following:

- Types of bonds available: voted vs. non-voted by taxpayers. Voted bonds require taxpayers to approve by 60%. Non-voted bonds provide a lower debt capacity, where voted bonds have a higher debt capacity to cover most of the costs associated with a new station.
- Debt capacity was reviewed based on the current level of \$7,400,000. Jim Nelson discussed the possibility of going with a 2-phase bond option. He stated you would only have to go to the voters once, but use the bonds to build in two phases. The bond would have to be spent in 36 months and the board could make a reimbursement resolution.

Chief Haverfield went over current estimates at \$8.4-\$9.2 million to build a new station, which is over current debt capacity. There is a good possibility the assessed value will go up in 2016, which could potentially raise the debt capacity to be around the \$8,000,000. However, the current plans for the new station need to be reviewed to determine essential needs.

Jim Nelson reviewed the bond costs in the current station estimate of \$353,000, which he suggested that this number could be reduced significantly, lowering the overall expenses.

- There was discussion on how to raise the overall bond rating grade. The current estimated conservative rate is A. Jim Nelson stated improving the grade does improve the interest rate.
- Jim shared and discussed his levy rate model based off different bond sizes. Each bond is calculated at a term of 20 years with 0% increase in assessed value growth. Using \$8,400,000 model, the potential for a homeowner could be around \$9.94 a month. These numbers are estimates and could improve with assessed value and assumed growth in population.

There was further discussion about how the monthly and annual increases could be affected based off economic conditions. If there's an increase in homeowners (taxpayers) and assessed value, this can lower the levy rate for homeowners overall, which lowers the monthly/annual payment.

- Jim Nelson went over an example timeline to lead up to an election based off a November election.

Chief Haverfield asked about the possibility of running a bond election in either February or April as this might be a more ideal timeline.

Jim Nelson explained that February and April are usually months where the schools renew or run a bond. August and November are the two most ideal months to run a bond for a fire station.

Following Jim Nelson's presentation there was discussion among the committee and Jim Nelson about possible scenarios.

Plans to sell off current station and use revenue generated from current Station 87 to contribute towards costs of new station.

Reduce costs with plans of current station—eliminating the fuel fill station and possibly phasing in a training tower.

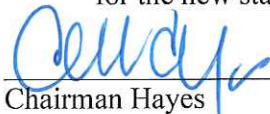
The District could use revenues from the Capital Facilities Account to cover excess costs. However, reducing costs would be favored.

Jim Nelson questioned whether or not the plans for current building allow to be built in phases. Commissioner John Gillett stated the current plans do not allow for this type of construction.

Jim Nelson questioned if there's a possibility to partner with any other municipalities. Chief Haverfield suggested that Marysville Fire and Police went with this model, but the current station plans do not allow for this model. The foot print would have to be increased which would increase costs.

Next steps were planned to move forward with:

1. Work on creating financial policies within next few months.
2. Contact the auditor's office to schedule an audit for next June 2016 that includes a review of financial statements. Current audit schedule is every 3 years and focuses on policy audit only.
3. Focus on the needs with construction, reduce costs, and discuss essential needs and plans for the new station.


Chairman Hayes

Commissioner Gillett


Commissioner Stephenson