

Whatcom County Fire District #5

Point Roberts Fire Department

2030 Benson Road, Suite A

Point Roberts, Washington, 98281

Regular Meeting of the Board of Commissioners

June 14th, 2023

MINUTES

In Attendance:

Commissioner Virginia Lester
Commissioner Norm Katz
Commissioner Pat Harper
Chief Christopher Carleton
Financial Manager Patty Markel
District Secretary Linda Hughes

Guests:

Pat Grubb - APB
Rhonda
Bill Zidel
Sara Oggel

A. CALL TO ORDER

The meeting was called to order at 4:04 p.m. by Commissioner Lester.

B. PUBLIC COMMENT

None at this time.

C. BOARD ACTION

C.1. Approval of the Minutes of the Regular Meeting of May 10th, 2023

MOTION: Commissioner Katz moved to approve the Minutes of the May 10th regular meeting as presented. The motion was seconded by Commissioner Harper. **Motion passed 3 – 0**

C.2. Approval of the Minutes of Special Meetings: May 17th, May 22nd, and June 6th, 2023

MOTION: Commissioner Katz moved to approve the Minutes from Special meetings held on May 17th, May 22nd and June 6th as presented. The motion was seconded by Commissioner Harper.

Motion passed 3 – 0

D. FINANCIAL MANAGER'S REPORT

D.1 Financial Report

Financial Manager Markel presented the financial report as submitted.

D.2 Cancellation of Warrant

Financial Manager Markel reported that Warrant #1167140, dated April 25, 2023, made payable to The Potty Wagon was reportedly lost in the mail, and at this time remains uncashed. She seeks a Motion to approve the cancellation of the warrant in the amount of \$705.90. A replacement warrant is included in this month vouchers, awaiting approval of the Commissioners.

MOTION: Commissioner Harper moved to approve the cancellation of Warrant #1167140, dated April 25, 2023, made payable to The Potty Wagon, in the amount of \$705.90. The motion was seconded by Commissioner Katz. **Motion passed 3 – 0**

D.3. Approval of Fire District Vouchers

MOTION: Commissioner Harper moved to approve the Vouchers in the amount of \$34,535.75 for payment. The motion was seconded by Commissioner Katz. **Motion passed 3 – 0**

D.3 Approval of Fire District Payroll

MOTION: Commissioner Harper moved that payroll in the amount of \$20,912.46 be approved for payment. The motion was seconded by Commissioner Katz. **Motion passed 3 – 0**

Chief Carleton reviewed the expenses in excess of \$1,000.

D.4 Budget Update

Financial Manager Markel's financial report indicates that 65.60% of the budget remained at the end of May compared with the May 2022 amount remaining in the budget of 64.80%.

E. CORRESPONDENCE

Chief Carleton advised that there have been a few deaths in Point Roberts over the past month, and correspondence received have been thank-you notes related to the attendance of the District at those incidents.

F. CHIEF'S REPORT

Chief Carleton's Chief Officer Report was presented and submitted.

Chief reports that there has been a lot of concern about potential wildfires, as this June has seen very little rain. He noted that the small amount of rain that fell this week was not enough to lift the burn ban, which remains in effect for all fires except recreational fires, which must be contained in a built-in pit and fully extinguished before being left unattended, or if winds exceed 6 mph. He also noted that fires may never be a nuisance to others, and strongly discourages anyone from engaging in conflict with someone over a nuisance fire. He recommends calling 911, or if using a cell phone, dial 360-676-6911 to reach the appropriate dispatch operator.

Chief reported that there is a strong membership at this time and he expects that a number of current volunteers will career out fairly soon. They are a talented pool of candidates and will be highly sought after for full-time employment elsewhere. Chief will continue to hire new candidates as needed, and reminds everyone that all candidates must already have their FF1 and FF2 classifications to be eligible to become a member of this District.

G. UNFINISHED BUSINESS

Chief reviewed the ongoing discussions being held in several Special Meetings held over the past month regarding the potential for a levy lid lift or a bond to fund the District's capital and operating needs as outlined in the Capital Facilities Plan that was approved by the Commissioners at the last regular meeting.

Chief now feels after these latest discussions that the District would be better served by seeking a levy lid lift only, and delay any discussion of a bond for a few years. He asked the Commissioners whether they agree to move forward with the focus on choosing an appropriate levy to meet the financial needs of the District. Commissioner Lester referred to the others and noted that they all agreed.

Chief noted that the meeting videos of the recent Special Meetings will soon be posted to the District website, so the public can view them to come up to speed on the discussions to date.

Commissioner Lester asked if the Chief has been receiving many questions about this issue, outside those from attendees at the meetings. Chief replied that he had not received a lot of questions outside the special meetings, but is very happy to meet with anyone who may have questions to go over the financial needs of the District, and the various options available for future funding.

Chief then posted a chart detailing the property tax revenues to the District for the years 2014 to 2023. He wanted to review what he felt was a great question from the last Special Meeting, wherein the property owner has assumed that with the significant increase in property values in

Point Roberts last year, that the Fire District revenue was equally significantly increased. Chief feels that this question probably represents a common misperception among property owners in Point Roberts. He was glad for the opportunity to review this particular chart, indicating that when the total property value of Point Roberts was \$587,682,903 in 2014, the mill rate (taxes attributable to the fire district) was \$0.91 per \$1,000, which equated to \$535,362 in revenue to the District. In 2023, when the total property value had increased to \$935,096,921, the mill rate is \$0.69, equating to \$648,450 revenue to the District. From this description, it is clearer that the District's revenue does not increase at the same rate that the property values do. Since 2010, when the levy was last set by approval of Point Roberts voters, the District has only been able to increase revenue each year by the 1% legislated cap. Chief then reviewed the "1%" reference to the allowable increase in revenue each year, as it has never actually reached a full 1%.

When the public were asked if there were any questions, Pat Grubb of the All Point Bulletin noted that he had been looking into other taxing districts in Point Roberts and had spoken with Kathy Zeeger at the Auditor's office, who advised that the only thing that affects tax district revenue is (1) whether they take the 1%; (2) whether they do not take the 1%; or (3) whether the district has banked capacity.

Chief replied that the fire district did have banked capacity at one time a few years ago, but when the erosion of levy income was noticed, the Commissioners chose to take the banked capacity, and have taken the 1% increase annually since that time. Chief confirmed that the District does not have any banked capacity remaining at this time.

Pat Grubb asked about the process of the approval of the 1% and Chief responded that the County provides the district with the actual figures representing the amount referred to as the 1% allowable each year, and the Fire District Commissioners choose whether to approve taking the 1% increase in tax revenue each year, along with their review and approval of the annual budget.

Pat Grubb noted that the local Park District income increased steadily over a period of a few years and then it dropped back to a previous year's level, and he wondered if that was the result of an expired growth levy, similar to that being considered in these discussions. Chief was not aware of the Park District revenue history, but Bill Zidel, a Park Board Commissioner spoke up to say that the Park District is currently in the process of investigating that revenue anomaly that occurred in 2020.

Financial Manager Markel confirmed that the County provides the District with the calculations of the 1% increase in revenue, which the Commissioners then vote to approve, which is followed by a Resolution filed with the County to accept the 1% increase in tax revenue.

Chief then steered the conversation back to the property valuation / levy mill rate relationship, saying that even if property values should go down by \$200 million in a year, the fire district is still guaranteed it's previous year's income plus the capped 1% increase. In the case of that scenario, the mill rate would then go up per \$1,000 to fund that guaranteed income.

Chief then showed his chart of property values and their specific costs for the various levy rates. For instance, a \$300,000 home currently pays \$208 per year for emergency services. If the rate were to increase by:

\$0.20 the new amount that same home would pay would be \$268.03;

\$0.30 " " \$298.03;

\$0.40	"	"	\$328.03;
\$0.45	"	"	\$343.03 (approx. \$140.00 increase);
\$0.50	"	"	\$358.03;
\$0.55	"	"	\$373.03;
\$0.60	"	"	\$388.03.

Chief noted that we can never predict whether property values will go up or down but based on the current property value of Point Roberts of \$935,096,921, a:

\$0.20 levy increase will result in new income of \$187,019,	for a total of	\$835,469;
\$0.30	"	\$280,529 " " \$928,979;
\$0.40	"	\$374,039 " " \$1,022,488;
\$0.45	"	\$420,793 " " \$1,069,243;
\$0.50	"	\$467,548 " " \$1,115,998;
\$0.55	"	\$514,303 " " \$1,162,753;
\$0.60	"	\$561,058 " " \$1,209,508.

Chief noted that it is important to remember that the District expects to incur over \$4 million in capital needs over the next 13 years. He feels that the District should plan to put away \$300,000 per year into the reserve account to start saving for expenditures needed in the future, and to use some of the current capital reserves to meet imperative capital needs right away. He noted that we need a plan that will sustain the District's financial future, adding that a middle of the road levy rate increase of \$0.45 would result in \$420,793.61, allowing the District to put \$300,000 into reserve and utilize the additional income for operating costs and services.

Chief reviewed the overall idea behind a growth levy rate, using an example of starting with a \$0.30 levy in 2024 and increasing it each year until the goal of reaching the equivalent of a \$0.45 levy increase is met. He noted that would take a few years longer to meet the capital needs of the District than having the \$0.45 levy increase in 2024.

Chief noted that he has been asked about various grants that are available to apply for. Chief noted that he regularly applies for a wide variety of grants and feels the district is blessed when it is awarded one, but noted that it is imprudent to rely on them as income. Chief has accounted for the capital needs of the District, and has applied for some grants specific to some of those needs, such as the \$300,000 grant applied for the new radios the District needs, and another \$300,000 grant for a new ambulance vehicle. He noted that if any grants are awarded on items that have been budgeted for in the Capital Facilities Plan, those funds go right into reserves for the next capital needs on the list. He continued to say that the current ambulance vehicle is very outdated and really needs to be replaced.

Commissioner Lester asked what are the next steps? Chief replied that we need to consider our first priority needs, set goals, and decide what level of funding we need to achieve those goals, keeping in mind that we may have to make changes to our Capital Facilities Plan, especially if we

do not receive some of the anticipated grants. Chief said it was his feeling that the District needs a \$0.45 levy, but questioned whether we should ask the voters for it now, or give them a short-term reprieve with a request for a growth levy at a lower rate in 2024, which would then increase each year for a period of time, to a maximum allowable of six years. He noted that we have so many goals; building improvements, privacy rooms, vehicle bays, sprinkler system, HVAC; and also Clinic needs, which need are our responsibility as the landlords.

Commissioner Lester said that it seems we need to decide how we want to get the levy before we decide on the amount. Chief replied that either way works, we could also set a goal and work backwards with the calculations to identify amounts needed.

Commissioner Lester noted that discussion between Commissioners of these issues is not allowed outside these meetings, and so she wanted to hear the thoughts of the other Commissioners at this time.

Commissioner Katz responded that there is a lot of information before them for consideration, but it is his feeling that simpler is better for everyone, rather than the staggered approach of a growth levy. Commissioner Lester asked if Commissioner Katz had any sense of the amount he deemed reasonable at the time. Commissioner Katz replied that he had not yet settled on an amount.

Chief noted that the levy lid lift in 2010 was for \$0.40, but those were different times. He reminded the Commissioners that it would be a good goal to aim for an amount that would allow the District to put \$300,000 into reserves each year.

Commissioner Katz replied that the bills are daunting, noting that so many items have increased in costs, such as outfitting a firefighter. Chief noted that was true, indicating that it costs about \$6,000 to outfit a firefighter in bunker gear, plus the necessary airpack which is another \$6,000.

Commissioner Katz commented that we need to keep our firefighters safe and properly outfitted, as well as maintain our ability to attract firefighters to our District, even if just for training as the District has such a long-standing reputation for safety and excellent training. Chief agreed, saying that our reputation for safety and excellent training is part of what we offer, and we definitely need to keep each of the members safely outfitted. He noted that a recent grant allowed the District to purchase 6 new sets of bunker gear, but noted that it is very expensive and takes four months for delivery after ordering.

Commissioner Katz asked about the need for a new fire engine. Chief replied that we are at least two years away from being able to order a new fire engine, and noted that it would need to be custom made for us, and would also take a very long time from ordering to delivery, possibly a couple of years.

Commissioner Katz asked about other truck gear maintenance and hoses. Chief replied that every year our hoses must be tested and said that the big hose used for fires costs \$1,000 per foot. He noted the District currently has about 2,700 feet of hose, which is needed, for instance, when there is a need to reach the end of one of the docks at the Marina. He also reported that every year some of the hose gets decommissioned because it doesn't meet the pressure test standards or it has developed leaks. He also mentioned that the District has responded to four structure fires so far this year, and sometimes the nearest hydrant is some distance away from the incident and proper hose is crucial to the response.

Commissioner Katz commented that he wasn't sure that everyone in Point Roberts understands the unique challenges of this District. Chief agreed, adding that without mutual aid agreements as

are standard in other communities, we are on our own for at least an hour and a half until outside help can reach us in case of an emergency larger than our capabilities.

Commissioner Harper said that he believes we should be moderately aggressive in our request for a levy lid lift, with so many increasing costs and capital needs facing the District now and in the near future. Chief replied that the District does have a big financial burden ahead and also feels it would be prudent to be moderately aggressive now to start hitting those goals and putting money in reserve.

Chief again reviewed the risks of a bond issuance, the costs associated with them, and the Commissioners all agreed that they have decided to focus on an appropriate levy at this time.

Commissioner Katz said that he would like to stick with the levy route as it has proven to provide the necessary revenue for current operations and feels that since the District is the first line of response in a wide variety of emergencies, the levy should be larger than current needs to account for the need to be flexible, and to keep ahead of growing costs.

Commissioner Lester asked if Chief wanted a statement from them today, and he replied that he did not, if the Commissioners weren't ready.

Commissioner Lester noted that the public is going to have their own ideas of how things should be done, just as each of us commissioners do. She feels it is important to make a long term decision.

Commissioner Katz shared that he really hopes the public reads and understands the various charts the Chief has prepared. He said that it was eye-opening to hear Ms. Butts' question on increased property values and her misperception that the District must have received a significant increase in revenue as a result, and as Commissioner he believes every effort must be made to correct such misperceptions.

Commissioner Lester agreed and said that accurate messaging will become very important once we come to a decision on how to proceed.

Chief noted that the Volunteer Firefighter Association would be very helpful in that regard, handing out flyers, etc., actions that are not permitted by the District or the Commissioners as part of an election cycle, other than these public meetings to openly discuss the issues and potential resolutions of issues. Chief will work with the Volunteers to make sure the messaging is accurate.

Pat Grubb asked if the matter of which apparatus to buy, and when, hadn't been settled when the Commissioners voted to approve the Capital Facilities Plan? Chief replied yes, that is the objective of a Capital Facilities Plan, but noted that the District must remain flexible as needs arise.

Chief reminded the Commissioners that he would be happy to meet with any of them individually if they had questions or concerns, and also mentioned that there is still plenty of time to have a few more Special Meetings to have these discussions all together.

Commissioner Lester commented that she understood that Chief would like the board to consider a levy lid lift of no less than \$0.45. With that in mind, she noted that the next steps should be to determine whether that goal is to be reached in the short-term or whether a growth factor levy should be considered.

Chief reviewed the financial outcomes of a \$0.45 levy lid lift now, and also the growth factor levy.

Commissioner Harper asked for confirmation that a growth factor levy has a 6-year term limit. Chief replied in the affirmative, and added that 6-years is the maximum, so the option to choose a shorter term limit was within the power of the Commissioners to choose if they so desired. Further discussion of financial end result goals ensued.

Commissioner Lester said that now the the board has agreed to focus on a \$0.45 levy lid lift, she wanted the decision on how best to achieve that goal to be a priority of the next meeting.

Pat Grubb commented that he wanted to hear what the life expectancy of the items and apparatus within the Capital Facilities Plan were, because he had calculated that with a \$0.45 levy lid lift, by the end of 2036 the District will have received tax funding of \$4.5 million more than is outlined in the Capital Facilities Plan, excluding infrastructure costs that are not yet included in the CFP.

Chief thanked Mr Grubb for that question and said that he would review the calculations with Financial Manager Markel and legal counsel for the District. He added that he understood Mr. Grubb's concern and noted that any excess tax revenue would be held in reserve for the future needs of the District, those known and those as yet unforeseen. Chief then reviewed some of the anticipated costs that are not outlined in the CFP, such as the building improvements, and the usual life expectancy of various apparatus and vehicles.

Chief noted that the next regular meeting of the Commissioners is scheduled for July 14th, but noted that he would be sending email around to everyone to determine availability for a few more special meetings on this topic.

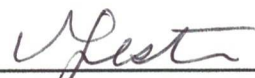
H. NEW BUSINESS

None.

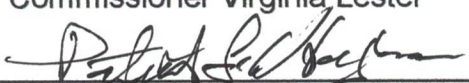
I. ADJOURNMENT

As there was no further business, Commissioner Harper moved to adjourn the meeting at 6:36 pm. Commissioner Katz seconded the motion. **Motion passed 3 – 0.**

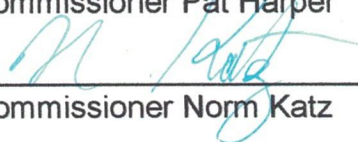
The next Regular Meeting of the Board of Commissioners will be July 14th, 2023, at 4:00 pm.



 Commissioner Virginia Lester




 Commissioner Pat Harper



 Commissioner Norm Katz

Dated July 12, 2023

Attest: 
 Recording Secretary Linda Hughes