



Clallam County Fire District 3

Motto: Service Driven Through Excellence and Innovation

BOARD OF COMMISSIONERS - SPECIAL MEETING MINUTES

April 30, 2024

Chair Jeffrey Nicholas called the Board of Commissioners Special meeting for Clallam County Fire District 3 to order at 11:00 a.m. in person at 255 Carlsborg Road in Sequim and via the Zoom App. Present were: Commissioners Jeffrey C. Nicholas, Mike Mingee and Bill Miano, Chief Justin Grider, Deputy Chief Tony Hudson, District Secretary Lori Coleman, Finance Manager Misty Shaw, Citizen Mel Fisher and on zoom Admin Assistant Caity Karapostoles, Mechanic Steve Phillips, and Captain on zoom.

REGULAR BUSINESS

Agenda Bill 1: Long-Term Budget Forecasting – Finance Manager (FM) Misty Shaw presented long-term financial forecasts for the District. The group discussed the necessary funds the District must maintain to ensure cash flow throughout the year and prepare for unexpected funding shortages. The District's main revenue source is property tax, collected by the County, which acts as the District's treasurer. Most of this revenue is transferred to the District's account in April and November. Since the distribution of these funds depends on timely property tax payments, the District relies on its citizens to pay their taxes on time to ensure revenue income is received when expected. Because revenue is primarily collected only two months out of the year, the District has reserve policies that outline how much cash should be set aside to cover expenditures during the year. Additional contingency funds are set aside for emergencies or if there are delays in tax revenue income. The group also discussed the current apparatus replacement plan, the need to allocate funding to support the apparatus replacement fund, and the need for a facilities replacement plan. The District previously authorized the purchase of three new engines, which will cost roughly three million dollars. The District has paid for half of the cost already, and the Finance Manager recommends using the available cash funds to pay the remaining balance to avoid interest charges associated with a loan. Commissioners directed staff to move forward with financing the remainder of the fire engines to allow for other uses of the current cash available. The group also discussed the projected build project of a new station. Chief Grider and FM Shaw recommended that the Commissioners consider running a Voted Bond Levy to cover the cost of the station project. Additionally, the District needs to seek voter approval for another Levy Lid Lift to cover ongoing expenses and keep up with inflation costs. Due to Washington State Legislature restrictions, revenue increases are capped at 1% annually plus collection on new construction, which rarely keeps pace with the Consumer Price Index increases. If the Levy Lid Lift does not pass, the District may not be able to cover all anticipated expenditures in the foreseeable future without significant budget restrictions. Commissioner Mingee was unsupportive of running a Voted Bond Levy, citing difficulties in passing such measures due to the super majority of votes required. The Commissioners expressed comfort with using current general funds and future collected general property taxes to construct the new station, extending out apparatus purchases, and proceeding with running a Levy Lid Lift in 2025 to support ongoing expenses. FM Shaw stated that securing non-voted debt to build a fire station to be paid with general levy funds was risky because future voted lid lift levies would be needed to continue to pay debt services payments. Commissioners acknowledged that they are not risk averse. **INFORMATION ONLY, NO ACTION REQUESTED.**

GOOD OF THE ORDER –

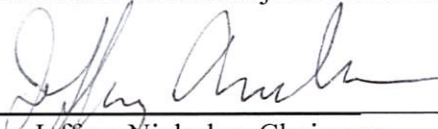
- None

EXECUTIVE SESSION

- None

ADJOURNMENT

Chairman Nicholas adjourned the meeting at 12:59 p.m.



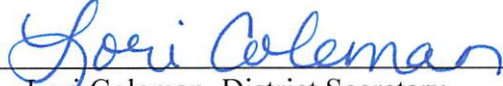
Jeffrey Nicholas, Chairman



Michael Mingee, Vice Chairman



Bill Miano, Commissioner

Attest: 

Lori Coleman, District Secretary