

ISLAND COUNTY FIRE DISTRICT #1
Camano Island Fire & Rescue (CIFR)
SPECIAL COMMISSIONERS BUDGET RETREAT MEETING
Administration Office
August 27, 2020

Chairman Williams called the regular Commissioners meeting to order at 1:20 p.m. Those in attendance were: Paul Williams, Steve Lich, Erik Krieg, Jerry Evans, Levon Yengoyan, Craig Helgeland, Linda Layton and Darla Tiner. Commissioner Trembl attended via Zoom. She left the meeting at 2:12 p.m. due to personal business.

The flag salute was led by Chairman Williams.

Current Financial Model – Chief Yengoyan presented charts that show the District’s current financial status and 10 year financial plan. Long range plans have not changed:

- Apparatus Replacement Plan – Plan schedule in packets:
 - Options for funding plan include:
 - Set aside more money to keep up with apparatus needs.
 - Debt Financing
 - Bonds
 - Current plan is to finance next Engine instead of paying cash, rates are low. Could look at a bond later for the 2nd Engine and a Tender.
 - Discussion held regarding a Tender vs. a Tender/Engine:
 - Tender/Engines are usually very large and may pose access issues.
 - Tender/Engines could, potentially, adversely affect the Island’s insurance rating.
 - Chief will be evaluating operations and selecting the apparatus structure that is best for our Island.
- Capital Replacement Plan – Plan schedule in packets:
 - SnoCom radios are budgeted to be replaced next year.
- Capital Facilities Plan – A/C Helgeland – Plan schedule in packets:
 - Some item due dates in the Plan can be moved around/pushed out based on budget and needs.
 - Plan includes funds for maintenance repairs for Sta. 1-5.
 - Commissioner Krieg commented that the District seems more reactive than proactive with the Facilities Plan. Chief stated that we have a separate maintenance budget line for repairs, but could look more into facility servicing timelines of things.

Finance Contingency Plan –

- Historic Revenue Review – Reports in packets:
 - Levy History – Showed effects of 2008 recession did not show up until 2011, but only went down 1.63% of total tax revenue. New construction was low, but currently is high. This, and transport fees, is a significant piece of our budget.
 - Transport History – Has been fairly consistent over the last several years.
 - Tax History – Has been consistent. For 2020, 55% of the taxes have been collected, which is right on track.
- Budget Alternatives:
 - Concern expressed regarding how the economy of 2021 will look due to the Pandemic and when a vaccine may be released. If mid-2021 does not look good, there is room in the budget to move things around.
 - Could debt finance apparatus
 - Could go out for public funded bonds

2021 Budget Priorities –

- Sta. 5 Property:
 - District is still interested in the timber property as the new site for Sta. 1-5 but feels we should wait on moving forward with the purchase at this time because of the current state of the economy. The Seller is not in a hurry to sell the property, but will ask that they give the District a heads up if they change their mind.
 - Concern expressed if Seller passes away. Question of when the District may move forward on the new property.
 - The Chair stated that the District needs to see what is happening by 3rd quarter of 2021 – after no more stimulus packages, and the economy calms down.
 - In the meantime, need to maintain the current Station facility until we can move forward.

- Reserve Fund Balance:
 - Reserves are 15% of our budget, \$1.2 million, about six weeks' worth of operating costs.
 - Chief feels the District looks good as it is right now.
 - Discussion held on whether to keep the Reserves at 15%, or increase it to 20%.
 - The 15% is based on passing the EMS Levy.
 - A 20% Reserve would cover a failed Levy; but the District does have other funds that could be used if this were to happen.
 - It was the consensus of the Board to maintain the District's Reserve Fund Balance at 15% of the budget.

Other Plans for 2021:

- Future Levy Plans:
 - 2022 – EMS Levy
 - 2025 – Fire Levy
 - 2029 – EMS Levy

- Chief stated steps the District can take in case of financial issues, a “What If” situation, in order of action :
 - Cuts to the Expense Fund
 - Reallocate the GEMT Revenue to the Expense Fund
 - Utilize the Reserves in the Capital and Capital Facilities Funds
 - Renegotiate Contractual Salaries
 - Reduction in Force – This could potentially happen via buy-outs rather than layoffs as a budget alternative –Unlikely this will be needed and would be the last option.

Commissioner Krieg asked if the GEMT funds are dependable. Chief believes so. But we do have other financial options if it is not, down the road.

Discussion regarding a document that would show the District's plans for various “What If” scenarios. Chief stated that, because of so many variables, it would be difficult to do this.

- Commissioner Lich stated that the District should pay off our current 8-year Bond before asking for a new Bond.
- In asking for a new Bond, we need to offer something Island—wide to get buy-in for the Bond. Chief said that a new Bond would also be used to improve the other Stations.
- Addition of Educational incentives for non-representative staff, and this will be included in the Personnel Handbook.
- MPD Salary – Compare with other salaries in the area.
- Will ask Wave Broadband for a plan, for Governmental agencies, to have fiber placed to all Stations except Sta 1-5.
- Will still build our own Training Prop, even though NCRFA is building one of their own. Will be good to have our own onsite.

Chief Yengoyan feels the District is doing well financially, with not a lot of big changes coming, only some minor adjustments.

There being no further business, Commissioner Krieg moved to adjourn the meeting at 3:05 p.m.

Respectfully submitted,

Darla Tiner
Board Secretary