SOUTH KING FIRE & RESCUE

SPECIAL COMMISSIONERS MEETING
Benefit Charge Workshop
Station 68
March 31, 2010

Commissioner Gates called the meeting to order at 1600 hours with Commissioners Thompson, Fossos, Rickert and Freitas present. Board Secretary Lauri Perry recording.

Pledge of Allegiance was led by Joe Quinn.

COMMISSIONER COMMENTS
Commissioner Freitas reserved his comments for the body of the meeting.

Commissioner Rickert had no comments.

Commissioner Thompson had no comments.

Commissioner Fossos had no comments.

Commissioner Gates had no comments.

PUBLIC COMMENTS
There were no public comments.

WORKSHOP TO DISCUSS THE PROPOSED BENEFIT CHARGE
Commissioner Gates thanked everyone for attending the meeting and he noted that this is a Special Meeting – Workshop to discuss Proposition 1 and he turned the meeting over to Chief Church.

Chief Church thanked everyone for attending the meeting and he introduced and welcomed Legal Counsel Joe Quinn and the Benefit Charge Expert Neil Blindheim to the meeting. Chief Church added that they are both here today to answer any and all of your questions in regards to the Benefit Charge.

Chief Church added that this meeting will be a working dinner meeting, so please help yourself to some dinner.

Commissioner Gates reported that he, Commissioner Rickert and about 30 other department members were here earlier today attending a Strategic Leadership Planning meeting and the first thing on the agenda was for Chief Church to spend about 15 minutes updating the group on our revenue source options, and about an hour later he was finishing up the discussion. There was also a Motion made at the SLP meeting. Lauri Perry read the Motion into record. Lt. Barrett made a Motion to recommend the Commissioners support moving ahead with the Benefit Charge election in 2010 as our new revenue source. Chief Church made a friendly amendment to support the Benefit Charge election as a means to help maintain our Class 2 Insurance rating and our emergency response times. Motion and amendment passed unanimously.

Chief Church added that at today's SLP meeting we discussed their 2010-2011 Top 10 list, which is listed on the white board. It was a great meeting, we went through the revenue options, reviewed the SWOTT from the CAT (Citizen Advisory Team) came up with our own SWOTT. The Workshop tonight is for any and all questions related to the Benefit Charge.

Chief Church noted that the Board has been provided copies of the different revenue options which are:

1. The $1.50 Option with 0% Growth

   This option contains the following assumptions:

   - 0% Growth in Assessed Value
   - Elimination of two (2) positions through attrition
   - No funding of capital reserves.
   - Meeting all contractual obligations.
   - A projected 10% increase in medical costs (only a guess at this point).

2. The $1.50 Option with 1.6% Growth

   This option contains the following assumptions:

   - 1.6% Growth in Assessed Value (as projected several months ago by the State Economist)
   - Elimination of two (2) positions through attrition
   - No funding of capital reserves
   - Meeting all contractual obligations.
   - A projected 10% increase in medical costs (only a guess at this point).

3. The Benefit Charge Option at $8.6 Million

   This option contains the following assumptions:

   - 0% Growth in Assessed Value
   - Elimination of two (2) positions through attrition
   - No funding of capital reserves.
   - Meeting all contractual obligations.
   - A projected 10% increase in medical costs (only a guess at this point).
   - The Benefit Charge Funded at $8.6 million. This in effect brings our revenue stream in at less than collected in 2009, but funds the district adequately and protects it from pro-rationing.

4. The Benefit Charge Option at $8.6 Million and Hiring/Funding Reserves

   This option contains the following assumptions:

   - 0% Growth in Assessed Value
   - Meeting all contractual obligations.
   - A projected 10% increase in medical costs (only a guess at this point).
   - Funding of capital reserves at over $600,000
   - Hiring of two (2) replacement firefighters
   - The Benefit Charge Funded at $8.6 million. This in effect brings our revenue stream in at less than collected in 2009, but funds the district adequately and protects it from pro-rationing.

Chief Church added that the Board has been provided copies of the 2009 and 2010 revenue to compare, adding that we need to protect our revenue stream so we are protected from pro rationing.

There was some discussion on the FAQ's, exempt, religious, city and county owned properties and the factors, which is part of the equations that are used in figuring the amount of the benefit charge.

Commissioner Fossos thanked staff for keeping the Board informed adding that the benefit charge is a very favorable funding source for the future of the Department.

Commissioner Fossos made a Motion that the Board of Commissioners continues moving forward on the Benefit Charge with the resolutions to be brought before the Board at the April 20th meeting. The motion passed 4-1 Commissioner Freitas is opposed. Before the vote was taken Commissioner Freitas asked Attorney Joe Quinn if a Motion was appropriate at this special meeting and Attorney Joe Quinn replied that the Motion was okay to make at this special meeting.

Union President Herrera added that Chief Church has kept the Local informed, in the loop and answered all of their questions that have come up so far. The Local has a meeting scheduled for tomorrow night.

Commissioner Rickert noted that he has looked at the summary from the Citizens and Business Leaders Forum that was held in February and they responded on the importance of maintaining our response times, personnel and class 2 insurance rating. They were a little worried at how much it would cost to keep those services, but they are willing to pay a little more the keep the services that they presently have. Everyone in attendance at that meeting was very supportive of the fire department.

PUBLIC COMMENTS
There were no public comments.

Meeting adjourned at 1720 hours.

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CHAIR/COMMISSIONER

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VICE CHAIR/COMMISSIONER

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BOARD SECRETARY