Agenda for the Board of Fire Commissioners

Regular Meeting

Conducted remotely via Zoom and with in-person attendance at Station 31
(1231 Franz ST SE, Lacey, WA 98503)

Click here to join the meeting:
https://us06web.zoom.us/j/743870521
Meeting ID: 743 870 521

July 2, 2025
5:30 pm

I. **CALL TO ORDER / FLAG SALUTE**

II. **APPROVAL OF THE AGENDA**
- A. Additions / Deletions

III. **HEARING OF THE PUBLIC / MEMBERS PRESENT**

IV. **APPROVAL OF THE CONSENT AGENDA**
- A. Draft Minutes of June 18, 2025, Board of Fire Commissioners Meeting.
- B. Warrants (AP 7A 2025):
  - General Fund 001 (Acct #6630): EFTs numbered 5598 through 5599; Checks numbered 24472 through 24475 for a total amount of $54,783.94.
  - Equipment Repair and Replacement Fund 103: Checks numbered 24476 through 24477 for a total amount of $361,409.31.
  - 2017B Capital Improvement Project Fund 307: Checks numbered 34478 through 24480 for a total of $42,471.63.
- C. Payroll 6B-2025 in the amount of $696,677.21.

V. **COMMITTEE REPORTS**
- A. Thurston County Medic One — Commissioner Kirkbride
- B. Thurston 9-1-1 Communications (TCOMM) — Commissioner Roberts

C. City / District Liaison — Commissioner Hetzler

D. Thurston County Fire Commissioners Association — Commissioner Kelling

E. Thurston Regional Planning Council — Staff

F. Community Outreach — Staff

G. Capital Facilities and Equipment Activities — Staff

VI. OLD BUSINESS

A. Commissioners Handbook Follow-up — Staff Report

VII. NEW BUSINESS

VIII. ADMINISTRATIVE REPORT

IX. COMMISSIONER COMMENTS

X. OTHER INFORMATION

A. Correspondence

XI. HEARING OF THE PUBLIC / MEMBERS PRESENT

XII. ADJOURNMENT

THERE WILL BE NO WORKSHOP CONDUCTED THIS EVENING.

- ***Next Regular Meeting: July 17, 2025***

THURSTON COUNTY FIRE DISTRICT THREE

BOARD OF FIRE COMMISSIONERS

MINUTES OF THE MEETING

June 18th, 2025

The meeting was conducted remotely via Zoom and with in-person attendance at Station 31.
1231 Franz St SE, Lacey, WA 98516

Present:	Present (Virtual):	Excused:
Commissioner Kelling		
Commissioner Kirkbride		
Commissioner Roberts		
Commissioner Hetzler		
Commissioner Gamble		

I. CALL TO ORDER

Commissioner Hetzler called the meeting to order at 5:30 PM, followed with a salute to our Nation's Flag.

II. APPROVAL OF THE AGENDA

MOTION: To approve the agenda as published.

Motion: Commissioner Kelling
Second: Commissioner Roberts
Carried: Unanimous

III. HEARING OF THE PUBLIC /MEMBERS PRESENT

None.

IV. APPROVAL OF THE CONSENT AGENDA

A. Draft minutes of the June 5, 2025, meeting of the Board of Fire Commissioners.

B. Warrants (AP 6B 2025):

- General Fund 001 (Acct #6630) EFTs numbered 5590 through 5595; checks numbered 24442 through 24456 and 24459 through 24471; drafts numbered 1574 through 1586 for a total amount of $1,480,791,72.
- Equipment Repaid & Replacement Fund 103: EFTs numbered 5596 through 5597 for a total amount of $6,842.81.

- Capital Projects Fund 301: check number 24457 for a total amount of $250,000.00.

C. Payroll 6A-2025 in the amount of $2,039,577.46.

MOTION: To approve the consent agenda as published.

Motion: Commissioner Kirkbride
Second: Commissioner Gamble
Carried: Unanimous

V. COMMITTEE REPORTS

A. Thurston County Medic One
No report; the next meeting will take place on June 26th. The next two-year budget will be presented to the council for review and probable action in July.

B. Thurston 9-1-1 Communications (TCOMM)

No report; the next meeting will take place on July 2nd.

C. City/District Liaison

No report; the next meeting will take place on July 17th.

D. Thurston County Fire Commissioners Association

Commissioner Kelling reported from the most recent meeting:

- The program included Dan Nelson, communications manager from ORCAA. An overview was given about ORCAA and about different sources for air monitoring in the region and the county. There is an EPA site: fire.airnow.gov. They are looking to place additional sensors in the south county area. The primary sensor is at an elementary school off of College. There are secondary sensors throughout the county.
- Ben Miller Todd mentioned that the county's comprehensive emergency preparedness plan has been updated, and a draft was presented at the last work session to the Board of County Commissioners. The commissioners are encouraged to go to the County Emergency Management site. Ben Miller Todd is the emergency management director and the EMS director for the county.
- Ben Miller Todd also mentioned that the suboxone pilot did go live on May 15th. He shared some of the initial stats.

E. Thurston Regional Planning Council

Chief Cerovski reported via Zoom:

- At the last meeting on June 6th, Allison Osterberg was selected as the interim executive director. Following that, there was a discussion about the rules for the executive director search and recruitment committee as

well as guidance for the interim executive director and the management team while that individual is in place.
- They also discussed the Regional Transportation Committee meeting regarding the adoption of public comments of the 2050 plan. There was public comment and staff discussion, and that will be before the board for a final vote at the next meeting on July 11th.
- There was discussion about the recruitment plan and getting public comment for recruitment for executive director. The survey that was out to agencies and the community is concluding today, June 18th.
- The next meeting will take place on July 11th. There will be discussion about the executive director job description and pay range. They will discuss the 2026 legislative committee. They will adopt the RTP for 2050. They will discuss the salary survey for staff.

F. Community Outreach

Chief Schmidt shared:

- There has not been a lot in the last couple of weeks. National Night Out took place on the Nisqually Reservation, and it was a successful event.
- The Duck Dash took place at the Fairgrounds on the 7th. Twenty helmet fitting tickets were given out, and five families have come in for fittings with staff.
- There are a couple of Senior Safe at Home visits scheduled for next month.

G. Capital Facilities and Equipment Activities

Chief Cerovski stated that there is no report, except that the new ISU, which was reported on at the last meeting, is continuing to be prepared for going into service. There will be a ceremony on July 14th. Invites will go out to the commissioners when the date and location are finalized. It will most likely be at the Training and Education Center.

VI. OLD BUSINESS

A. No items.

VII. NEW BUSINESS

A. Bond Resolution — Staff Report & Board Action

Chief Schmidt reported:

- A big push for this resolution is the need for new property. One of the reasons for the need for new property is the Nisqually Tribe's project at Quiemuth Village. There would be the potential need for a new fire station, as well as a staff of likely 30 firefighters, as well as potential administration employees. There would also be a need for further training abilities as well as a logistics warehouse.
- Staff was able to locate a property. There is currently a purchase and sale agreement for that property.

- In the early stages of conversation, staff had come to the commissioners to talk about funding for that property. The proposal was made for a non-voted bond, which would be with a resolution from the commissioners.
- The ask for the bond is 14.5 million: 8.5 for the property in question, but also funds to allow for projects that were not previously completed as well as start on preparing the property.
- The tribal council offered to consider offering LFD3 an MOU to provide some stability. Chief Schmidt shared with them that by December, an MOU would be needed.
- Staff would also suggest managing the debt by considering a voted bond in the fall of 2026.
- Outside of that, as far as the actual management of the debt: Director Kirkwood had done a presentation about what this bond debt would look like. Worst case scenario, if the property is procured and the bond debt is taken on, and if there is no support given from the tribe, for whatever reason, and if LFD3 is not able to pass a bond and pass the normal levy in 2029 – with all of those things not working out, LFD3 would still be financially stable into 2032.
- Staff's recommendation is that at each of those stages – if the tribe ends up not developing and cannot support financially; if it is decided not to do a bond or if a bond is not passed, or if unable to pass a levy – staff's recommendation would be at each one of those failures, there would be consideration of selling the property to help get caught back up and manage most of the debt.
- If the property could be sold for about what was paid for it or even slightly lower, Director Kirkwood believes that it would be possible to manage the remaining debt of this bond.

Chief Cerovski reported on the previous projects and what the previous bond funding has allowed LFD3 to accomplish and why the additional funds are being requested:

- A document was shared, displaying what the $20 million has paid for over the past several years (attached).
- Some of these costs were impacted by COVID cost increases, especially with regard to materials, labor, and time for completion. Because there were delays in product delivery, there were also secondary impacts to labor because of rescheduling requirements related to labor costs for the project.
- Commissioner Kirkbride requested to see the records and documents for all of this data. He also requested to know the budgets for all of these projects in order to know what the deviation from the budget was.
- In response, Chief Cerovski mentioned some issues with rising costs and the goal of completing projects based on the first version of the capital facilities plan before going to the voters again for the next phase of capital development. There is also the potential to hire a construction manager.

- Commissioner Kirkbride asked for clarification about the plan for Station 33, as to whether three or four dorms are being added. Chief Cerovski clarified that there will be four, two on each side.
- Commissioner Kirkbride also asked for clarification about the construction manager contract, if the plan is that a construction manager is hired and a contractor is selected and the budget is given to them and the design is made to that budget, with no escalation of costs. If this is the intention, then the only additional costs would be if something is changed during construction. There is a significant advantage in controlling costs with this plan. Commissioner Kirkbride also mentioned that after the COVID jump in costs, constructions costs and materials have gone up very little; about 9% over the last two years. It appears to be a good time to take on projects because there has been stabilization of costs.

Chief Schmidt shared:

- There has also been a question about who provided legal counsel for the district's previous bond measures. It was previously Foster Pepper with the same firm currently used, Foster Garvey. The counsel at that time was Jim McNeil.
- There has also been a question about the public disclosure requirements for this type of an action. Legal counsel Marc Greenough responded to answer this question: the public disclosure is going to be significantly less for this type of a direct placement with the bank than it would be for a public offering of bonds. The actual ongoing disclosure provisions are included in the bond resolution under Section 13, called Reporting Requirements. Essentially, you have to provide the bank that will be your creditor on this transaction with your audited financial statements and your budget each year. There is no ongoing requirement to provide notice of events as there is with a public offering of bonds.
- Commissioner Kirkbride asked for clarification, that there is no public notification when this is done with the bank. Marc Greenough responded no, not aside from the adoption in this meeting of a resolution that goes on record as a public document. This transaction does not require voter approval. In the future, if voter approval is secured, then there is the option to incur debt that will be payable from an excess property tax and use those proceeds to retire this debt.
- Commissioner Kelling asked about the 2017 bond measure, which was meant to pay for the VRF and Station 34 and Station 33 modification. Is there any obligation to go back to the public now and set the record straight? Chief Schmidt shared her understanding, which is that as long as LFD3 needs to be transparent about the future between now and then, however those projects are finished. Going out for a future bond would require transparency about that. Marc Greenough clarified that the proposition put to the voters is usually pretty bare bones. The state law requires that the question be quite brief. Normally, the formal question that is asked of the voters is simply to approve the incurring of the indebtedness. In the resolution that the commissioner adopt, it can be

explained in the recitals what the transaction is. There is no public disclosure requirement of more than just a brief description of the project to be financed. It is more of a political question as to how much information the voters need in order to make an informed decision on the ballot measure.

There was a presentation by Jim Nelson to explain what this bond resolution specifically addresses. The presentation title is Bond Financing Information.

- A slide compared the differences between private placement to a bank versus public bond sale.
- Subsequent slides detailed the relevant financial information.

Marc Greenough reported that this resolution authorizes the indebtedness and it refers specifically to the transaction with Banner Bank. There is no further action required by the commission. If this resolution is adopted, it authorizes the execution of the bond and all of the necessary documents, which are largely drafted. As was indicated, there is a very fast schedule to meet the expiration of the credit approval. The only action required of the commission on the entire transaction is the adoption of the resolution.

Commissioner Kirkbride inquired why this is titled a bond when LFD3 is going to a bank to borrow money. Marc Greenough replied that when the state constitution was written in 1889, the only way that most municipalities could incur indebtedness was to issue bonds. So all of the statutes that govern indebtedness refer to bonds. All judicial decisions from the Supreme Court and other courts refer to bonds for 100 years. Bond lawyers are very conservative and use the language used by the Supreme Court.

Chief Schmidt mentioned that if the commissioners decide to approve the resolution, there is also a bond summary that needs to be signed by the chair. Does there need to be any formal action with that or is it just a signature? Marc Greenough responded that it is just a signature.

Commissioner Kirkbride commented that it makes him very uncomfortable if the numbers are unchanged as far as the impact on the budget going forward and with regard to the impact to reserve. One thought is to only borrow the money needed to buy the land, which would buy more time to get sufficient funds. What kind of impact would it be to reduce the debt down to $9 million?

Chief Schmidt explained some of the thoughts behind moving forward at this early point in time if Quiemuth Village starts to build out, with the stated need for a fire station, a training center, and logistics. The tribe has also mentioned that they are still interested in looking at a collaboration on Station 32. Staff is also trying to consider whether it is possible to do the remodel and upgrade to 33 as soon as possible so that as things move forward with other projects, some of these things are already accomplished.

Marc Greenough also responded by detailing some of the advantages of taking on debt in this fashion and at this point in time. He also mentioned that there are some legal complexities with dedicating a levy to paying debt service on bonds. It would not necessarily be possible to deliver a favorable opinion that it could be done for more than nine years. However, it may be possible for Thurston County.

Commissioner Kirkbride inquired, since the plan is to pay for this with operating levy funds – will this be possible? Marc Greenough responded that it is specific to levy lid lifts. If it goes to the voters to lift the levy lid, knowing that debt service will be paid on bonds, then there are other statues that go into play. The legislature doesn't want a run around where a levy lid lift with a 50% vote gets around the 60% vote requirement for voted bonds. If a levy lid lift is done with the intent of committing that excess levy money to paying off debt service, it is very important to ensure compliance with all of the statutes.

Commissioner Kirkbride emphasized the value of acquiring the property versus the comparatively smaller degree of urgency to complete various capital projects.

Commissioner Hetzler mentioned Station 33 and asked for an estimated breakdown of the budget for that. Chief Cerovski responded:

- The estimation for Station 33 has gone up from $1.5 to between $2.4 and $2.7. It is believed that it will either stay close to that or go up slightly – meaning possibly a $3 million remodel for Station 33. The goal is to contain that remodel cost as much as possible. *[Error amendment: cost estimations were incorrect as presented - corrected information attached.]*
- This is related to the 2017 strategic capital plan, meaning that it has been nearly ten years and the objective has not yet been accomplished.
- Station 33 is unique in that there is an engine and an aid unit in very cramped quarters with limited dorm space and limited bunker storage space.
- Logistics has done work to discover areas where capital improvements and maintenance improvements are needed, such as maintaining parking lots with a cost of around $100,000; improving exterior lighting with new LED lighting; roof repair and maintenance (including at Station 33); painting the exterior of Station 31 to protect the infrastructure of the building.
- Although these are expensive improvements, they will have the benefit of protecting the existing structures so that more expensive repairs will be avoidable in the future.

Commissioner Hetzler expressed understanding but did express concern about taking on too many projects at once.

Commissioner Roberts expressed a goal of keeping up with needed maintenance as buildings age to avoid more major costs in the future.

At this point, Marc Greenough left the meeting, as the commissioners had no further questions for him.

Commissioner Kelling expressed support of addressing maintenance requirements ahead of time and not deferring maintenance.

MOTION: To approve Resolution 899-06-25 for the issuance of the limited tax general obligation bond 2025 in the amount of $14,085,000.

Motion: Commissioner Gamble
Second: Commissioner Roberts
Carried:
Commissioner Kirkbride abstained.

VIII. ADMINISTRATIVE REPORT

A. District Monthly Financial Report — Director Kirkwood

- General Fund 001: net excess of $14.8 million.
- Donation Fund 101: net excess of $16,000.
- Reserve Fund 102: net excess of $1 million.
- Equipment Repair and Replacement Fund 103: net excess of $2.4 million.
- General Fund summary: net excess of $18.3 million, which represents about 43% of expenditure appropriations for the year.
- Bond Fund 201: net excess of $71,694.
- Bond Fund 2017 Fund 202: net excess of $802,000.
- Capital Projects Fund 301: net excess of $642,401.
- Capital Projects CFEP Funds 307: $512,666.
- A variety of graphs and charts were shown providing additional information.

Following the financial report, there was an update from Operations with Chief Patti:

- There was a fire at the Georgia Pacific Plant on June 9th. Crews spent about five hours there along with the City of Olympia.
- On the 12th at the LeMay Mobile Shredding Plant, there was a fire in a compactor. There is technology in the building with heat sensors, and there are monitors that turned on to spray the fire inside the building so as not to set off the sprinkler system. When LFD3 arrived, there had been a fire in a compactor that had already been put in check.
- LFD3 is actively in the process of planning for the July 3rd event at Rainier Vista Park. It will be a large event with a large staff presence.
- Commissioner Kirkbride inquired whether the LFD3 radios allow communication with the Lacey Police Department. Chief Patti responded that there is a channel available for communication between the two organizations. If there is an incident, whether for fire or law enforcement, there would be the need to split off that channel and move to the dispatch channels.
- Commissioner Kelling inquired about how to account for water usage and refills. Commissioner Schmidt responded that there is usually an annual request for an estimation of water usage. Chief Cerovski is

usually the one to put together an estimate of water usage. Water is not charged.

- Commissioner Roberts inquired whether the Nisqually Tribe is doing anything on the 4th. Chief Patti responded that a large celebration is expected, although they have not reached out with any requests for standby. Chief Schmidt responded that they have been partnering with Tumwater and that they are sponsoring the Tumwater Valley Fireworks.

Chief Schmidt provided additional updates:

- Chief Patti, Chief Schmidt, Chief Hughes, and Chief Kruse attended the paramedic graduation in Tacoma from TCC. There were three LFD3 members who graduated – Danny David, Heath Hodge, and Sarah Lanter. Heath Hodge was the valedictorian of the class.
- Crew updates have been taking place over the past couple of weeks.
- In partnership with the union, this week has been the Firefighter Safety Stand Down.

IX. COMMISSIONER COMMENTS

Commissioner Kelling – is the Safety Stand Down an annual event? Chief Schmidt responded that it is likely to be. Commissioner Kelling next asked about the impacts of the suboxone pilot in the district, with an anticipated update from Chief Hughes coming up. Is there a way to track the protocols that are included in that pilot; specifically, whether patients are accepting transport, are they accepting leave-behind Narcan; are they entering the suboxone pilot, or are they accepting peer support. Having this information included in the upcoming presentation would be very helpful.

Commissioner Roberts – a big thank you to Jim and Marc for being at the meeting and providing so much information. Regarding Stand Down week, the email that Jordan sent out was much appreciated; it was very concise, to the point, and meaningful. Also a reminder that there will be a graduation on Saturday.

Chief Schmidt responded that the SSRA graduation will be across the street at the pavilion. The graduation starts at 4:00 p.m. with doors open at 3:30.

Commissioner Gamble – thanks to Jim and Marc for their information making it possible to feel comfortable with the decision to pass the bond measure.

Commissioner Kirkbride – a special thank you to both Marc and Jim for their assistance and helpfulness. Thanks to Director Kirkwood for his informative and helpful reports.

Commissioner Hetzler – no comments.

X. CORRESPONDENCE

None.

XI. HEARING OF THE PUBLIC / MEMBERS PRESENT

There was a comment from a member expressing thanks to the commissioners for their votes on the bond measure. A request was made for clarification from Commissioner Kirkbride, given the thanks he expressed to Jim and Marc and to the staff for all their hard work; yet he abstained from voting. The member commenting requested an explanation for abstaining from the vote.

Commissioner Kirkbride responded by stating that he is not opposed to capital projects and not opposed to borrowing money. However, with a fiduciary responsibility to 120,000, and because the projections that were presented state that the loans cannot be sustained, that there is not enough money to do it and maintain the other criteria for budgeting within this agency, it is a gamble that the voters will support a funding source to be able to handle this debt. Commissioner Kirkbride expressed not feeling comfortable making a decision that spends money that may have significant financial impacts in five to seven years.

The member then expressed that it would then appear the obligation would be to vote no.

Commissioner Kirkbride stated that he is not opposed to borrowing the money and does believe strongly in buying the land. The Station 33 improvements are critical and need to happen, but the preference would be to delay them until additional funds are available to pay for them.

XII. ADJOURNMENT

The meeting adjourned as of 7:10 PM.

Next Regular Meeting: July 2nd, 2025 – 5:30 p.m.
Available via remote meeting.

Chair	Vice Chair
Commissioner	Commissioner
Commissioner	ATTEST: District Secretary