Chelan County Fire Protection District No. 5
250 West Manson Blvd.
Manson, WA 98831
Workshop Meeting of Commissioners
Tuesday, June 3, 2025 @ 1:00 pm

Commissioners Present: Chris Willoughby, Fred Weiss, and Dan Baker.

Others Present: Chief Baker, District Secretary Reggie Trusel, Lt. Aaron Richmond, FR/EMT Doug Pinski, FF Micah Petersen, FF Ronan Walsh and Lt. Training Officer Raynor Baker.

Call to Order: Chairman Chris Willoughby called the meeting to order at 1:00 pm.

Workshop Topic:

- Budget Planning & Concerns

    - The meeting opened with Commissioner Weiss sharing thirteen-Talking Points regarding projected 2025 budget.
      Some of his main concerns were falling below the minimum 25% of budget-balance, taking on a significant loan with uncertain economic conditions, committing funds to upgrading/maintaining a 30-year backup-engine. He suggested the monthly vouchers have a more thorough evaluation, seeing quarterly financial updates, also would like to see a budget for unplanned expenses-"rainy day" fund.

        - Firefighter Walsh: noted Commissioner Weiss has some very valid points and agreed there could be some areas where we can structure things differently.
        - Commissioner Willoughby: asked why we are ending up in the red with our projected plans from Levy funds. Why the need for the loan.
        - Chief Baker: Explained the department is committed to two different contracts.
          1. Chasses build which will be for future engine E-55- (Type 3 Wildland Interface) -sister-truck to current E-54.
          2. Type 1 Structure/Wildland CAFS Interface engine replacing current E-51.
          The projected costs for chasses, new engine and other equipment is concerning and makes sense to keep our cash readily available and "warrants doing a loan." He explained looking at the year-end balance looked good, but "didn't tell the story". The Chief added he needed to look from month-to-month. He displayed the model with cost projections from now till 2030. Borrowing money would be cheaper interest. We should make money on the higher compound interest rate in our investment account compared to what interest we will be charged on the money borrowed for the loan. He reiterated the importance in sustaining our service to the community is different than running a business for profit.

Chelan County Fire Protection District No. 5
250 West Manson Blvd.
Manson, WA 98831
Workshop Meeting of Commissioners
Tuesday, June 3, 2025 @ 1:00 pm

- Commissioner Weiss: Asked if $1,500,000.00 is enough.
- Chief Baker: Local Program with the State can work two ways: They pay the vendor's directly or reimburse the department, and we pay the vendors.
  $1,500,000 would cover the key purchases and hold some funds for ST52 future training center.
- Commissioner Weiss: To have avoided this situation, should we have asked more with the 2024 Levy.
- Chief Baker: Added he kept a $100,000 cushion in the budget with Levy projections.
- Commissioner Weiss: Suggested getting financial input that would confirm this is the best measure to take, he would go along with it.
- Lt. Aaron Richmond: Suggested using the loan to purchase needed engines and equipment rather than on the training center. Also to reserve funds, plan for the unplanned. Good to have a buffer.
- Firefighter Walsh: Might be practical to keep the training center off of the budget until we see how the spending goes.
- Lt. Aaron Richmand: Once we see how expenses are, we can then pay down dept.
- Chief Baker: We made the commitment with the County when we accepted and received $100,000.00 to get things started for the Training Center, unfortunately it doesn't solve the problem with ecology. The CUP Conditional Use Permit does expire next year.
- Firefighter Walsh: Asked what the risk is. The Department needs to decide what to do about CUP expiring and how we move forward.
- Chief Baker: Noted how the Training Facility evolved and the plan on how to use the facility. A lot of good training was planned; nineteen practical applications and opportunity to really practice our skills.
  The frustration is the soil mitigation taking up the bulk of the cost.
- FF Walsh: Sounds like the Commissioners will need to make the decision if the Training Center is a go or no go.
- The Board discussed what the possible loan amounts could look like borrowing between ($1,000,000-$1,500,0000) paying off by 2030. Reviewing a monthly model will help to find the low points. Our Levy planning didn't factor in the two large purchases of an Engine and Chasses a *month apart* or the expense to replace our existing compressor.
- The Chief stipulated the model shows more of a burden than we will realistically have. Loaded heavier to give us a cushion-free up better cash flow.
- FF Walsh: Suggested looking at borrowing a certain amount for just the engine.

- Commissioner Weiss: Asked if we had any leverage pushing the engine out or cancelling.
- Chief Baker: Stipulated there is no flexibility in our contract. They can deliver earlier but cannot extend without a penalty.
- Lt. Richmond: Suggested taking out the Training Center-$500,000 from the budget and see the bottom line.
- The Chief mentioned the 12 Tribes Casino is building a 100-Room hotel resort and new Casino next door to existing location. We will need to re-negotiate our contract and that will help bring in more revenue. Our current agreement is set to increase by 3% each year.
- Chief Baker: We will need to address that in 2035.
- Commissioner Weiss: Storage cost for housing the old E-51 as there is not enough room to store in our current bays once ne
- w engine is here.
- FF Walsh: Noted it is an important point to address cost associated with old E-51 maintenance/storage. Those costs will need to reflect in the budget. Once we make the determination on related costs, is it realistic to keep the truck.
- Chief Baker passed the Board a new spreadsheet to explain the $1,500,000 breakdown with interest and two payments per year for LOCAL loan with WA State Treasury. He explained the Department did this same loan program back in 1995 and it worked very well. The Chief also passed the "Notice of Intent" required in doing the LOCAL loan program. He suggested Attorney Snure to review the Resolution.
- FF Walsh: Asked what the loan interest rate is compared to the investment interest earnings.
- Commissioner Weiss: Asked what our credit rating score is.
- The Chief replied, if we keep a100% of the annual budget in reserve we would be able to show a really good rate.
- Commissioner Weiss: Asked once the truck is done, does it go to Yakima for lettering/logo.
- Chief Baker: Yes, the lettering and logo cost should cost around $500.00. We will want to do two months of training on the truck when it arrives to get the crew ready then we can put into service.
- Commissioner Baker: Asked once the Bond is sold is the interest rate locked for the loan.
- FF Walsh: Emphasized he is not comfortable. Yes, doing the loan looks good now but voiced his concern for needing things broken down more based on the numbers showing. Suggested pulling the Training Center out of the 2025 budget and voiced concern in making sure we can pay back.
- Lt. Richmond: Commented he likes that we are including the opinion of the Officers. Explained, it is a good idea to plan for the unknown and build

contingencies into the budget. This will require more vigilance in watching our actual spending and reviewing our quarterly projections.

- FF Walsh: Advised of being stricter on our spending. The Marine trailer for example: The first quote was quite expensive and realized we need to look at other options before committing.
- Lt. Richmond: Agreed the Budget workshop is helpful and voiced the need for rolling forecast and keeping updating information. Also reviewing what the expected costs are to actual, good to see what has changed.
- Chief Baker: Asked the Commissions to read the LOCAL application and to get back to him with any questions/edits.
- Commissioner Weiss: Summarized the workshop take away;
  *Financial advisers helped to explain the pro/cons of doing the loan.
  *Seeing a quarterly spending report.
  *Commissioner to decide what the actual loan number will be.
- The Consensus from the Board is to move forward with the LOCAL loan application and borrowed amount would be $1,200,000.
- The Chief suggested changing the line item on the loan application to $1,200,000 and to change the budget for the Training Center to $200,000, as Dept. of Ecology still might find us some funding to help with soil mitigation costs.
- FF/EMT Doug Pinski: Asked when we might know if Dept. of Ecology would be able to help with any funding. Added it is hard to plan when we don't' know when this will happen. He suggested keeping a hard fixed budget and not going offline during the year. He advocated for the Training Center and hopes it will happen as it is needed for our training. The "checks & balances" will help keep us financially responsible.

- Chief Baker noted the joint meeting with Chelan Fire & Rescue coming up on June 11th at 3:00 pm in Chelan.
- Chairman Willoughby: Mentioned a tentative appointment with GMP Consultants in the next week to finalize the profile for the new Deputy Chief position.

Chelan County Fire Protection District No. 5
250 West Manson Blvd.
Manson, WA 98831
Workshop Meeting of Commissioners
Tuesday, June 3, 2025 @ 1:00 pm

Adjournment: Commissioner Weiss closed the workshop meeting with no additional business before the Commissioners; the meeting adjourned at 3:02 p.m.

Chelan County Fire District 5 Board of Commissioners:

_____
Commissioner Chairman Chirs Willoughby

_____
Commissioner Fred Weiss

_____
Commissioner Dan Baker

_____
Attest: Regenia Trusel
District Secretary