

Mosier Fire District Board Meeting

Thursday, July 8th, 2021 at 6:00pm
Held as a Zoom meeting

Minutes

Board: Phil Evans, Barb Ayers, Joanne Rubin, Todd Reeves, Steve Fisher

Staff: Chief Michial Renault, Maggie Goter

Volunteers: Kris McNall, Tom Oswald, Witt Anderson

Guests: Colleen Coleman (City of Mosier), Jill Burnette (JUF Committee), Jason Terry (Kirby Naglehout Construction), Doug Minarik (Minarik Architecture, Inc), Randy Boehm (Urban Resources Inc), Liz Whitmore (Kirby Naglehout Construction)

Public: Jim Appleton, Wayne Haythorn, Carol Goter, Carole Dearholt, Memphis Butterfield

Minutes taken by Maggie Goter

Call to order at 1801

Agenda additions or corrections

- Item 2 was retitled from “Bond discussion” to “Financing discussion”

Comments from the public

Kris McNall: She remains generally in favor of a JUF but \$6.5 mil scares her because it looks like gentrification of Mosier, feels like “I might not recognize my town or fit in here.” Hopes that that’s a misunderstanding which can be resolved with more information. Second, there are rumors to increase the base tax rate to raise about a million dollars. She’s on the budget committee - looking at the trend of operational expenses, we will need wiggle room over next 20 years for salaries, maintaining equipment, maintaining JUF. Maxing out the tax rate now would be fiscally irresponsible.

Consent agenda

- Approve minutes from June regular board meeting, 6/22 budget hearing and board meeting, and 6/29 work session
- Review and approve June bills for payment

Reeves moves to approve the consent agenda, Fisher seconds, all in favor.

Business:

1. Mosier Center update – Colleen Coleman, Jill Burnette. See attached presentation.

Randy Boehm - Mosier resident and owner of Urban Resources Inc, a construction management firm:

There is a lot of escalation and inflation in the construction world right now. Mostly related to materials. >100% increase in lumber costs from 5/2020-5/2021 (however there’s very little lumber in JUF). Steel & copper up >50% over last year. Escalation like this typically goes on for several years - the longer the project delays the more they expect costs to go up. Current numbers on other new fire station construction projects are around \$500/sq ft.

Jason Terry - Kirby Nagelhout Construction (the CM/GC contractor, i.e. contractor comes in during early design phases to do iterations of budget/design):

Went over preliminary cost table and costs attributable to community center, fire, and city hall. Includes some escalation costs. These numbers after “value engineering exercise” to look at ways to be more cost-effective. Has worked with Doug Minarik to modify design to reduce costs. Design is an iterative process. Echoes that current escalation and availability issues are unprecedented. Similar fire station projects \$467-\$530/sq ft (comps are not Net Zero).

Doug Minarik - Minarik Architecture:

Working on design updates for cost/practicality which reduce fussy detailing and labor while keeping the essence of design and meeting all parties' needs. In his experience, this sort of iterative process of editing the design makes for a more successful project. Specifics: normalizing roof over community center to reduce number of beams, rotating apparatus bays to face Hwy 30. That reduces apron costs to the east, allows for a simpler structure, allows for removal of airlock between the bays and the rest of the building, means the rest of the facility doesn't have to be up to the same standards as the bays. Keeping through views, visibility, sustainability. Long building minimizes need for fill. Early pricing in Feasibility Assessment didn't include Net Zero costs, slope/fill/access considerations, additional community program needs (plaza, public works project below, archival needs, dedicated space for community kitchen), connections to views (e.g. extra glass). Plaza already paid for by Oregon Parks grant.

Randy Boehm:

Project has been holding at schematic design phase up to this point. Pricing at this phase includes lots of assumptions (e.g. subcontractor estimates are on sq footage basis). Next is Design Development, then reprice it, then to construction documents, then submitting docs for permitting, then the permit process takes a while. There are a number of reasons to move forward with design now even though the project isn't yet fully funded. There is more surety to foundations & other funders when a public entity has moved forward with permits and design. Also, pricing bids will be more sure if the project is “permit ready.” (Could still change with escalation.) Running permits, design work, and subcontractor bids in parallel allows the project to start sooner.

Ayers: budget has \$150K allocated for permit fees - to whom is that paid? Coleman: SDC (System development charges) fees in Mosier. City could waive some of those. Also, city engineer's time for engineering review, city planner's time for conditional use permit, fees to Wasco County. We can negotiate for some to be waived farther on in the process. Local contractors could donate time/materials.

Site prep: almost \$1 million. Coleman: this was also true in HE Feasibility Study. That includes fill dirt, excavating, utilities, retaining wall. Have to spend more money as this is a sloped site. This budget is from last fall, refinement process to reduce costs hasn't been finished yet (e.g. \$300-500K for radiant floor heating).

Boehm: we're dealing with last year's lag plus this year's in terms of finding contractors and moving project forward. Parallel processing is desirable, and is possible if we have money in hand.

Coleman: Current time frame for construction depends on fundraising. The design and permitting process is approximately a year long.

Witt Anderson, JUF Committee and Mosier City Council:

Need to have some funding in hand before getting legislative funding. We've received the check for \$1.1 million from UP settlement. \$750K grant from the OR legislature was ok'd on 6/29. OR senators are impressed by our fundraising efforts. We're at 57% funded. Working with Wyden and Merkley for CDS (Congressionally Directed Spending). Gives us a good position for local fundraising. Neither state rep nor people from Merkley's office thought \$6.5 million was too much for a fire station.

Ayers: I don't like the overall price tag but thanks for the hard work fundraising.

We don't have a line item budget. Doc sent this morning doesn't have breadth or depth. This feels like the first time we've talked about it in years.

Coleman: Line item budget will be updated within the next month. Evans, Renault, Anderson, and Coleman are working to refine costs and get them down. IGA process was for them to go to JUF Committee, then the Committee updates the board, but Committee hasn't met since before COVID. Iterative budgeting/fundraising process has been happening in smaller work group.

There is potential for \$1.5 million in CDS. Budget doc from this morning plans on \$650K of federal money.

Ayers: two previous workshops were \$1.9-5 million tops for facility. No public outreach since then - project is fantastic but will cause sticker shock to community.

Burnett: Community won't have to do all the heavy lifting. Foundation grants, other external sources. State & fed legislative staff reviewed and thought costs were ok.

Coleman: Construction costs are approx \$5.4 million, rest soft costs. Secure funding in hand: \$2.955 million. \$3.705 million with OR Parks grant. Working on raising \$200K from select community donors. Brings us to 60% and we can ask for Ford/Collins/Murdock grants for \$250K+. Planning for Fire Dept contribution of \$1.3-1.5 or at least \$1 million. Then various options: Meyer Memorial Trust, CDS, other grants.

Burnett: talked yesterday with Evans, Renault, Anderson, Coleman re risk/reward on bond. Necessary PR is lots of work during fire season. What about raising taxes to the middle of the ceiling? We can borrow against that - USDA infrastructure loan, Business Oregon loan, Government Capital loan. Don't know interest rate, terms, but 30-40 yr loan might be worth looking at. A bond requires us to swing into high gear quickly and if a bond doesn't pass, project doesn't have anywhere to go.

Ayers: takeaway from SDAO workshop is that a May bond gives more wiggle room and PR time, can be planned into budget. More time to get voters on board.

Burnett asks for the fire district to structure an additional commitment that would get us to 60% funded - that would allow us to apply for \$250K Ford Family Foundation grant, others. For example, "the fire district is contributing between \$1 and \$1.3 million and is determining the best scenario to do so."

Ayers: Budget chart shows we're already allocating \$527K from UP. All our unallocated UP funds plus $\frac{1}{3}$ of our capital reserves would be an extra \$338K. That uses "low-hanging fruit" to get us to 60% funded. Lowers the amt we need to ask voters for.

Burnett: That \$350K from fire funds is already committed/accounted for (on budget chart as \$350K in hand for "Fire and city"). Coleman: we were asked during legislative requests to show City/Fire commitment so we allocated an additional \$300K from fire and \$50K from city.

McNall clarified as a member of the budget committee and Team Mosier: that \$300K is leftover from UP Dry Hydrant Fund after we sourced a cheaper alternative. Evans: yes, that \$350K represents UP slush fund and a bit of other funding.

Ayers: We have \$300K in capital reserves - we could allocate some of that. Coleman clarified that Burnett is asking for a commitment of an additional \$1 million plus not taking the earlier \$300K into account.

It would take \$200K to close gap to 60% this month which would allow us to apply for a Ford Family Foundation grant in August. Could commit from capital reserves. Right now they are looking at ~30 large local donors to fill that gap. Can be a combination of pledges and in-hand.

Ayers: could we reduce total costs to \$5 million? Coleman says we'd have to spend up front on the design process first.

What about reducing initial costs to 5 million then adding ~\$1 million later? Lots of urgency in the presentation, but Ayers talked extensively to members of the public when campaigning for reelection recently - people are wary of impacts to taxpayers. We have a good story and can probably get people on board, but she doesn't want to move forward without talking to the public first.

Coleman hopes to have a JUF Committee meeting next month, then go to the public with a new design and budget. Ayers thinks talking to the public first before promising funds will help us be successful.

Coleman isn't asking for a specific action, but is asking for a commitment from the Fire District to raise \$1 million no matter where it comes from.

Ayers: She's up for a tax/bond, but she'd want that to be the last ask. Is there land we could sell from the fire department? Burnett emphasizes funds will be mostly other people's money. That's an important part of messaging, will feel more responsible.

2. Financing discussion – Evans

Reeves: what will the ongoing operational budget for JUF be? We need to know that before considering pulling construction funds from our operational budget.

Coleman says it will use less power (Net Zero) but upkeep costs will be more. We'll need to decide responsibilities with the city. Need to figure out legal details and know exactly what we're building to answer that. Ayers: earlier feasibility study had some estimates on this.

Boehm: re limiting project to \$5 million, their ratio is usually 70/30 for hard vs soft costs. A \$5 million project would mean approx \$4 million for the building, which would be \$350 square foot. More likely, we'd keep comp square footage cost but need to reduce the square footage of the building.

What are soft costs? Coleman: We've spent close to \$300K already. Consultants at public meetings, meetings re design. Permitting. Some site prep costs for geotechnical analysis. Ayers clarifies that permits and site prep are broken off into separate line items in presentation so those aren't included in \$850K budgeted.

Evans: are there funding options other than a tax or bond for fire commitment? Burnett has looked into FEMA, other grants, none found who would give money to a capital campaign.

Ayers wants to see a more current, specific budget/proposal/plan for building costs, not just funding sources. Coleman says the current version will change, wants to give board the results of changes first.

Ayers references mitigation grant she sent: it wouldn't directly fund construction but might fund other ancillary things. Coleman: that's on our list but we haven't gotten to that point. They would take grant help from fire dept to get to \$1.3 mil fire contribution from other sources. Coleman thinks cutting costs would require cuts to square footage, but a 10,000 sq ft building already isn't huge.

Terry says estimating now isn't super detailed/granular. It will be more granular/detailed at the next level. Right now it's along the lines of cubic yards of concrete involved, basic electrical cost estimates per square foot. Burnett hopes for cost savings down the road with donated materials from local vendors.

Evans: soft commitment to contribute from a variety of sources is an option. Sources can be pursued in parallel. Fire department commitment allows for development of better budget, helps get federal \$. More will become clear in 3-6 months but he doesn't want to delay 3-6 months.

Ayers is willing to commit to get us to 60% tonight, then we can revisit the \$1 million number later after we have an actual plan, detailed budget. Disservice to not engage more with public before committing funds. Reeves says we could have allocated funds in regular budget process to get us to 60%.

The last public workshop was 2 ½ years ago. She received negative feedback from community members re JUF price while campaigning for reelection. All agree that public messaging will be easier when framed in terms of what public will actually be on the hook for, not total \$6 mil price.

Rubin: Community meeting is a good idea. There are lots of rumors and they're all negative. A meeting would let us answer questions, get positive feedback. Last public meeting was over a year ago.

Ayers: a bond has to be a slam dunk with outreach. She's worried we'll fail otherwise. People need time to process.

Coleman expects new numbers from the architecture team the first or second week of August, then we can go to the public with information. Reeves: messaging should include info about property tax costs per year as well as all the external funding - hopefully people will say "it's not that much out of my pocket and look what I get because so much was funded by external sources."

Coleman: JUF Committee is Rubin, Evans, Anderson, Arlene Burns. Coleman will try to set a public meeting in August.

Ayers asks again if we can commit 200K from capital reserves to get to 60% threshold. Coleman says that the city has committed \$1.9 million (including UPRR funds, grants, their own \$50,000).

Fisher has no comments. Rubin wants to wait and see re ask to commit \$1 million. Reeves: we can't add money outside of the budget process but the smaller commitment from capital reserves might help in the short term. Discussion of funds in various UP accounts ensued. McNall clarifies as a member of the budget committee that the ~\$300K excess from the dry hydrant fund has not officially been allocated, but ~\$21K "Reimbursement for Response" line item has been allocated for fire equipment and is unavailable. Renault confirms \$21K is spent and \$9K in Griswold Bequest is unavailable as it was earmarked for volunteers.

Burnett reiterates that a board resolution that FD will commit \$1 million through bonding, tax increase, or multiple sources would show fundamental FD commitment to the project. Ayers and Reeves: FD is already in for \$850K, definitely going down road to finding extra money, but premature before we've talked to the public. Burnett is ok with a "step A, step B" approach. Evans: we don't have to move the money today - it would just be a motion to show a verbal commitment of intent.

All agree that in general they want to move this thing forward and have the same goals for a lasting great new facility. Rubin, Ayers, and Reeves want to talk more to people first, have more info re budget, plan, how the public feels, etc. Not moving forward with the idea to commit \$200K in the short term to get to 60%.

Coleman hopes to have updated budget numbers by August meeting.

Re Volunteers' input: Vol Association didn't have an official meeting. Had an unofficial discussion with Anderson on Monday - volunteers appreciated the information but have no official statement.

Chief Renault: at one point, plans were for \$9 million. We've whittled it down a lot.

Ayers and McNall to look through the budget for extra funds. Ayers and Rubin will look into available grants. Will include the Chief.

For informational purposes, raising tax from \$1.65 to max of \$2.10 would get us an extra ~\$68K per year. Burnett: if we go to \$2.10 we could borrow approx \$1 million at 4.5% over a 30 year term, more (or shorter term) if rates are lower.

3. Chief's report – Chief Renault. Chief Renault went through the Chief's Report - see that for details. He emphasized that our call volume is up from last year and that Predictive Services (from the National Interagency Fire Center) anticipate that weather will be hotter and drier than normal into September. He's watching the weather on a daily basis. We recently mobilized to the S-503 fire with Wasco County Immediate Needs Task Force. We're planning to switch to First Due by the end of this month for dispatching. This system has more capacity for pre-plans, which will allow citizens to add information securely (e.g. contact info, info about pets in a household). We have received some money from the OSFM WUI grant and are ordering PPE but some stuff is on backorder. We're still waiting on the RFA/VFA grant money to be released by feds to the state. HazMat equipment is in the pipeline to be here by the end of July or beginning of August (still dealing with equipment backlogs due to COVID). That equipment includes more gas monitors, TICs (Thermal Imaging Cameras), foam inductors, thermometers. Not in Chief's Report: we have one more volunteer in the pipeline which will bring us to 22 volunteers.
4. Volunteer report: Tom Oswald - The Volunteers Association didn't have an official meeting but had a good discussion re the new station. Volunteers want it to be an in: make it inviting. We don't have a great location for volunteer pull; some of our vols live out of town. Some who work from home could just hang out and work in a comfortable facility. Vols are happy, new ones are starting to run calls.
5. Committee reports: none.
6. Correspondence: none.

Comments from the public

- Carole Dearholt: Appreciates the cautionary concerns & delaying things a little. Appreciates insight from Barb and Todd re budget, supports the fire district in being cautionary. "I do support this project but not the price tag." I have sticker shock because I have no idea what's in that building. Don't know design, what's involved. Questions commercial kitchen: 3 in Mosier already; is that going ahead of a fire district need? Asked about where specifically donations would go. (Evans clarified they'll go to a separate JUF account.) Fire needs are unknown with the way fires are going - she wants the fire district to have spare money for fire prevention in Mosier. Re a new bond: many families in Mosier were hit hard by COVID, were out of work, don't want to see extra on their tax bill. Lots of families at Mosier school are on free/reduced lunch. Would love to see more community information - hasn't seen any surveys, no new information for the last 2 years. Wants to see a more detailed budget breakdown. It's a great project but right now can't support \$6.5 mil, doesn't matter who's paying for it. Supports the fire district and thanks the board for their dedication, insight, caution.
- Jim Appleton: Board policy changes have affected important characteristics of the fire district re response times and who has responded to what calls. It's great that we have lots of volunteers but if they're not showing up in time to make a difference all that's happening are morale and training benefits. There's a question about how FD is performing for constituents that's unanswered. Appleton also sent the following written comment: "Despite ample and appropriate opportunity, the elected MFD board just now in this public meeting omitted any public record of my own numerous recent questions to the board about their refusal to acknowledge how their own policy clearly and negatively affects essential emergency services to MFD board's own constituents during the last four years."
- Kris McNall: She's pleased the board is pushing forward to make the public understand JUF better; has no info other than what was in this meeting tonight. Also has sticker shock but could be convinced \$6.5 mil is ok. She isn't as concerned about tax rate, is more concerned that this looks like gentrification of Mosier. "I want to be convinced I'm wrong." Thanks the board for pushing for more detailed budget figures e.g. it's going to cost this much for this feature. "Just trust us, it's \$6.5 million is not good enough."

Discussion about specific location of the building: the sketch from tonight showed it over by the Totem which was farther west than they thought. Evans clarifies it's by Rough Cuts and Renault clarifies bays will be roughly equal w Oregon Street. Might require some road changes for quicker emergency access to

State Rd without having to double back. Reeves appreciates information; didn't understand the fill, retaining wall costs until tonight.

Adjournment at 2038.

Next month's board meeting will be on August 12th.