

**CITY COUNCIL**

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**CITY MANAGER**  
GREG J. CUOIO

January 14, 2009

Board of Fire Commissioners  
Thurston County Fire District 3  
1231 Franz Street SE  
Lacey, WA 98503

RE: Default of Service Agreement

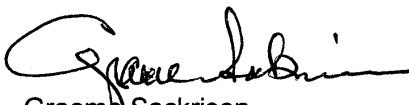
Dear Commissioners:

It is our understanding that the Board of Fire Commissioners, on Monday, January 12, 2009, took action to confirm their decision to close Fire Station 35 (Meridian Campus/Willamette Drive). Your decision in this regard was totally contrary to your contractual obligations established in the Service Agreement between the City of Lacey and Thurston County Fire District 3 dated June 8, 2006. The negotiations for that agreement specifically concluded on the basis that the District would provide seven firefighters positions and the City would pay the matching share of a SAFER grant for the actual cost of six firefighter positions. The sole purpose of this provision was to provide staffing for Station 35.

After you earlier announced your intention to close Station 35, the City offered to pay an estimated \$135,000 in overtime costs which could possibly be incurred for maintaining staffing at Station 35. Your Board has now declined this offer.

Therefore, we have no choice but to declare, pursuant to Section 9 of the Service Agreement that Fire District 3 is in default of its obligations pursuant to the Service Agreement between the parties. We do not take lightly the decision to make this declaration. However, the health and safety of our residents in the northeast area of the City will be at risk by virtue of your action. Therefore, please notify us no later than Tuesday, January 20, 2009 of the steps you intend to take to cure your default of this contract. In the absence of such notification, the City will have no choice but to take further action pursuant to the Service Agreement to enforce the rights of its citizens.

Sincerely,



Graeme Sackrison  
Mayor

cc City Council  
City Manager  
City Attorney