



MINUTES

SPECIAL BOARD MEETING

Tuesday September 28, 2021, at 3:00 pm.
Station 32, 8905 Koch Field Road, Flagstaff AZ

1. **CALL TO ORDER**

Board Chairman Jim Timney called the Special Board Meeting to order at 3:03 pm

2. **ROLL CALL OF BOARD MEMBERS / AFFIRMATION OF QUORUM**

<u>Members Present:</u>	Board Chairman Timney, Board Clerk Robb Faus and Member Rick Parker
<u>Members Zoom:</u>	none
<u>Members via Telephone:</u>	
<u>Members Absent:</u>	Board Member Jim Doscocil and Board Member Mike Milich
<u>Administration:</u>	Fire Chief Mark Gaillard, Deputy Chief Wilson, Administrative Office Deanna Reed and Administrative Assistant II Tammy Schieffer
<u>Public:</u>	Bryan Lundberg, Claude Lockhart, Paul Gales, Omar Daghestani from Stifel and County Attorney Mark Brynes

3. **Pledge of Allegiance to the Flag of the United States of America was recited**

4. CONSIDERATION AND POSSIBLE ADOPTION OF A RESOLUTION 2021-05 approving the sale and execution and delivery of CERTIFICATES OF PARTICIPATION IN A LEASE-PURCHASE AGREEMENT; APPROVING THE FORM AND AUTHORIZING THE Execution and delivery of necessary agreement, instrument, and documents; ADOPTING A CONTINGENCY RESERVE FUND POLICY AND delegating authority to determine certain matter with respect to the foregoing.

Discussion:

Introduction of Stifel and Attorneys and an overview of the Certificates of Participation was presented by Chief Wilson.

Attorney Paul Gales from GreenbergTraurig explained the resolutions as it relates to the Ground Lease, Trust and Payment of the COP and how this will allow all parties to proceed in obtaining the COPs. Chief Wilson asked for the current payment and COP payments would look like.

Omar Daghestani presented the table illustrating the savings to the District by participating in the COP. He also discussed the how the PSPRS unfunded liability changes through bad investments return years, changes in the UAL Rate and how the contingency reserve fund will help manage these risks.

Bryan Lundberg explained with the approval the resolution, we can continue with the official statement to publish with potential investors later next week and have a meeting the Standards and Poor next week for a rating. We have ear marked October 18 for the selling of the certificates in order to lock in interest rates. It will take three weeks to close the financing. First or second week in November to wire funds to PSPRS and the trust for the contingency reserve fund.

Chief Wilson explained on how the contingency reserve fund will be used and the goal to carry these funds in the anticipation pay off in the last 1 ½ years on what we owe. He restated the properties used for these bonds being station 33,31 and 37.

Board Member Parker asked how this will impact manning the reduction in staff?

Chief Wilson answered until we adopted the resolution and we have already worked on a future budget to reduce staff reduction. However, the unknown is the unfunded liability by PSPRS will likely use the savings that is created by the Eastside Restructure. This and the Eastside Restructure go hand in creating a fiscally stable district. If one goes and the other does not, it is ok, it is the Board's option, we will move forward, both together makes us very strong.

Board Chairman Timney wanted to clarify that this is to stabilize our budget regarding the unfunded PSPRS liability.

Chief Wilson confirmed that it was a fair statement.

Board Chairman Timney stated this is to avoid any unexpected upswings or down turns in the payback process.

Chief Wilson it is that and more, it helps us pay lower interest rates that what we are paying from the State for unfunded liabilities and to cover the costs of the up and downs.

Board Member Parker motions to approve RESOLUTION 2021-05 approving the sale and execution and delivery of CERTIFICATES OF PARTICIPATION IN A LEASE-PURCHASE AGREEMENT; APPROVING THE FORM AND AUTHORIZING THE Execution and delivery of necessary agreement, instrument, and documents; ADOPTING A CONTINGENCY RESERVE FUND POLICY AND delegating authority to determine certain matter with respect to the foregoing. Board Clerk Faus Second.

Vote conducted. MOTION CARRIED unanimously

AYES: Timney, Parker, Faus

NAYES: None

5. DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION 2021-06 relating to Disclosure of the use of certificates of Participation (COP) Funds.

Discussion:

Bryan Lundberg explained that this resolution is to disclose how we will use these funds. This is in lieu of an amended budget that was used by several Fire Districts and their attorneys.

Chief Wilson we did present this as another option to our Attorney. Our Attorney agreed it is another legal means instead of developing an amended budget.

Board Chairman Timney stated: you are not prepared to present an amended budget.

Chief Wilson agreed that we are not prepared as we feel this is a cleaner method.

Bryan Lundberg explained the figures in this resolution as purposely set conservatively higher like your budget to make sure that there is a little wiggle room in case the final deposit is higher. It is about \$500,000.00 higher than what we expect the PSPRS deposit would be.

Chair Clerk Faus asked when we will have the exact figures?

Bryan Lundberg replied by the final closing date we should have what we believe should be the final PSPRS numbers. We will share this number with the board.

Board Chairman Timney asked if we would have these by our next board meeting?

Chief Wilson stated that he hopes that by our next meeting we would not only have the prices but the final of the project to present to the Board.

Board Member Parker: I will make a motion to approve RESOLUTION 2021-06 relating to Disclosure of the use of certificates of Participation (COP) Funds. Board Chairman Timney second.

Vote conducted. MOTION CARRIED unanimously by those present

AYES: Timney, Parker, Faus

NAYES: None

6. **FIRE BOARD COMMENTS- Board Member comments are meant to inform and clarify. No actions will be taken. Only Board Members can speak.**

Board Member Parked and Board Clerk Faus stated he appreciated all the team effort and work.

Board Chairman Timney stated that it is good that we take this opportunity as we would have suffered a loss.

Board Member Parker made a motion to adjourn the meeting. Board Clerk Faus second.

Meeting adjourned 3:33 pm

Respectfully submitted

A handwritten signature in black ink, appearing to be 'Robb Faus', written over a horizontal line.

Robb Faus, Board Clerk

APPROVED