

BANKS FIRE DISTRICT #13

13430 NW MAIN STREET, BANKS, OR 97106

SPECIAL BOARD MEETING MINUTES

Meeting Date: Wednesday, July 17, 2024

Meeting Location: Banks Fire District #13, Banks Fire Station 13 Training Room

Call to Order: Board Chair Kevin Henning called the meeting to order at 6:04 pm

Board Members Present: Kevin Henning, Clint Jackson, Mark Standley and John Wren

Board Members Absent: Pete Lux

Approval of Agenda (Action Item): John Wren made a motion to approve the agenda as presented. Clint Jackson seconded the motion. Voting in favor: Clint Jackson, Mark Standley and John Wren. Opposed: None. The motion carried.

Old Business:

- **New Engine Purchase** (Information/Action Item) This Special Board Meeting was held to continue the discussion regarding the purchase of a new fire engine pumper. Last month's regular meeting had two board members absent. It was requested that all members be present to make the decision on the new engine purchase. All were present except for Pete Lux as he was called out on a mandatory State Conflagration. However, he communicated with Board Chair Henning that he was in support of this purchase.

True North brought out a Spartan engine so the Board was able to see what our new engine will look like. Chief Linz summarized the details on the new engine purchase. He stated that at the last board meeting he had asked for \$1,068,000 and he request for approval was up to \$1,080,000 to have leeway for change orders. The request is still the same at tonight's meeting.

Previously we had discussed using the sale of HR13 and E13 to fund the purchase of the new engine. The projection is approximately 26 months to build. In order to get the prepayment discount we would need to pay in full which we cannot at this time. We have some uncertainty's with some of our funding including the URA funds and the Timber Revenue. We have no control when we will receive the funds from the URA and we have no control when or how much Timber Tax revenue we will receive to put towards this purchase.

We contacted a lease finance company called Leasing2 (True North referred them to us) to possibly secure a lease finance for the purchase of the engine. This would allow us to secure the prepayment discount. Our goal would be to pay this lease off as soon as possible. In the meantime, we will keep the proceeds from the sale of the apparatus in a high yield account and earn interest on the funds.

The price would be reduced to \$1,047,000 which the lease financing. Chief recommended the 4 year lease. There is no prepayment penalty. Once we receive funding from the URA we will pay this lease off.

We will need a Board Resolution at the next Board Meeting if the Board approves the lease.

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Board Questions:

- Board Chair Kevin asked when the URA funds will be available. Chief stated we are unsure when that will occur. We won't know exactly when this will occur, but we should know more by January of 2025 after the consultant has completed the URA Financial study. Banks Fire is designated to receive 1.35 million from this fund but we don't know when and what the payout process will be so we will use the lease financing to reduce the risk. The four True North brought out a Spartan engine to show the Board. year lease option allows us to move forward with the prepayment price but also will not strain our budget when the annual payment is due.
 - Board Member Clint Jackson asked if there were loan fees associated with the lease. Chief Linz stated they are built into the payments. The fees and interest are built into the payments and the payments are due annually over a four-year period. There are no prepayment penalties. Randy from True North stated that they have many customers that finance this way when purchasing apparatus. The company only does business with government agencies.
 - Board Member Clint Jackson asked about the funds we received from the apparatus surplus sales and if we would be using those funds for a down payment. Chief stated we have the funds in a high-yield account and will use the funds to make the payments on the lease.
 - Board Member John Wren stated that we needed to restrict the funds from the sale of the apparatus to be sure the funds are set aside to make payments on the new engine and not used to purchase any other equipment. The rest of the Board agreed with this.
- Clint Jackson made a motion to work with True North Spartan with the purchase of the new engine for up to \$1,080,000. Mark Standley seconded the motion. In favor of the motion: Clint Jackson, Mark Standley, John Wren and Pete Lux via text message to Board Chair Kevin Henning. Opposed: None. The motion carried.

Adjourn Meeting: There being no further business Board Chair Kevin Henning adjourned the meeting at 6:22pm.

Mark Standley
Vice Chair

Kari Erwert
Recording Secretary