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PRUDENTIAL COMMITTEE FIRE DISTRICT #1
144 Newton Street
South Hadley, MA 01075

Prudential Committee Regular Meeting Notes

Date: 8/29/17

Location: Fire District Headquarters, 144 Newton Street, South Hadley, MA

Call to Order: 6:32 p.m.

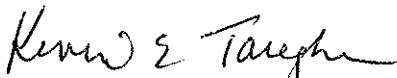
This meeting is being recorded.

Prudential Committee Members Present: Kevin Taugher, Chairman
Bruce Perron, Member

- Sign warrants authorizing payroll and expenses
- There was a discussion regarding DUNS and SAM numbers. Monica indicated that the SAM number application was rejected because the official name for the Fire District was not consistent with the DUNS identifier. The DUNS has to be revised to reflect the actual, legal name of the District, "Fire District No. 1" without the name of the Town.
- There was a discussion regarding borrowing for the new fire truck. Monica said that Bonds could be issued in anticipation of grant monies being received, known as, "Grant Anticipation Notes".
- Bob said he had not gotten any details on timing for receipt of funds after grant approval from successful fire departments awarded grant money. He said he would enquire at the next fire chiefs' meeting.
- Monica presented a worksheet on borrowing options. Unibank had given her a proposal, Eastern Bank wanted more details on the District's intent before providing details. The note would be solely for a fire truck, and not for other equipment or floor upgrade. There was a concern about fees, and whether the fee for bonding was \$15k per loan or \$15k per year of the loan for ten years.
- In order to allow Monica to get more detailed information, it was agreed that the bond should be for \$1.2 million, that free cash would be used for the floor upgrade, and the \$247k would be held in reserve for truck cost increases. Monica will get additional information on the bonding fees as well.
- Kevin indicated the need for a thorough explanation, in writing, to justify to the District taxpayers the need for the truck. Also, justification for whatever rate the District gets for the loan, as compared to the 1.3% recently stated by Mike Sullivan for the Town refinancing. Also, NFPA policy of first line equipment being no more than 25 years old, and reserve equipment no more than 35 years old. Currently, Engine #3 is 35+ years old,

the ladder truck is 23 years old, and the newest pumper is about 7 years old. There is \$247k in Fire Truck reserve fund.

- Grant application discussion: Need to include the necessity of applying for the grant, including mutual aid to surrounding towns and District No. 2, Mt Holyoke College, propane storage facility at Rexam Graphics facility. We have a disadvantage in that District #1, with independent taxation authority, may be considered relatively 'wealthy' compared to other fire departments constrained by proposition 2 ½.
- Bob will take the lead on applying for the grant (once DUNS and SAM are acquired). Grant process will be ongoing, but may not be awarded before the District makes a purchase commitment.
- Monica says we are not prepared to schedule a special district meeting at this time, since free cash has not been established. It was agreed to reconsider at the PC meeting on Sept 12th.
- Floor reinforcement project. Tighe and Bond confirms that the new engine needs to be positioned in the center bay for strength purposes. They have confirmed that the existing ladder truck may occupy the outer bay. The total project cost is estimated to be \$200k. While free cash may be sufficient to cover this, it must be noted that free cash has been dropping year-to-year for the last few years. It would be beneficial (lower costs) if the project were to start during the winter, when there is less steel construction, and this project would be 'indoors'. Tighe and Bond will develop the bid specification and evaluate the bids, similar to the roofing project. There is \$81k in the "Fire Stabilization" account which could be earmarked for this project.
- We will need to compose a justification write-up for the floor upgrade, as well as the fire truck purchase. These both have to be made available for all to take advantage of, including the fire fighters.
- New Business: The two vehicles declared surplus by the District have been sold. The 1993 ambulance was sold for \$3,000, and the 2001 Tahoe was sold for \$2,000. This is more than was expected.
- The next meeting is to be held on September 12, 2017 at 6:30 at the fire headquarters.
- Motion to adjourn made by Bruce Perron, seconded by Kevin Taugher. Unanimous affirmative vote.
- Meeting adjourned at 7:41 p.m.



Kevin E. Taugher (Acting) Clerk