

COTUIT FIRE DISTRICT  
PRUDENTIAL COMMITTEE

MINUTES  
Executive Session  
June 23, 2014

The meeting was called to order by the Chairman, Fran Parks, who also reiterated the subject of the executive session; namely to the purchase, exchange, lease or value of real property that may have a detrimental effect on the negotiating position of this public body. Present were members Marge Wallace and Laurie Hadley, as well as Michael Daley, representing Financial Advisory Associates.

The Prudential Committee is exploring the possibility of purchasing the property adjacent to the south of the existing fire station. The asking price is \$316,000. Mrs Hadley suggested she would be willing to go to \$300,000. The building which currently exists on the property could possibly serve as a District Office, with room for the Financial Department and possibly administrative personnel from the fire and water departments. The existing garage could also be used for additional storage for the Fire and Water Departments. It would provide an option for expansion of the existing station, should it be required at some point in the future, avoiding the necessity of finding a new location for the Fire Department.

The Chairman began the discussion by asking Mike Daley for recommendations on funding the purchase, based on paying the current asking price. Mr Daley said the first thing to be considered was the procurement laws and whether or not the bid process would be required or if the purchase could qualify as a "sole source" procurement.

The options for paying would be to put the purchase price on the tax rate, use "free cash" or the stabilization fund, or use a borrowing. All the options will require a special District meeting and both the purchase and a borrowing require a two-thirds vote.

Free cash probably will not be certified until next spring which eliminates that option. We are already carrying quite a bit of debt that has been incurred by the Water Department. There is apparently a bill in the legislature which, if passed, would allow municipalities to borrow for a period of ten years rather than the current five years.

In response to a question regarding renting with an option to buy, Mr Daley emphatically recommended against that.

The owners of the home to the south of the property apparently have a "right of first refusal" to purchase the property, but are currently not financially able to do so. If we go through with a special District meeting, which must be done before a Purchase and Sales agreement can be signed. However, we wouldn't be signing a Purchase & Sales but would be submitting an offer

with a “drop dead” date once all the votes have been taken. At that point, the right of first refusal could be executed.

The Chairman then entertained a motion to close the executive session, which was moved, seconded and unanimously voted on a roll call vote.