

Cotuit Fire District
Joint Board of Fire Commissioners and Prudential Committee Meeting
26 march 2015

Present: Ron Mycock BOFC chairman, Tom Hadley BOFC, Fran Parks Chair Prudential Committee, Laurie Hadley Prudential Committee, Chief Olsen

Mr. Mycock: The Board of Fire Commissioners and I will call the Board of Fire Commissioners March 26, 2015 meeting open at 12:35pm. At first I guess I'd like to thank the Prudential Committee for coming, so we could talk to you. I'm going to take our agenda out of order, so we don't take up your time. Although I may ... I'll have our public comment first. Any public comment? Seeing none, we'll move on.

We are at the point where a fire truck is in order, whether it's this year or maybe next year, but we're definitely there. We've been telling the board over the last few years and the public that this day was coming. What we're looking for from you is guidance as to how to purchase it or how to bring it to the voters with the potential of either purchasing or leasing. Commissioner Hadley has been on the truck committee and has a better handle on it than I. We're waiting for the arrival of Chief Olsen. I don't know if you have any comment yet, Mr. Hadley. That's fine.

Mr. Hadley: No. Actually I have spoken with the chief. He is supposed to be getting some information from at least 2 fire apparatus companies to see the figures on the lease and how much interest we would accrue as this lease they are usually 5 to 7 years out. Hopefully, he'll have some of that information today. Other than that, we did change the budget from 550,000 down to 20,000 thinking that that would be the first increment of the lease.

Mr. Mycock: Down to 20,000?

Mr. Hadley: 200,000.

Miss Parks: 200,000.

Mr. Mycock: 200,000. Thank you.

Mr. Hadley: 200,000. I'm sorry.

Mrs. Hadley: I think our last borrowing was at half a percent.

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Mr. Mycock: This may be much to do about nothing but we felt that it was such a big purchase that we should ask you. I see Chief Olsen coming now. We don't care. We'd just like a fire truck.

Miss Parks: I have a question. At the meeting that we had earlier in the week? The chief said that his vehicle is in serious decline. Are we still thinking about replacing that one?

Mr. Mycock: Absolutely. Actually, I know the history on that one. It's a little hard to believe, but we were scheduled to replace that the first year Chief Olsen came. Actually it was the year before, and we had asked to ... Former Chief Frazier was putting in for a truck, and I wanted to allow the new chief, whoever that was, that was before Chief Olsen was even on the scene, to defer that so that the new chief could choose a vehicle of his own. Well, 6 years later, there's a hundred plus thousand on it, I believe, and as most people know, our vehicles do a lot of rest. 100,000 is more like 175,000, I think, in reality. That's definitely ...

Miss Parks: Okay.

Mr. Mycock: Chief, we're looking to you to present to the joint boards the two alternatives to move forward to get a truck. Was that a ... ask you if you've had an opportunity to find out anything about leasing and where we would end up going with that if we went that way and how ... It may be that we put it to the voters two ways. I don't know, but I'm just talking out loud. If you would.

Chief Olsen: Sure. First of all my apologies. I was a tad late here. If you look at the budget, there is a mark in the budget for special appropriations for \$200,000. In that line item for appropriations, it was to discuss originally on this draft budget of FY2016. We put in 500, and I believe it was, 50,000 that I put in there originally. Since then I've looked out to different apparatus companies that would actually lease the vehicles instead of ... Lease-to-own, lease-to-purchase and basically it just brings it out 5 years.

Again, it depends on what capital company you go with. They will determine the rules and regulations that you have to follow. So I lowered it down to 200,000 speaking with other chiefs in the area that have leased vehicles. The initial is about 120, 130, \$160,000 the first year. After that it comes out to be about \$65,000 or so to \$70,000 until you complete your payments of whatever vehicle you purchase.

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I reached out to 5 different companies and out of those companies, 4 of them actually do a lease-to-own program. I think you can, looking at it, you can probably go to a bank and talk to a financial institution about this as well. They may end up doing that as well. Without going into the bank prospect of it, I reached out to Pierce Manufacturing, Ferrara Fire Apparatus, HME, which is Ahrens-Fox, and Emergency One. The other one was Sutphen. Sutphen was the fifth. Out of all those, 4 of them do lease programs. One does not, which is the Ferrara. The Ferrara Fire Apparatus do not have a lease program.

Pierce has their own lease program. It's by Oshkosh Capital. They work specifically for Pierce Manufacturing, Appleton, Wisconsin. They will work with us, but they need a breakdown of what vehicle we want and how much, because, as you know, when you add or subtract things on a vehicle, it's more or less.

HME, which is also Ahrens-Fox. It's an older company. It's in Michigan. They have the ability to do a leasing program as well. They basically said, "Chief, just give us a number. What do you want? We will put the truck together, and we will come up with a plan for you for the money."

Emergency One is its own private company. It was a conglomerate at one time but now it's an ownership. Now they own their own company. That in Ocala, Florida. They do not have a leasing program specifically for them, but they have access to a lease program that's outside their agency but works with them, so in essence they do have a program, and so does Sutphen.

The question asked here, the truck committee is not prepared to ask or, excuse me, to receive a quote from them yet because we haven't decided which vehicle we would like to purchase. I arbitrarily asked these people, "Say it's a 550,000, 625,000." "Chief, we can't do it that way." They want plans. They want to sit down, so we need to meet with these companies. Find a vehicle that we think it's in our price range, and then put it together. Then send them the plans and say, "Now we want to do lease-to-buy option." Then they'll come up with a number.

In the past, like I said, Sandwich Fire Department has Sutphen's and other apparatus. Retired Chief George Russell, I have spoken with personally. He believed it was \$160,000 to start the lease program the first year. Then I think there's a \$300 application fee you have to pay. Then after that there is a \$65,000 to, I think he said, 72,000. He said it was around

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there. He didn't have the specific numbers, but he was pretty close on the numbers he was saying. That gives us a ballpark at least.

Mr. Mycock: I'm going to interrupt you.

Chief Olsen: Sure.

Mr. Mycock: Commissioner Mycock, I'm wondering if we're pushing too hard right now on this. It's, what, March 20-. What's the day? It's the 26th. 26th. You got to choose a truck, which I don't think should happen lightly, and then we'll come up with a number. I'm just sticking this out here as this may be worthy of a special district meeting.

Mrs. Hadley: Okay. The only thing on special district meetings is you have to hold it before the town sets the tax rate, otherwise, and you don't have access to free cash until practically next year.

Mr. Mycock: Okay. So now or next year?

Mrs. Hadley: If you could get a rough figure, a rough idea to put in the warrant and make it a little higher than you think it's going to be, because they always love to see that you've saved money in the end, I think that might be a better way. Also to find out what the interest rates would be because you might wind up paying a lot more on the lease because the last borrowing we did was at a half a percent.

Chief Olsen: That's great.

Mrs. Hadley: If you're going to be paying 7% or something like that on the lease, it probably wouldn't make sense.

Mr. Mycock: That's what I was hearing too after you made that comment. We're going to end up ... If we finance it, we'll finance it ourselves. At that interest rate, we might as well use the good credit of the district rather than paying an extra 5, 6, 7%.

Miss Parks: Can I make a comment? These companies, they sell fire trucks, correct?

Chief Olsen: Yes, that's true.

Miss Parks: They must have some sort of standard equipped fire truck with a price that's knowable that we're able to use to at least partially inform the public.

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- Chief Olsen: They do. They have on the floor trucks right now we can purchase.
- Miss Parks: No, not to purchase. I mean to have information on and the cost and the cost of leasing that particular truck that we could give to the public so that they would know, as opposed to not being able to give us a ... I don't think we're going to be able to have a firm figure, but we should be able to at least give peoples ... truck A has X, Y, and Z.
- Chief Olsen: Barnstable last year bought one 425, Emergency One. That's their number. I mean I can give a whole bunch of numbers, 425 to 550. It's within that ballpark. If you want a number, that would be what it is, Miss Parks, somewhere in between that ballpark. It depends on what ... and every manufacturer says, "Chief, I can't give you a price until you tell me what it is you need."
- Miss Parks: I understand that, but you should be able to get a ballpark figure for a truck similar to what we need that we can tell people without giving them such a large range.
- Mr. Mycock: How do you go about spec'ing a truck? Water Department comes before the public, and they've done a \$150,000 worth of engineering. Somebody has spec'ed a truck for us. Do we do this?
- Chief Olsen: Yes, we do this. Who gets involved is the truck committee, and in that truck committee is our professionals, if you will, our mechanics. They get involved with us. They sit with us, and we go right through the truck. It's not a slow process, but it should not be a fast process either. They have templates for all of us. It depends on, what are the needs of this district? What are the needs of our firefighters? And what do they need for equipment to do their job safely? That's what it's all about. I think that we can have numbers for you. If you want numbers, we can have numbers for you or a truck for you.
- Mr. Mycock: We're going to need a number. You know that. We can't sit here and say it's .
- Chief Olsen: The original was 550. The original was 550. That's a number. That's legitimate. That's a legitimate number. 425 is a legitimate number for last year. I can get that same quote. Understand this, Barnstable Fire just did theirs. If we like their truck and our truck committee likes it, I'll go to Barnstable Fire from there, chief to chief, and get their specs and put it in

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operation right now. Boom, here you go. It's as simple as that. It's been done.

Mr. Mycock: What I'm hearing is though, so we go with a 550 number ...

Mrs. Hadley: I would say 550 to 6.

Mr. Mycock: We're going to make it to our needs, not to exceed.

Chief Olsen: Right. That's why I originally put the 550 in there because I know that would be where we need to be or

Mrs. Hadley: You think that's about as high as we would have to go?

Chief Olsen: Yes.

Mrs. Hadley: Well, I would say for now we just keep it at 550. If we can figure out something less by district meeting time, you can always at the ... you can put in 550 right up until the night of the meeting. Then when you come in and make your motion, make it for 500 or 475].

Chief Olsen: We did that with our ambulance. We came in with 236, and we spent 230. So I mean, you know, yeah ... I'm ready.

Mr. Mycock: Can we change special appropriations 102 from the 200,000 back to the 550 then?

Mrs. Hadley: Yes.

Chief Olsen: Yes, sir. Yes, sir. We can do that.

Mr. Mycock: We can do that without any problem?

Chief Olsen: Yes, sir. This is still a draft. Yes, sir.

Mr. Mycock: Would the Prudential like, however ... It's probably the consensus here that we'll end up buying it, but would we like leasing figures?

Mrs. Hadley: Yes. It would not hurt

Mr. Hadley: I think, yes. So Chief, we'd like leasing figures.

Chief Olsen: Okay.

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- Mr. Hadley: I agree with that, so the public can see what it's going to cost. Whatever it's going to cost..
- Miss Parks: Commissioner Nailor joined the committee.
- Mr. Mycock: Chief, I think actually we're probably getting close to ... What we've asked from you is ... Where we're going is we'd like you to put 550 in. We'd like a number, a cost to lease it and obviously, a purchase ... I mean not what the purchase price would be, 500, say. We'd like a lease for that number. Also, this would be not to exceed it, district meeting, 550.
- Chief Olsen: Okay, sir.
- Mr. Mycock: In the meantime, you guys got to hustle.
- Chief Olsen: We have 4 or 5 sets of plans already ready to roll.
- Mr. Hadley: While we're at that, what are we going to do about the chief's car? You want to pay that outright or ...
- Mr. Hadley: I'd go back to Prudential whatever the treasurer ... Perhaps we can word that so the treasurer can tell us what to do.
- Mrs. Hadley: Yes. That is an appropriate borrowing and appropriates a transfer and appropriate...
- Mrs. Hadley: We can do it all ways. The treasurer can ... whatever's best for the district.
- Mrs. Hadley: I know that his philosophy is to use free cash for non-recurring items. We could probably take it out of free cash.
- Miss Parks: Is that a leasable item also?
- Mr. Mycock: Oh, yeah.
- Mrs. Hadley: God, you can lease anything these days.
- Speaker 1: Yes.
- Mr. Mycock: They're all pre-bid, so we won't have to worry about putting out bids or anything like that, all municipal vehicles are : Do you know what kind of vehicle you'll be looking for?

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Chief Olsen: I'm looking at a Tahoe right now, a Chevy Tahoe.

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Chief Olsen: Yes. There's the Ford version of it too as well, the Expedition.

Mr. Mycock: Just so we had an idea as to what you're looking for.

Chief Olsen: They sell both.

Mr. Mycock: Anything else with the Prudential Committee? Is that okay with you?

Miss Parks: I'll entertain a motion to close the Prudential Committee meeting.

Mrs. Hadley: I move the Prudential Committee close.

Miss Parks: Second. All in favor. Unanimous

Mr. Mycock: Thank you. Appreciate you coming.

Miss Parks: May I suggest the fire commissioner suspend their meeting so we can switch over the recording devices.

Mr. Hadley: Sure. I'm going to make a motion we suspend our meeting for 5 minutes to start a fresh recording.

Mr. Mycock: Second that.

Mr. Mycock: All those in favor. Unanimous

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