

The Board of: Riceville Volunteer Fire Department
Met at: 6:30PM
On: Monday, October 30, 2023
For: Special Meeting of the Board
Moderator: Dan Little (Chairperson)
Members Present: Lee Barrett, Merel Johnson, Butch Laughter,
Lisa McCallister, Carla McLendon and Steve Wickham
Not Present: Kent Creasman and Kathy Higdon
Guest(s): Cameron Marler, Safe Industries Apparatus Sales
Representative

1. Call the Meeting to Order: Dan Little called the meeting to order at 6:34PM. Following no objections, he opened the meeting in prayer.

2. Custom Pumper:

A. Purpose - Dan Little relayed the purpose of this meeting was to discuss the proposed contract and financial logistics associated with the purchase of a Custom Pumper. He explained he and Steve Wickham both served on the Engine Specification Committee prior to him becoming Chairman and prior to Steve becoming a Board member. In light of this, he asked if any remaining Board member had any concerns/objections with both of them serving in a Board Member capacity for this meeting. The remaining Board Members voiced they had no objections.

B. Committee Report - Dan Little asked Division Chief McEntire to present a report from the Committee, which was comprised of Division Chief McEntire, Captain Blount, Captain Redden, Captain Wickham and Dan Little. His report covered the timeline/background of the Committee; familiarization with the manufacturer (KME, of which the Department already has two); other Departments who have KME vehicles; and contact with/feedback from other suppliers. (Please see handout entitled Board of Directors Request for Action provided to Board Members at the beginning of tonight's meeting.) Division Chief McEntire noted it was important to the Committee and Department that purchase be made through a manufacturer who built the vehicle bumper-to-bumper.

Discussion included weight distribution, warranty information and maintenance. [The specifics for these topics and others may be found in the 140-page document (Riceville VFD Specifications 10 06 2023) emailed to the Board by Dan Little on October 21, 2023. Two other documents contained in that email were Riceville VFD Proposal 10 06 2023, which outlines pricing, and Q03583-3 GAD-1, which is a diagram of the proposed vehicle.]

C. Support of Committee/HGAC Purchasing Contract - Chief Kelly thanked the Committee for their hard work and dedication to this project, relaying his full support in their purchase recommendation.

Chief Kelly and Cameron Marler explained the HGAC purchasing contract, which is awaiting signature of HGAC's Executive Director. Once set up as a member, the

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Department can use this contract to purchase items other than vehicles (i.e., turnout gear). For fire trucks, there is a flat rate fee of \$2,000 per purchase order (PO), regardless of how many trucks are on that PO. HGAC handles all the bid process, which protects the Department. There is an option to renew the contract annually on a fiscal year (July – June) basis.

In response to a question, Cameron Marler explained the Performance Bond option, which ensures the Department either gets a fire truck or their money back. If the truck is prepaid, the cost of the associated Performance Bond would be \$4,230. (Please see document entitled Riceville VFD Proposal 10 06 2023 emailed on October 21, 2023.)

In response to a question, Cameron Marler relayed his company cannot pass along a price increase to the customer but can pass along a surcharge. (Please see Page 1 of document entitled Riceville VFD Specifications 10 06 2023 emailed on October 21, 2023.) As of this meeting, Cameron noted his company has not “sent a single surcharge to a customer yet.”

Chief Kelly noted that if the decision is made to proceed with purchase, there will be three signatures on the contract – Chief, BOD Chair and Bookkeeper.

A handout was provided which outlined Judge Nobles’ (via Management Solutions for Emergency Services) feedback on the proposed contract. He noted, “I’ve seen a lot of fire truck contracts. Compared to most of the others, this one is fair.”

D. Purchase Options – Katie Payne provided an overview of the purchase options, which were Finance through Civic Federal Credit Union; Finance when Truck Arrives; and Prepay with Department Funds. (Please see handout entitled Board of Directors Request for Action provided to Board Members at the beginning of tonight’s meeting.) In speaking with Civic Federal Credit Union, with whom the Department has an established good relationship, Katie learned they now offer a pre-purchase loan.

Katie Payne did relay a fourth option would be to pay a portion with Department funds and ask Civic to finance the remainder. She also shared the Civic employee with whom she was speaking recommended financing apparatus and putting liquid assets towards the proposed new building.

The various options were discussed at length and included questions as to whether any existing apparatus could be sold (The Department is currently at the minimum requirements to maintain its rating.); consideration of pursuing civic bonds and/or government grants (Time constraints, considering KME will have a price increase on November 1, which equates to \$47,700 for this proposed purchase.); effect on the Department’s Money Market (\$1,745,468) and Operating Reserve (three months or approximately \$480,000, which the Department would have), should the decision be made to pay up front; decline in ambulance service income over the past two years; and the pending lawsuit.

E. Motion - After much discussion, Merel Johnson made a motion to accept the KME proposal as bid. Lee Barrett seconded the motion. Further discussion noted

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reason for the need of this vehicle had been demonstrated. Further, between \$430,000 and \$450,000 would be saved by paying for the vehicle in full up front. This figure includes a Prepay Discount of \$65,000; avoidance of the November price increase of \$47,700; and approximately \$330,000 interest saved by not financing. Merel Johnson amended his motion to approve the contract with KME, with payment in full being made up front. Lee Barrett seconded the motion, which carried unanimously.

F. Next Steps – The signature of the Executive Director is needed on the HGAC purchasing contract. The Board requested two signatures on the contract with Safe Industries, which were obtained from Chief Kelly and Chairman Little. Safe Industries will next apply for the bond through KME, who will issue and send the bond to Safe Industries for signature by the Principle. Safe Industries will then send the bond to RVFD. A virtual pre-construction meeting between Safe Industries and Department personnel will take place within 60 days. The final inspection will take place with four Department personnel at the manufacturing site in Holden, Louisiana.

3. Adjournment: Lisa McCallister made a motion to adjourn at 8:12PM. Steve Wickham seconded the motion, which carried unanimously.