

Pine-Strawberry Fire District

PINE-STRAWBERRY FIRE BOARD SPECIAL MEETING MINUTES April 18, 2024

The meeting was called to order at 5:01 pm.

1) Pledge of Allegiance

2) Roll Call – Present were Board Clerk - Bob Papke, Member - Bob Bennett, Board Chairman - Chuck Ackerman, Member - Dave Burkhardt, and Member - Melvin Palmer.

3) New Business –

- a) Presentations by Stifel and RBC representatives regarding General Obligation Bonds.

Mike LaVallee, Managing Director for Stifel presented first. Materials were presented to the Board showing Stifel as the #1 underwriter by number of issues for small/medium sized local governments. Statistics for 2023 showed Stifel with 36 and RBC with 7 issues.

They have worked extensively with fire districts since 2007.

Stifel will function as an underwriter or private placement (with banks), whichever results in the lowest cost for the client.

Out of those 27 Fire District Bond elections, 25 were successful.

General Obligation (GO) bonds are secured by dedicated property tax revenue and require voter approval.

If the election fails, no fees are charged.

Fire District voter authorizations do not expire, so some can be sold for immediate needs, and some can be sold later for future needs.

Lease purchases (such as Certificates of Participation) are secured by collateral or real property and can be repossessed for failure to pay. Debt service must be included each year in the budget.

Fees are paid only at the time Bonds are issued.

Statutory limits on the amount borrowed are based on the currently assessed value of the property.

Tom Carlson, Director of RBC Finance, presented next. Mr. Carlson reminded the Board that they previously worked with RBC on the Certificates of Participation for the PSPRS unfunded liability debt, and although RBC was engaged for that process in 2022, the COP's were not issued due to drastically increasing interest rates.

The same people would be involved in the General Obligation (G.O.) bond process.

The District rating at that time was (S&P) “A.”

If approved by the voters, the interest is separate from the statutory rate cap of 3.75%.

PSFD’s unrestricted cash position is positive.

Bonds can be used for buildings, engines, and other capital needs. They do not have to be used all at once.

General Obligation interest is tax free to the purchaser, unlike COP’s.

PSFD can get Bond insurance if our credit rating is high enough, resulting in lower coupon cost and less risk. (Coupon pays the underwriting fees.)

The current year Tax Exempt Bond interest rate is approximately 4.26%.

Mr. Carlson suggests forming a bond committee to provide information to the public and reminded the Board members that THEY themselves can not advocate for the bond.

4) **Adjournment**

Dave Burkhardt made a motion to adjourn. Bob Papke seconded the motion and it passed unanimously at 6:20 pm.

cw