



HELLSGATE FIRE DISTRICT

BOARD OF DIRECTORS

NOTICE OF SPECIAL MEETING

November 18th, 2021

Pursuant to ARS §38-431.02, notice is hereby given to members of the HFD Governing Board and to the public that the Governing Board will meet in Public Session on Thursday, November 18th, 2021 at 11:00 AM in the Training Room of Station 21, 80 S. Walters Lane, Star Valley, AZ 85541. Members of the Fire Board and legal counsel may attend either in person or by telephone conference call.

NOTICE: Due to Coronavirus/COVID-19, Arizona Executive Order #2021-06, and CDC recommendations on social distancing, public will be limited to social distancing requirements.

Members of the public may participate through zoom. Meeting ID 864 986 5085.

Link: <https://zoom.us/j/8649865085>

If you have questions for the board you may also submit them to info@hellsgatefire.org.

During this meeting, Board Members may ask questions about, discuss, consider, approve, and/or take possible action on any listed Agenda item and any variable related thereto unless specifically otherwise indicated (such as under Public Forum). HFD may vote to go into Executive Session, which will not be open to the public, on any agenda item pursuant to ARS §38-431.03(A)(3) for legal advice with the Fire District Attorney on the matter(s) set forth in the agenda. All Agenda items are set for possible action.

Public Input: Citizens may make oral comments on specific Agenda items or any topic relevant to District business during the public forum. Citizens who wish to speak should complete a Request to Address form, indicating the topic they intend to address. Citizens may submit written comments of any length to the Fire Board. Notice: Public comment is encouraged, but it is important that everyone demonstrate the appropriate decorum, courtesy and respect during the meeting. Please treat your fellow citizens with courtesy. Outbursts, interruptions, and personal attacks will not be tolerated.

~ AGENDA ~

- 1. CALL TO ORDER**
- 2. ROLL CALL OF BOARD MEMBERS**
- 3. PLEDGE OF ALLEGIANCE**
- 4. RESOLUTION 2021-011 – Certificates of Participation**

Consideration and possible adoption of Resolution 2021-011: revoking Resolution 2021-007 for purposes of updating and correcting the information previously set forth in Resolution 2021-007; approving the sale and execution and delivery of certificates of participation in a lease-purchase agreement; approving the form and authorizing the execution and delivery of necessary agreements, instruments and documents; adopting a contingency reserve fund policy; and delegating authority to determine certain matters with respect to the foregoing.

- a) Board to consider adopting new **Resolution 2021-011** revoking Resolution 2021-007 to include amount of certificates of participation to reflect total needed for both station 22 and unfunded liabilities with PSPRS.



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- b) Board to review **Resolution 2021-011** approving the i) refinance the construction of a District fire station (the “Refinanced Project”) associated with the Lease/Purchase Agreement, dated as of November 15, 2013 (the “Prior Lease”), between the District, as lessee, and Zions First National Bank, as lessor, and (ii) fund all or a portion of the District’s unfunded liabilities with respect to the Arizona Public Safety Personnel Retirement System and one or more contingency reserve funds with respect to pension and related liabilities (collectively with the Refinanced Project, the “Project”) through the sale, execution, and delivery of certificates of participation and authorizing all actions necessary to the consummation of the transactions contemplated by resolution.
 - c) **POSSIBLE ACTION:** Discussion, Motion or Postpone.

5. CONTINUING DISCLOSURE OBLIGATION - Consideration of Dissemination Agent to facilitate compliance with Continuing Disclosure related to COPs.

- a) Board to review Stifel’s ability to obtain bids and/or proposals on behalf of the District for a qualified dissemination agent which would assist the District in compliance with its obligations under the Continuing Disclosure Undertaking (which is an exhibit to COPs Official Statement).
- b) Bids would be evaluated, and any proposed contract would be reviewed by the District’s Bond Counsel before being presented to the Board for consideration at a later date at which time the Board may determine to address the District’s obligations for continuing compliance internally or contract with a qualified dissemination agent.
- c) **POSSIBLE ACTION:** Discussion, Motion or Postpone.

6. PUBLIC FORUM

Speakers are limited to a three-minute oral presentation and may submit written comments of any length for Board files. Board Members may not discuss items that are not specifically identified on the Agenda. Therefore, pursuant to ARS §38-43101(G), Board action taken as a result of public comment is limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.

7. ADJOURNMENT

Angie Lecher, On behalf and with Permission of Board Clerk, Nick Fitch

Nick Fitch, Clerk of the Board

HFD Training Room is accessible to the handicapped. In compliance with Americans with Disabilities Act, those with special needs, such as large print or other reasonable accommodations, may request them by calling 928-474-3835.

Posted by: Angie Lecher

Date: 11/15/2021

Time: 4:30 PM



**HELLSGATE FIRE DISTRICT
RESOLUTION NO. 2021-011**

RESOLUTION REVOKING RESOLUTION 2021-007 AND INSTEAD APPROVING THE SALE AND EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION IN A LEASE-PURCHASE AGREEMENT TO PROVIDE THE NECESSARY FINANCING FOR THE PURPOSES DESCRIBED HEREIN; APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS RELATED TO THE SALE, EXECUTION AND DELIVERY OF THE CERTIFICATES; ADOPTING POST-ISSUANCE TAX AND CONTINUING DISCLOSURE COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE DISTRICT AND A CONTINGENCY RESERVE FUND POLICY; DELEGATING AUTHORITY TO THE FIRE CHIEF OF THE DISTRICT TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND RATIFYING ALL ACTIONS TAKEN TO FURTHER THIS RESOLUTION

WHEREAS, by Resolution 2021-007 adopted on November 10, 2021 (the “Prior Resolution”), the District Board (this “Board”) of Hellsgate Fire District of Gila County, Arizona (the “District”), determined that it was necessary, advisable and expedient to finance and refinance, as applicable, the costs of the Project (as defined herein), and that the execution and delivery of certain certificates was necessary and advisable; and

WHEREAS, this Board has now determined that the Prior Resolution should be revoked in its entirety and this Resolution should be adopted as it remains necessary, advisable and expedient to finance and refinance, as applicable, the costs of the Project but with the modified parameters provided in Section 3 hereof; and

WHEREAS, this Board has determined to (i) refinance the construction of a District fire station (the “Refinanced Project”) associated with the Lease/Purchase Agreement, dated as of November 15, 2013 (the “Prior Lease”), between the District, as lessee, and Zions First National Bank, as lessor, and (ii) fund all or a portion of the District’s unfunded liabilities with respect to the Arizona Public Safety Personnel Retirement System and one or more

contingency reserve funds with respect to pension and related liabilities (collectively with the Refinanced Project, the “Project”); and

WHEREAS, this Board has determined that in order to refinance and finance, as applicable, the costs of the Project it is desirable and necessary to lease-purchase certain property within the boundaries of the District, to be determined as provided herein (the “Property”); and

WHEREAS, in connection with the refinancing and financing, as applicable, of the Project, it is necessary that the District enter into a ground lease (the “Ground Lease”) with respect to the Property with a lessee that will lease the Property, together with all improvements now or hereafter constructed thereon, to the District pursuant to a separate lease-purchase agreement (the “Lease-Purchase Agreement”), which, among other things, provides for the refinancing and financing, as applicable, of the Project, in each case as determined by this Board; and

WHEREAS, this Board has determined that the refinancing and financing, as applicable, of the costs of the Project be undertaken through the sale and delivery to the hereinafter defined Underwriter of one or more series of certificates of participation (collectively, the “Certificates”), evidencing and representing (notwithstanding the execution and delivery of multiple series of Certificates) proportionate interests of the owners thereof in the Lease-Purchase Agreement, specifically the lease payments to be made by the District pursuant thereto; and

WHEREAS, a proposal in the form of the hereinafter defined Purchase Agreement will be received from Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), serving in the capacity of and designated as the underwriter and not acting as a municipal advisor as defined in the “Registration of Municipal Advisors” rule promulgated by the United States Securities and Exchange Commission, and this Board has determined that the Certificates should be sold through negotiation to the Underwriter pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-005-1718; and

WHEREAS, (A) the Certificates will be executed, delivered and paid pursuant to the terms and provisions of a trust agreement (the “Trust Agreement”) to be executed and delivered by the District; (B) the Certificates will be offered for sale pursuant to a preliminary official statement (the “Preliminary Official Statement”) which, with conforming changes, will become the final official statement (the “Final Official Statement”) therefor and sold pursuant to a certificate purchase agreement (the “Purchase Agreement”) between the District and the Underwriter; and (C) in connection with the execution and delivery of the Certificates, Securities and Exchange Commission Rule 15c2-12 (the “Rule”) will require the District to make certain agreements for the benefit of the beneficial owners from time to time of the Certificates, as evidenced by a continuing disclosure undertaking of the District (the “Continuing Disclosure Undertaking”); and

WHEREAS, this Board has determined that the policy titled “Hellsgate Fire District: Public Safety Personnel Retirement System Contingency Reserve Fund” (the “Policy”)

should be adopted in order to set forth procedures for managing the contingency reserve fund(s) to be established in connection with the execution and delivery of the Certificates; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder (the “Regulations”), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes (the “Tax-Exempt Obligations”), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHEREAS, it is determined that procedures should be adopted in order to ensure that Tax-Exempt Obligations issued by the District comply with the provisions of the Code and the Regulations (the “Tax Compliance Procedures”); and

WHEREAS, pursuant to the Rule, Participating Underwriters (as defined in the Rule) are required to reasonably determine that issuers have entered into written undertakings (such as the Continuing Disclosure Undertaking) to make ongoing disclosure in connection with offerings of obligations to investors subject to the Rule; and

WHEREAS, it is determined that procedures should be adopted in order to document practices and describe various procedures for preparing and disseminating such ongoing disclosure for the benefit of the holders of the District’s obligations and to assist the Participating Underwriters in complying with the Rule and such written undertakings (together with the Tax Compliance Procedures, the “Procedures”); and

WHEREAS, the District has the general power and authority to enter into and deliver the Ground Lease, the Lease-Purchase Agreement, the Trust Agreement, the Purchase Agreement and the Continuing Disclosure Undertaking (collectively, the “District Documents”) and to cause the sale and the execution and delivery of the Certificates, in order to refinance and finance, as applicable, the costs of the Project;

NOW, THEREFORE, IT IS RESOLVED BY THE DISTRICT BOARD OF HELLSGATE FIRE DISTRICT OF GILA COUNTY, ARIZONA, THAT THE PRIOR RESOLUTION IS REVOKED FOR ALL PURPOSES AND AS FOLLOWS:

Section 1. The forms, terms and provisions of the District Documents in the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution was adopted are hereby approved with such insertions, omissions and changes as shall be approved by the Chairperson of this Board or, in the absence thereof, any other member of this Board, or the Fire Chief of the District (collectively, the “Authorized Representatives”), the execution of such documents being conclusive evidence of such approval, and the Authorized Representatives and the Clerk (or any other member of this Board serving in such role) of this Board are hereby authorized and directed, for and on behalf of the District, to sign and attest, as applicable, the District Documents as well as any and all other documents necessary in connection with the foregoing, including documents necessary for the prepayment of the Prior Lease or a financial guaranty or other agreement to provide for credit enhancement for the Certificates.

Section 2. From and after the execution and delivery of the District Documents in definitive form by the District and the other parties thereto, as required, the officers, agents and employees of the District are hereby authorized, empowered and directed to do all such acts and things and to execute all such agreements, documents, instruments and certificates as may be necessary to carry out and comply with the provisions thereof.

Section 3. The Authorized Representatives are hereby authorized and directed to determine on behalf of the District: (1) the property which will comprise the Property for purposes hereof; (2) the entity to serve as “Trustee”, “Lessor” and “Lessee”, as applicable, for all purposes of the District Documents; (3) the series name and series designation of each series of the Certificates; (4) whether interest on each series of the Certificates will be excluded from gross income for federal income tax purposes and whether any series of the Certificates can be designated as “qualified tax-exempt obligations” for purposes of section 265(b)(3) of the Internal Revenue Code of 1986, as amended; (5) the dated date and total principal amount of the Lease-Purchase Agreement (but not to exceed \$2,750,000 in principal amount); (6) the final principal and maturity date schedules of the Lease-Purchase Agreement; (7) the interest rate on each maturity of the principal components of the Lease-Purchase Agreement (but not to exceed 5% for any maturity) and the dates for payment of such interest; (8) the provisions for redemption in advance of maturity of the payment of the principal components of the Lease-Purchase Agreement; (9) the determination of the exercise of the prepayment provisions with respect to the Prior Lease; and (10) the sales price and terms of the Certificates (including for original issue discount, original issue premium and underwriter’s compensation).

Section 4. The Authorized Representatives are further hereby authorized and directed to determine on behalf of the District whether the purchase of an insurance policy securing payment of the Certificates or a surety bond or other reserve fund guaranty would be advantageous to the District or the terms of the financing represented by the Certificates. Any officer, agent or employee of the District is hereby authorized to negotiate with and secure, with proceeds of the Certificates or otherwise, such an insurance policy or a reserve fund guaranty, or both, from one or more institutions, the claims-paying ability of which are then assigned one of the two highest rating categories by a nationally recognized credit rating agency. The Authorized Representatives are hereby further authorized and directed to execute and deliver any instruments or documents necessary in connection with the purchase of any such insurance policy and/or reserve fund guaranty, including those making provision for the repayment of amounts advanced by the institutions issuing such insurance policy and/or reserve fund guaranty.

Section 5. (1) The preparation and distribution of the Preliminary Official Statement is hereby ratified and approved; (2) the Preliminary Official Statement in substantially the form presented at the meeting at which this Resolution was adopted is hereby approved; (3) the preparation of the Final Official Statement in substantially the form of the Preliminary Official Statement, with such changes or revisions therein from the form of the Preliminary Official Statement as may be approved by the Authorized Representatives, is hereby approved; and (4) the Authorized Representatives are hereby authorized, empowered and directed, in the name and on behalf of the District, to execute and deliver the same to the Underwriter, and to execute and deliver instruments confirming that the Preliminary Official Statement is “deemed final” in accordance with the Rule.

Section 6. The Authorized Representatives are hereby authorized to accept a proposal of the Underwriter for the purchase of the Certificates, and the Certificates are hereby ordered sold to the Underwriter in accordance with the terms of the Purchase Agreement. The Authorized Representatives are hereby authorized to execute and deliver the Purchase Agreement, for and on behalf of the District, in substantially the form submitted to this Board at the meeting at which this Resolution was adopted and in a final form satisfactory to the Authorized Representatives, and such execution and delivery by the Authorized Representatives shall indicate the approval thereof on behalf of the District by the Authorized Representatives.

Section 7. The Authorized Representatives are hereby designated and appointed as “Lessee Representatives” as defined in the Lease-Purchase Agreement and are authorized to execute in the name of and on behalf of the District any closing documents, certificates or other instruments or documents necessary or appropriate in connection with the transactions described in or contemplated by the District Documents and to do all acts and things as may be necessary or desirable to carry out the terms and intent of this Resolution and of any of the documents referred to herein.

Section 8. The Policy and the Procedures are hereby adopted in substantially the forms presented to this Board to establish policies and procedures related to the purposes set forth in the Recitals hereto. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Policy or the Procedures as may be determined is hereby reserved. The right to change the Policy or the Procedures from time to time, without notice, is also reserved.

Section 9. All actions of the officers and agents of the District including this Board which conform to the purposes and intent of this Resolution and which further the execution and delivery of the Certificates as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this Resolution and to give effect to and consummate the transactions contemplated by this Resolution.

Section 10. After the Lease-Purchase Agreement is executed and delivered, this Resolution shall be and remain irrevocable until the principal and interest represented thereby shall have been fully paid, cancelled and discharged.

Section 11. If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. This Board hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the execution and delivery of the Certificates pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

PASSED, ADOPTED AND APPROVED by the District Board of Hellsgate Fire District of Gila County, Arizona, on November 18, 2021.



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Chairperson, District Board, Hellsgate Fire District
of Gila County, Arizona

ATTEST:



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Clerk, District Board, Hellsgate Fire
District of Gila County, Arizona