

**Lead Fire Protection District Special Meeting to discuss financing for the Firovac 2600-gallon Hawk tanker pumper:**

Minutes from 02-10-2022 – Meeting was held at 6:00 pm at the Lead Fire Station.

**Present Members:** O. Enderby, K Rear, S. Stewart, R. Everett and S. Ward by phone.

**Absent:** 0

**Call to Order:** Meeting was called to order at 6:05 pm by President Oz Enderby.

Conflict of Interest Declaration: None

Quorum was present to conduct business.

Since this was a special meeting there wasn't any previous minutes to approve.

President Enderby has received two proposals. One from F.I.B. and one from Republic First National also one from First National and they couldn't do anything better than F.I.B. so it didn't make much sense to bring in another bank. President Enderby sent out the cost of the tanker/pumper to the board of \$450,002.00 with some change orders as well provided by Nate Allen. There would be a \$50,000.00 down payment towards the purchase price.

Ron explained the two different banks along with the amortization schedule for both. Ron provided those hand outs to the board. Ron explained to F.I.B. that the board would need \$150,000.00 in March and another \$150,000.00 in September and then the balance for the tanker/pumper. Ron also made sure that F.I.B. had all documentation needed and they do. First Republic needed additional documentation.

F.I.B. interest rate is 3.59% and Republic First National is 3.094%. F.I.B. will loan the first \$150,000.00 until you need the rest and then they'll loan the rest but only charge interest on the first \$150,000.00 up until you need the full loan. The first payment will be December of this year. F.I.B amortization schedule starts with \$400,000.00 and at then of the 10-year contract total payments were \$474,786.16 and an interest charge of \$74,786.16. First Republic amortization starts with \$400,000.00 and at the end of the 10-year contract total payments were \$476,636.00 and an interest charge of \$76,636.00. This is a savings of \$1,849.84 to LFPD.

The difference is because F.I.B is a construction loan and you only pay interest on what you borrow until the full amount. Republic First National charges interest for the full amount since that is what is requested.

Sierra asked why we didn't research a lease to own contract. Nate Allen explained that Firovac recommended Republic First National because they can do a lease to own because banks have a hard time because there are no comps for this particular piece of fire equipment.

A motion was made by Stewart to with F.I.B and second by Rear and a roll call vote was taken, Rear – F.I.B., Everett – F.I.B., Stewart – F.I.B., Enderby – F.I.B., Ward – F.I.B.

Motion to adjourn was made by Everett and second by Stewart.

Meeting adjourned at 6:21 Respectfully submitted by Steve Stewart, LFPD Secretary

Date: \_\_\_\_\_

3/30/2022

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Oz Enderby, President

