

Fire Station Building Committee Finance Sub-Committee Minutes July 12, 2018

Call to Order at 7:05pm

Attendance: Kent Walker, George Korn, Mark Furlong, Chuck Hart

New Business

This is the first meeting for this sub-committee. A representative from the Trustees of the Trust Funds has been invited to join this meeting.

Discussion began with identification of resources that can be used for this project including a capital reserve fund and impact fees. Chuck Hart checked prior to the meeting and the current funds available are:

Fire Station Capital Reserve Fund:	\$ 569,367	
Impact Fees	\$ 61,656	(impact fees are good through 2021)

The Committee had a general discussion about how to begin planning for the financing of a new fire station. Based on the previous work that had been done we will use an estimated building size of 15000 square feet and an estimated construction cost of \$ 350/square foot (\$ 5.25 million). The Committee agreed to use \$ 5 million for planning purposes and this can be adjusted as more information becomes available from the main committee.

Discussion about potential ways to finance this project and alternatives discussed were:

1. Conventional bond
2. Borrow against the "dump fund"
3. Take funds from "dump fund"
4. Use interest from "dump fund" to pay a portion of interest on bond

William McColgan representing the Trustees of the Trust Fund joined the meeting at approximately 7:30 pm. The Committee discussed with him that it is looking for alternative ways to finance a new fire station.

Will explained that the "dump fund" is currently invested conservatively in a mix of bonds and mutual funds. It is currently yielding a rate of return of approximately 6.5% per year. The consensus of the Committee is that with bond rates at or below 2% it does not seem that borrowing against the "dump fund" would make sense financially.

Will expressed that the Trustees are willing to work with the Fire Station Building Committee and we can continue to communicate with them. He indicated that if we decide that funds under their management will be used that as much notice as possible would be appreciated.

The Committee will continue to investigate aspects of the four funding options further and discuss at the next meeting.

Committee decided that George Korn will be the Chairman of the Committee.

Meeting adjourned at 8:10 pm.

Agenda Items for Next Meeting

Funding Methods
Amortization Schedules

Set next meeting date
August 9, 2018 @ 7pm