



Fire Station Advisory Committee Meeting Minutes

Tuesday, November 27, 2018

Twin Falls Council Overflow Room @ 4:00 P.M.

203 Main Avenue East, Twin Falls, Idaho

Committee Members Present: Bobby Charlton, Taenia Hudson, Debbie Dane, Matt Morrison, LeRoy Harcourt, Todd Rambur, Tami Gooding, and Jim Olson.

Committee Members Absent: Chris Reid

Facilitators: Fire Chief Les Kenworthy, Deputy City Manager Brian Pike, Christian Anderson with Zions Bank, Lorie Race City CFO

Staff: Fire Administrative Assistant Danielle Kolb, Help Desk Technician Kim Hafer

1) **Confirmation of Quorum/Call Meeting to Order**

Fire Chief Les Kenworthy called the meeting to order at 4:02 p.m.

2) **Consent Calendar**

a.) Approval of meeting minutes from 11/01/2018.

3) **Items for discussion**

a.) Introductions and Welcome – Christian Anderson and Lorie Race

Todd Rambur, Taenia Hudson-CSI Office on Aging, LeRoy Harcourt-Kanner Creek Custom Construction, Debbie Dane-Retired, Tami Gooding-208 Real Estate, Jim Olson-Twin Falls Rural Fire Protection District, Christian Anderson-Zion's Bank, Lorie Race-City CFO, Brian Pike-Deputy City Manager, Bobby Charlton-Seastrom Manufacturing, Matt Morrison-Retired, Les Kenworthy-Fire Chief

Zions Public Finance based out of Boise – Small Specialized Department within Zions Bank that specifically works with bond issues, we work with cities, counties, school districts, special districts, banks. Two of us, two bankers, and an assistant in our office in Boise. But we also work with a large office and have other resources available. We act as a municipal advisor, are representing the Cities interest, we are not purchasing the Cities bonds, not making at loan, maintain a fiduciary duty to the client, and legally we are obligated to give advice that is in that client's best interest even if it conflicts with our own. Ultimately, our job is to try and help you in some of the decision making with regard to the financial piece with the projects. Leading up to the election making sure we provided a fair transparent process to the voters if the city decides to put something on the ballot. Make sure the voters have all the information they need to make an informed decision. If the voters choose to approve it then our job becomes issuing those bonds at the most favorable terms possible to make it as affordable as possible for whatever the voters had chosen to do.

b.) Conversation about EMS in the Stations and Apparatus Bay Space – Chief Les Kenworthy and Brian Pike

Couple of questions from the group from last meeting:

- Bay Space for EMS –
- Chief Kenworthy - Travis the City Manager had a meeting with the head of the hospital, and don't think they had that specific of discussion. We are in the middle of starting an

EMS study with Magic Valley, and the two counties at this time. Really wouldn't know an answer at this point, because it is up in the air. We are looking at the way we do EMS, basically from the time of dispatch, all the way to somebody reaching the hospital doors. So that may change the look of how we do EMS in the future. So, to plan for that with additional EMS space and we talk more about it. Currently just to remind everyone, we do have EMS space in every station for an aid car or QRU unit/ambulance in the planned current programming study. What we were talking about is an additional bay in case we did something with Magic Valley Paramedics providing them a space to house their apparatus as well. At this point after we discussed it we don't really see putting it in the stations at this point. That maybe we have other options there that we can look at and we have savings. Unless you have a different recommendation, maybe we move away from it, and not put those in the stations, we can certainly have some discussion.

- **Brian Pike** – To build on what the Chief has mentioned. It is important to remember every one of the facilities that we've programmed has space for what we believe is an adequate EMS response. What you see at the end of the report under the alternative is additional space. Not space we believe we would grow into. Feel good with where we are at. \$500,000 for each station, would be about a \$2,000,000.00 savings.
- **Chief Kenworthy** – We've looked at the way EMS is done in Idaho. Typically there are a lot of ALS Engines vs. a tiered response system like where I came from and maybe others are familiar with, where there are a separate medic unit and separate EMS unit out of the same station, I don't foresee that in that future. I am confident that we have some other apparatus space if we had to come up with some other apparatus configuration I think we would still have some options.
- **Apparatus Bay at Station 3 – (Additional Apparatus Bay)**
- **Chief Kenworthy** – Currently we have a reserve engine housed at ARFF Station 4. As of next month we are taking possession of a new ARFF truck, we are going to keep the old ARFF apparatus as a reserve, and the new ARFF truck as the front line apparatus. This is a separately funded project by the airport. The talks were about space for that Reserve Engine that is now located at the ARFF station, or for a space for our 30 year old ladder truck when we get a new ladder truck to use as a reserve ladder since it still has some life left in it. So, that's what the additional space was added in for. At this point we would like to keep that added space, if possible, as an option.

c.) **Financing Options and Questions about Bond – (Christian Anderson Zions Public Finance, Inc.**
- Bond Options for Public Safety Presentation)

Bond Issuance Participants - (Page 2)

- o Issuer
 - Bond Counsel
 - Municipal Advisor
 - Underwriter
 - o Investors
 - Purchaser (e.g. Bank)
 - Idaho Bond Bank Authority
 - Rating Agencies
 - Bond Insurers

Bond Issuance Participants (continued) (Page 3)

Municipal Advisor

- Maintains fiduciary duty to the issuer and protects the issuer's financial interests
- Advises on structure, timing, terms, method of sale, elections, etc.

- Should assist in selection of underwriters, purchasers, bond counsels, rating agencies, insurers, trustees, paying agents, etc.
- Coordinates efforts of finance team including bond counsel, underwriter, rating agencies, trustee, paying agents, etc.
- Negotiates final pricing on behalf of the issuer – experience, access to data, and technical expertise are invaluable

Bond Counsel

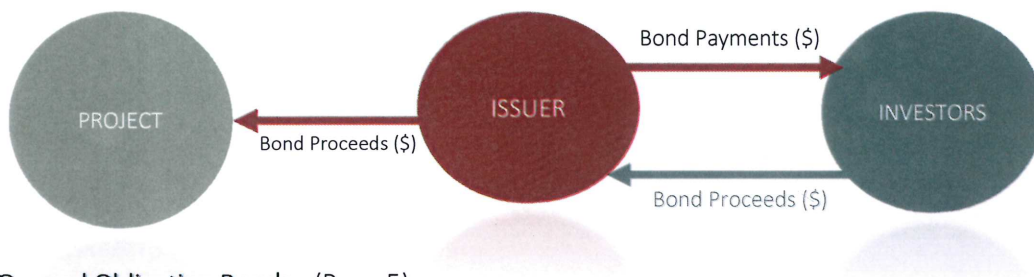
- Oversees legal process for bond issuance
- Prepares all legal documents relating to bond issuance, election, post-issuance compliance, etc.
- Delivers bond opinion for benefit of bondholders

Underwriter

- Markets the bonds for sale to potential investors
- Makes an offer to purchase the issuer's bonds at rates set via competitive sale or negotiation

What are Municipal Bonds? - (Page 4)

MUNICIPAL BONDS are long-term "IOUs" sold to investors to fund municipal projects



General Obligation Bonds - (Page 5)

Maximum Term – 30 years

Vote – 66.67% supermajority

Purpose – Any capital projects as defined in ballot

Security – Unlimited tax levy; full faith and credit

Source of Repayment – Dedicated property tax levy

Capacity – Legally capped at 2% of taxable assessed value

Idaho Bond Bank - Yes

General Obligation Bond Election Ballot - (Page 6)

Bond Ballot Disclosures per Section 34-439, Idaho Code

- Purpose for which the bonds are to be used
- Anticipated interest rate based on current market rates
- Total amount to be repaid over the life of the bonds
- (NEW) Estimated average annual cost to the taxpayer
- Length of time the bonds will be paid off
- Total existing indebtedness of the taxing district

What Determines Bond Rates? - (Page 7)

Market Rates

- Municipal Market Data yield curve

Credit Quality

- Credit rating, guaranties, moral obligation, insurance

Security Type

- General obligation, revenue, lease, tax increment

Tax Status

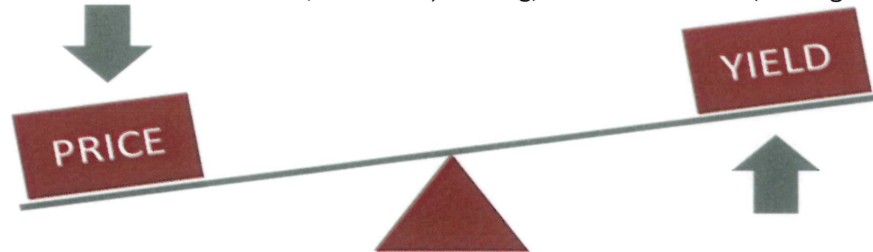
- Taxable vs. tax-exempt

Structure

- Coupon (par/premium/discount), call features, block size

Market Conditions

- Investor demand, secondary trading, new issue volume, timing



Twin Falls Bond Scenarios - (Page 8)

Project	Term	Rate	Payment	Levy Rate	Tax Increase per \$100,000 Taxable
<u>\$35,404,000</u> Stations 1, 2, 3 Police Remodel	20 Years	3.84%	\$2,582,000	0.00075517	\$75.52
	25 Years	4.06%	\$2,295,000	0.00067123	\$67.12
<u>\$45,300,000</u> Stations 1, 2, 3, 5	20 Years	3.84%	\$3,303,000	0.00096604	\$96.60
	25 Years	4.06%	\$2,935,000	0.00085841	\$85.84

- Underlying market value based on latest Chobani possibility (~\$249 million)
- Rate projections assume Sept. 2019 issuance
- Estimates include all issuance costs
- Primary homeowners are eligible for a Homeowner's Exemption
- Lesser of 50% of market value or \$100,000
- Tax increase shown would apply to a \$200,000 home

Bond Issuance Process - (Page 9)

Decision to Finance and Authorization

- City Council, in consultation with staff, legal counsel, and advisors, opts to run a bond election
- Bond election (May or November)

Bond Preparation

- Establish method of sale (underwriting vs. direct purchase)
- Preparation of Official Statement or other disclosure document (if applicable)
- Prepare legal documents
- Obtain bond rating (if applicable)
- Apply to Idaho Bond Bank Authority (if applicable)

Bond Sale

- Competitive underwriting
- Negotiated underwriting
- Direct purchase

Closing

- Finalize Official Statement (if applicable) and legal documents

- Arrange for receipt of funds

Municipal Bond Interest Rates – Bond Buyer Index - (Page 10)



Key Notes from Presentations –

(Per Christian's figures – the current value is a \$68 million dollar capacity that we can ask voters.)

General Discussion throughout Presentation -

- **LeRoy Harcourt** – In our last meeting what did we decide on with Station 5? We had decided on leaving it out, and going with Option 1. Didn't want to build and leave empty and not be able to staff it.
- **Matt Morrison** - Does the higher amount include the training tower? It does include the \$900,000.00 for the training facility that would not be built at Station 2, the funds to be used at the other training site by the animal shelter.
- **Brian Pike** – Debbie's preference is to set aside the \$900,000.00 in to use the monies at the training site by the animal shelter.
- **Jim Olson** – Thinks it's a hard sell for response time without Station 5.
- **Leroy Harcourt** – But we don't have that \$2 million dollars to man and staff that station every year at this time.
- **Brian Pike** – Goal is met 90% of the time per our study done by ESCI as of now. We feel good in the 5 – 8 years for building Station 5. Chief Kenworthy is working on mutual aid agreements to utilize Rock Creek Fire to help minimize some the red areas. We know that we will have to build Station 5 at some point. But, we are not at a position where we can staff that station right now.
- **Matt Morrison** – How long do you have to spend the bond monies?
- **Christian Anderson** - Spend 85% in 3 years. But there are other things involved it some of these situations. (More of a Bond council question.) Can't spend funds on something else if you don't spend all the funds.
- **Lorie Race/Christian Anderson** – Wastewater Treatment bond - \$38 million (20 year) – Funded from sewer revenue. Paid for by user rates.
- **Leroy Harcourt** – So, the discussions we had before. It was the city consensus. What took us so long like on the wastewater bond? Ask for \$35, yes look at our fire Stations. Is it going to be the same with the Fire Stations? Are we going to get backlash from the City?

- **Jim Olson** – What is the \$10 million difference in the \$35 million and the \$45 million? Station 5 is the \$10 million difference.
- **Debbie Dane** – Remember that doesn't figure the \$2 million if we decided to take out the EMS bays in each station.
- **Brian Pike** – We want to present the community with the right figure. My recommendation would be if we are in a position that we know we don't need Station 5 for let's say 8 years for \$45 million, but might be sooner, and might be later, so we've been really conservative. Present the community with a good number. But were also trying to balance out the fact that I know we need to build a Station 5. We know we are going to have to address service delivery on the East side. We know we are going to do it, just not sure when, but it is going to happen. We want to be honest and up front about it with the community. We just don't feel comfortable with asking for it today. Ultimately you'll make a recommendation to council.
- **Tami Gooding** – Wouldn't be good to build a building and let it sit empty.
- **Debbie Dane** – If we don't have the \$2 million to staff it the homeowners are out anyway.
- **Brian Pike** – Feels really comfortable where we are at. If you walk through Station 2, you can't say we don't need it. Feel really good about the programming. We are on solid ground and presenting a ligament need and it's well vetted out.
- **LeRoy Harcourt** – In favor of keeping the EMS Bay's for the additional \$2 million for Stations 1, 2, 3.
- **Brian Pike** – A general feeling here in our discussions. I get the sense that the committee is leaning towards the first scenario. So, building Station 2, 3, 1 and remodeling for law enforcement. Is that fair? And leaving the training in there, the \$900,000.00.
- **Todd Rambur** – What are they going to do with the old Station 2? Tear it down?
- **Chief Kenworthy/Pike** – Parks and Rec. are working on a master plan for Frontier Field. Hasn't really been discussed. Could be parking.
- **Brian Pike** – As you prepare to make a recommendation to council. Does the committee want to have a chairperson to present the recommendation to council?
- **Chief Kenworthy** – At the first meeting it was mentioned but never appointed one. But now it makes sense to have one.
- **Debbie Dane** – Debbie volunteered to be the committee's chairperson/spokesperson to present the recommendation to the City Council.
- **Brian Pike** – We do have a fall back date on Monday, December 17. Travis has made it available to us. If that works and is important to the committee and the committee wants to consider we do have that fall back date.
- **Chief Kenworthy** – Support will be there, from what we have heard. I think they would like the hear from the citizens group
- **LeRoy Harcourt** – I think that a lot of the community members will be at the council meeting. Would move to move it to the 17th.
- **Brian Pike** – Does that works for everyone? Yes, everyone is in agreement.
- **Chief Kenworthy** – Also, gives a little more prep time to prepare. Debbie has already stepped up to the plate. Give her another week.
- **LeRoy Harcourt** – Thinks it's good for all of as the board to be able to be there and answer any questions anyone might have.
- **Brian Pike** – It's been really insightful for me to hear your responses. Nice to have someone from the outside not involved in the programming come in. A lot of your remarks have really resonated with me. Sometimes it's been challenging because I didn't think of something, but you've brought something to my attention that I hadn't thought of. Been reaffirming to say that we are on the right path and it's been really beneficial.

- **Chief Kenworthy** – Agree with that. Some of the questions you ask and some of the perceptions you’ve saw very quickly was an eye opener for me as well.
- **Brian Pike** – Is there anything that the staff can provide you with? Or anything that you can think of, please let us know?
- **Christian Anderson** – Engaged the right people. You’ve done your homework and done it the right way. Response times for EMS/Fire.
- **Jim Olson** – Need to educate the public. Saving life’s with EMS. That hits everyone right at home. Christmas Eve call. Sell it to the public. Because I’d venture to say that 60 to 80% of the public don’t understand what EMS or Fire does.
- **Chief Kenworthy** – It’s not uncommon, typically in the fire service people don’t pay attention to a service until someone needs it. We have really good community support for the Fire Department. We see it in our interactions, our social media, and our surveys.
- **Debbie Dane** - Who decides on the recommendation of the term?
- **Christian Anderson** – Council will usually decide what goes on the ballot.
- **LeRoy Harcourt** – Are the fancy Fire Station door included in the price? Yes, on the fronts of the stations only. Best option, low maintenance. Very functional.

d.) Planning, discussions, and questions for the final recommendation to be presented to City Council on Monday, December 17, 2018.

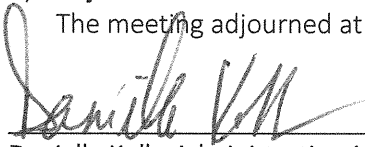
- Can have an emergency meeting on Monday, December 17 for the recommendation if we need to, instead of the Monday, December 10th.
- LeRoy Harcourt and Tami Gooding will be gone for the recommendation to council on Tuesday, December 10.
- Recommendation to City Council meeting changed to Monday, December 17.

e.) Upcoming Meeting(s)

- a.) Tuesday, December 4, 2018 @ 4:00 p.m.
- b.) Monday, December 17, 2018 @ 5:00 p.m.

f.) Adjournment

The meeting adjourned at 5:30 p.m.



 Danielle Kolb, Administrative Assistant