

# 2-12-2015 Minutes Special

## FINAL

CITY OF EVART

SPECIAL COUNCIL MEETING – Fire Department Equipment Acquisition

Thursday, February 12, 2015

Meeting called to order at 6:00 p.m. at the Evart Fire Department by Fire Chief Shane Helmer in conjunction with the Evart Area Volunteer Fire Department's Joint Fire Board "Open Session"

Present: Mayor – Eric Schmidt; Councilman/Fire Board Vice Chair – Dan Elliott,

Councilman Gregg Sherman; City Clerk Seraphim Bieri, City Manager Zack Szakacs; Doris

Jean Hazen F.B. (Fire Board) Secretary/Sylvan Twp., Vicki Cushman F.B./Evart Twp., Sherry Bancroft F.B Treasurer/Osceola Twp., Brad Morgan F.B. Chairman/Orient Twp., Angie Cushman, Fire Department Administrative Assistant

Absent: Councilmen BJ Foster, Casey Keyser; City Treasurer Sarah Dvoracek,

City Attorney Jim White

Guests: Keith Smith, Brian Youngs, Brian Cushman, Mary Holcomb, Paul Brown, Martin Nieman, Connie Holmes, Darlene Schroeder, Pat Tiedt, Sue Morgan, Beverly Mills, Angela More, TJ Keena, Elijah Walter, "Paul King" (sp?), Randy Berger, "David Winters" (sp?), Jason Ackett, Terry Pritchard

The purpose of the Special City Council Meeting was for Fire Department equipment acquisition and a heightened attention to asset planning within the department.

The Fire Board provided copies of the proposed 2015-2017 Budget. The 89 page Fire Budget includes projections for the major fire equipment replacement needs. The proposed capital budget is a beginning effort to address future equipment wear-n-tear and inevitable replacements with not only dollar estimates but projected timelines.

Fire Board Chairman Morgan opened the Joint Meeting of Fire Board governing bodies with a discussion of the purchase and possible financing of a new brush truck. He explained that as a Board they had the authority to, and did, vote to purchase a new "Brush Truck" to replace the state provided surplus property truck that recently had an engine failure. In order to finance with Chemical Bank, however, unlike with a similar loans in the past, Chemical bank has required the signature of a Resolution by each participating Township & City, herein known as Evart City

Resolution #3-2015, with which the City (and each of the four Townships) agrees to provide their percentage of debt funding for the approximate \$40,000 loan. Resolution #3-2015 is attached.

While the current Fire Budget can fully address replacement of the new Brush Truck, it is proposed to finance the truck for up to five years at 1.99% interest with Chemical Bank. The current fire truck replacement fund could provide adequate funding without an increase since the final payment on the current debt, \$17,000, will occur this year and the new Brush truck first payment will not be due for one year. Chairman Morgan explained that one glitch developed with the Babb Ford dealership mistakenly ordering the vehicle on Evert's behalf, before being told that we were ready to sign bank papers. Should the Fire Board not purchase the Ford truck, the dealership would simply sell the truck to another purchaser. Ford Motor Credit offered to provide financing at 5.9% interest rate without the governmental units finance pledges. The Board, however, recommends the financing with Chemical Bank as in the best interest of the Fire District.

The Vehicle is a 1-ton Ford 350. The 325 gallons of water it will carry (at 8 lbs/gallon) with the weight of the tank itself, plus all firefighting equipment, means that a smaller truck was not an option. It will require zero deposit and be 100% financed. While the Fire District could purchase the truck with its available fund balance, to do so would not allow contingency funds that might be needed for an emergency purpose similar to last year's major flood expenditures. Board member Elliott stated that spending cash rather than financing at 1.99% is more costly than taking advantage of the bank loan.

Chief Helmer described the department's commitment to direct any annually unspent budget funds into the Truck Fund with future replacements in mind. He notes that after the Flood reimbursements, \$41,137.88 will be in the Truck Fund as part of the new 20 year capital equipment replacement plan.

Chairman Morgan began a discussion regarding the long standing problem of Evert Township refusing to bill fire run costs to responsible parties. Mr. Morgan related that three townships and the city have signed agreements for fire billings but that one township has not. It was his belief that failure to provide the fire billings could eventually bankrupt the fire department in the event of a very large unreimbursed fire. Additionally, it is unfair that one unit of government should benefit without full financial participation. Evert Township, the one non-participating unit, agreed to review this matter and report back to the Fire Board on a possible resolution of the issue.

Osceola Township asked the Fire Board to address the truck loan Resolution so that members could disperse and hourly wages being paid to said members could be kept at a minimum. It was discovered that Evert Township had failed to post the meeting, and thus was unable to take a legal vote. Members of Evert Township stated that they could present the issue before their entire Township Board at the regularly scheduled March meeting. Orient Township found one of its members had to be recused from the evening's vote since he would be in conflict of interest as an employee of Chemical Bank, but offered a Special Meeting in the coming week.

Board member Cushman questioned the prudence of “practice burns” on five properties which failed to generate revenue and she suspects, cost the department. She was assured that donations covered fuel expense and the training gained for firefighters was highly valuable. There was further discussion of fire billing procedures.

Moved by Mayor Schmidt, seconded by Councilman Elliott, to accept the 2 page Resolution to assure financing of the Brush Truck as presented by the Fire Board.

**Roll Call Vote:**

Ayes: Elliott, Schmidt, Sherman

Nays: (none)

Abstentions: (none)

Passed with 3 – 0 majority

It was moved by Bancroft and seconded by Hazen to go into a recess as requested by Osceola Township for individual township discussion of the truck financing resolution in each township.

The meeting recessed at 6:46 pm.

Chairman Morgan reconvened the meeting at 7:03 pm.

Orient Township reported that it would hold a special meeting the the following week to approve the resolution but could see no reason why it would not pass the required resolution.

Sylvan Township voted to support the resolution and will have it signed and returned as soon as possible.

Ewart Township did not have a quorum and did not post the meeting. Supervisor Vicki Cushman will report back to the Fire Board after a meeting of the Township Board.

Osceola Township has passed the resolution and will return it signed to the Fire Chief.

The meeting returned to a presentation of the 2015-2017 Budget.

City Manager Szakacs, Councilman Sherman, Mayor Schmidt left the meeting.

Elliott suggestings the need to correct columns in spreadsheets mislabeled “2015/16” that should read 2016/17. Chief Helmer and Fire Board member Elliott are acknowledged for tremendous effort in bringing about the debut of a detailed budget. Chief Helmer is acknowledged by Board Chair Morgan for his resiliency in seeking grants as a means of funding Ewart operations.

Elliott suggested that the future equipment expenditure needs may mean that the Department would have to reorganize as a Fire District He indicated that an adequate Fire Department funding with necessary equipment replacement funds would require approximately two mills of property tax to sustain the department as now comprised. He also stated that the organization cannot successfully operate with only four of five governmental units participating in the fire billings. Mr. Elliott stated that he also shares the concern of Chairman Morgan regarding the ability to retain and recruit volunteer firefighters with minimal wage and compensation and the high level of training and volunteer time that is required to be a firefighter.

Lieutenant Randy Berger remarked that on the front lines, firefighters fear the spring grass fire season and no truck means no water tank to send in to rescue them individually should a blaze jump out of control. He asked the Board what message that is supposed to send to the men and women who know there were decisions ignored, placing their very lives at risk.

Board member Elliott suggested that the Brush truck purchase conversation was a lousy \$40,000 truck. He asked what will happen when we have to address our \$250,000 vehicles if we do not now address the major equipment expense needs of the future.

Bev Mills asked for a unified front between all townships and the city for fire protection. She stated that given the piddly amount we pay for fire protection all five units must be on board. She stated that we cannot allow all of us to be threatened simply because we do not all agree.

The next Fire Board Meeting was set for Thursday, March 19, 2015 at 4:00 p.m.

It was moved by Hazen and seconded by Bancroft to adjourn the meeting.

Motion approved.

Meeting adjourned at 7:30 p.m.