

Minutes of the Sparta Fire Board Meeting

April 20, 2017
Sparta Fire Station

Present: Bergman (twp-chair), Bradford (twp), Momber (twp), Taylor (village), Van Patten (village), Dougan (village) and Goodfellow (twp).

Also present: Chief Bolen and Deputy Chief Olney

Absent: none

Dale Bergman called the meeting to order @ 7:04 pm

Approval of the Agenda:

Motion: Made by **Goodfellow** to approve the agenda with the following change." Remove" item 12 Changes to Fire Agreement from the agenda.

Seconded: Dougan

Motion Passed: 7-0

Public Comment: Kristen Robinson commented on having a half million-dollar fire truck purchase not on the original agenda at the March meeting.

Approval of the Minutes:

Motion: Made by **Dougan** to approve March 17, 2017 minutes.

Seconded: Momber

Motion Passed: 7-0

Approval of Bills: Dougan questioned the \$200.00 for cards. The Chief stated the cards are Sparta Fire Department Cards used for thank you cards and sympathy cards which the Department sends out and the quantity of cards purchased will last several years.

Motion: Made by **Goodfellow** to approve bills through April 14, 2017

Seconded: Van Patten

Motion Passed: 6-1 (**Taylor** dissenting)

Chief's Report: There were 107 calls this past period of which 82 were Med calls and 4 fire calls. The stated the department assisted the Sparta Police department in finding out the name and address of a juvenile (7-10 years old) whom the Police Department had picked up riding a bike on Sunday morning within the village. The Fire Chief was able to get in touch with the local Sparta schools officials and was able to get a name and address and boy who was returned home safely.

Fire Truck Financing: Bergman read and outlined the Fire Department new fire truck financing legal opinion from Attorney James Scales. (attached) A Bond attorney was required to prepare the documents for resolutions and contracts which were provided at the meeting. Step Sheet for process, Sparta Fire Department Resolution, Township and Village Resolutions and Fire Truck Acquisition and Financing Contract. Dougan asked the Chief why the Platform Truck was not on the original agenda and added at

the time of meeting. Chief responded he didn't have a plan in place or the status of the vehicle at the time the original agenda was out. Dougan stated that the Fire Board had approved a purchase plan at the January meeting. The Chief stated that this Platform Vehicle was not available at the January meeting and at that time the Fire Board was not going to approve a \$1M purchase for a new platform vehicle. The Chief offered to review with the Board members that were not at last month's meeting his presentation for the need of a Platform Vehicle that had become available. Member not attending last month meeting declined his offer. The Chief explained that the original cash disbursement will not change but the Department would have to extend a loan payment plan for another 4 years. Dougan asked if the vehicle had a clear title. The Chief stated yes. Member stated he deals with these issues all the time and he explained the difference in titles and why an insurance company would purchase and resell a vehicle. Bradford stated that this was excellent bargain and onetime event. He stated that cash flow is the same as our original tanker/pumper we'd proposed in conjunction with the County. The only difference would be the extension of our current loan payment plan for another 4 years which we've been able to pay without any problems. Other board member's questions: was the vehicle flooded, was it in salty water, why did Charleston want a new platform were directed to the research Robert Whalen (village) did and emailed to all the fire department, village and township board members. As written from the minutes from the approved March 17th 2017 Fire Board meeting: Bergman asked the board to consider delaying the vote/decision until a full board was in attendance. He'd suggested meeting Tuesday March 21st but was told that the Village members have another meeting scheduled, other dates were also discussed. Taylor asked Bergman to have the motion brought to a vote on the purchase of the vehicle at tonight meeting.

Motion: Made by **Goodfellow** to adopt Sparta Fire Department Resolution #17-1 "Resolution to approve and adopt the Fire Truck acquisition and financing contract".

Seconded: **Member**

Motion Passed: 4-3 (Taylor, Dougan & Van Patten dissenting)

3rd Party McGrath Consulting Study: Twp Supervisor Bergman, Fire Chief Bolen & Village Manager Suchy will be meeting to review the scope of study being directed by the Village. This is the same Consulting company that the Chief presented to the Fire Board back in 2016 for an un-bias/3rd party review of the entire Sparta Fire Department. At that time the Fire Board didn't take any action on the Chief's request. Taylor commented on a similar McGrath study that Roswell III fire department had done. He stated it was well worth the time to read. Taylor stated that whatever our study shows the Department should implement all the McGrath recommendations. It was the consensus of the fire board that the McGrath study the Village had commissioned should continue moving forward.

Platform Truck Purchase Agreement: The Chief asked if he could sign a purchase agreement requested by B&B for the purchase of the Platform truck. B&B was looking for some documentation stating the Sparta Fire Department was still intending on purchasing the Platform vehicle otherwise B&B would be looking to other department that expressed interest in the vehicle. The Fire Board was in agreement that the chief cannot sign the purchase as presented. It was suggested that if the wording were changed on the purchase agreement it might be possible to sign. Dougan stated there would be no down payment paid at this time if the purchased agreement would be signed.

Motion: Made by **Goodfellow** to have the Chief sign the agreement with the following changes in the purchase order: The purchase agreement is subject to and contingent on "Approved Financing". There will be no down payment being made until Approved Financing is obtained. (Kevin) from B&B stated he would be ok with the changes.

Seconded: Bradford

Motion Passed: 4-3 (Taylor, Dougan & Van Patten dissenting)

Public Comment: Kristen Robinson (village trustee & resident) stated she's attended the last 2 fire board meeting and was hoping for a more positive/feel good attitude from the Fire Board as it appears there isn't commonality on the board. She stated she was surprised that ½ million \$ vehicle was on the agenda at the last minute. These are tax payers \$\$\$ and the board is accountable for them.

Shawn Morton (Fire Department member & Village resident) stated again that for the past several years it appears there are 2 different boards with different agendas on Fire Board which continues to have tension between all the board members. He stated that members of the fire board have separate and different agenda's. He stated that the purchase of the platform vehicle was needed and will serve the community for years. It will provide the residents better fire protection service and provide the fire fighters a safe vehicle for all public safety.

Mr. Robinson (village resident) commented that they have lived here for 2 years, the city water costs are higher than Flint where they lived before, the village taxes are too high, taxes are getting to high.

Robert Whalen (village trustee & resident) stated that he'd served on the Fire Board for 14 years and the fire trucks that we're replacing are 28 & 29 years old and in most cases would not meet NFPA standards or have vehicle safety issues. He stated that the Fire Board shouldn't pass up the opportunity to purchase this "Platform Vehicle" as it's at ½ the price of a new one and it's a vehicle that is needed. The service the platform can perform, the vehicle dependability, the safety of the Fire Fighters using the vehicle are all reasons to purchase the new vehicle. He stated that the results of the McGrath study should be accepted and implemented. Bob stated he'd researched the Platform vehicle from the previous owner and published his information in an email sent to all Village, Township and Fire Department members.

Kevin Malinowski (B&B Truck Equipment) stated that he's been doing fire vehicles for 17 years, the vehicle is as described and you call him anytime if you any questions on Platform.

Other: During the finance review and invoice approval it was discovered that E911 service fee will continue through 2017 for a total amount due of \$19,500. The new E911 funding which was passed in 2016 November election will go into effect in 2018.

Based on the last Revenue and Expenditure report from the Village dated 4-17-17 for the year end budget ending March 31, 2017, the Fire Department operational budget under run by \$658.31.

Next Regular Meeting Date

May 18, 2017 at 7:00pm at the Sparta Fire Station

Motion: Made by **Dougan** to adjourn at 8:35 pm

Seconded: Bradford

Motion Passed: 7-0

Minutes by **Goodfellow**, April 25, 2017

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Also Admitted In
¹Delaware
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⁴Ohio
⁵Wisconsin

April 6, 2017

Dale Bergman, Chair
Sparta Fire Department
160 E. Division Street
Sparta, MI 49345

Re: Fire Truck Financing

Dear Dale:

The Sparta Fire Department is a "separate legal entity" created by agreement between Sparta Township and the Village of Sparta under authority of the Urban Cooperation Act of 1967. You asked that we advise whether the Sparta Fire Department could finance the purchase of a used fire truck using installment purchase financing, without the involvement of the Township or Village. The last installment purchasing financing of fire equipment was done with the direct approval of the governing bodies of the Township and Village.

Installment purchase financing is authorized by Act 99 of 1933. Installment purchase financing is not subject to the Municipal Finance Act, and is a convenient way of financing equipment purchases. Act 99 provides that a "village, township, city or school district . . . may enter into any contract or agreement for purchase of real or personal property for public purposes, to be paid in installments over a period not to exceed 15 years . . ." MCL 123.721. Act 99 does not authorize its use by other types of entities, including separate legal entities created under the Urban Cooperation Act. In addition, Act 99 requires that: "The governing body of a village, township, city or school district shall at all times have control of property purchased under this act and shall maintain the property for public use and purpose." MCL 123.723

Second, the powers granted to the Sparta Fire Department in Article 3 of the Joint Fire Protection Agreement do not specifically include the power to borrow money and incur debt. Section 7(4) of the Urban Cooperation Act provides, in part:

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“A separate legal entity created by an interlocal agreement may be authorized by the interlocal agreement to borrow money and to issue bonds or notes in its name for local public improvements or for economic development purposes as provided in the interlocal agreement.” MCL 124.507(4)

The Fire Protection Agreement does not authorize the Fire Department to borrow money. Also, the purchase of a fire truck would not constitute a “local public improvement” or “economic development purpose.”

Finally, the Sparta Fire Department is dependent for funding upon an annual budget which must be approved by the Township and Village, and it may only expend funds to the extent authorized by the budget. *See* Joint Fire Protection Agreement, Section 2.2. Without the binding commitment of the Village and/or Township, there is no assurance from year to year that the Fire Department will have funds available to repay an installment purchase agreement.

Therefore, the Village and Township may finance the purchase of fire equipment for the Fire Department under Act 99, either individually or acting together, but the Fire Department cannot do so itself.

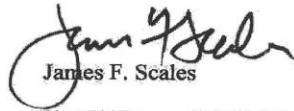
If the Village is reluctant to participate in financing, it may be possible for Sparta Township to purchase the fire truck itself on an installment purchase basis. With the consent of the Fire Board, the truck could be leased by the Township to the Fire Department for a nominal rent that would be within the approved budget of the Fire Department. According to Section 3.2(b) of the Fire Protection Agreement, the Fire Board does have authority to lease equipment.

The Township could then pay the installment purchase obligation from Township fire millage receipts. Section 2.6 of the Joint Fire Protection Agreement specifically permits equipment and vehicle purchases to be financed through a Township millage levied for that purpose. If there is interest in pursuing this approach, it should be confirmed by the Township attorney that the language of the extra voted millage proposal permits such a use of funds by the Township.

Our bond attorneys regularly assist municipal clients in financing through Act 99, and we would be pleased to assist further. Please call if you have questions.

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Very truly yours,



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