



# Bolinas Fire Protection District

100 Mesa Road / P.O. Box 126

Bolinas, CA 94924-0126

Phone: (415) 868-1566 | Fax: (415) 868-2009

[www.bolinasfire.org](http://www.bolinasfire.org)

---

November 14, 2005

## Special Meeting: Further discussion regarding Firehouse financing with Mark Pressman

The special meeting was called to order by Pres. Sands at 7:30 PM. Vice Pres. Binley, Dir. Currey, Dir. Phillips and Dir. Aitken were present. Also present were Lisa Bell, Tom Williard, David Bunnet, Kim Bender, Fire Chief Anita Brown, Bob Levitt, Zoe Gardener, Judith Shaw, Ralph Camiccia, Pete Smith and Martin Kline.

Pres. Sands welcomed everyone.

Kim Bender presented the newest proposal to borrow \$500-570,000, the final amount still needed to be secured in order to sign a construction contract. She and Mark Pressman are looking at a shorter term loan of 3-5 years with lower interest rates. The shorter term loan is also beneficial to the District as the loan will be completed before the cell leases expire and when fundraising has the greatest momentum. Kim also presented two other options: the first to abandon the Project completely, the second to erect a metal building as Malcolm Ponder has suggested. With a 78% approval rate from the Community in the vote last year for a new Firehouse and Clinic, Kim dismissed the first option to abandon the Project. Kim discussed the risks of a metal building project that would include starting over the permit process with both the County Planning Department and the County Building Department. Also, the Coastal Commission would have to approve of the building which could be problematic for a metal building in a coastal area. The metal building option would mean at least a one year delay to the Project.

Mark Pressman introduced his loan proposal for a short term (2-3 year) for \$500-570,000 to be paid back with current fundraising.

Bill Lyons asked for all the financial figures to be presented at the table tonight by the Board so an informed decision could be made. He also expressed his concern that the District will be left with a balloon payment at the end of the 3-5 years.

Pres. Sands reiterated that fundraising will continue until the sum of the loan is paid off.

More discussion ensued regarding the need for construction to begin in order to continue successful fundraising and that most large non-profit projects typically have to borrow money and enter debt before the completion of the Project.

FF Pete Smith expressed his concern about the use of the loan. He hopes that it will be earmarked to pay for construction costs ONLY, and not be spent on various "soft" costs.

On December 8<sup>th</sup>, Steve Oliver will present his budget which will hopefully fall at or below our budget of \$3 million. Steve Oliver's company has been busy "value engineering", or reducing costs as much as possible by whatever means. On December 20<sup>th</sup>, the selling of bonds would close for the proposed loan, and by December 21<sup>st</sup>, the funds would potentially be in the bank and ready for spending.

Discussion was had comparing an interest only 3-year loan to a 5-year loan. The difference in cost would be minimal, both would have no prepayment penalties and both would have a potential balloon payment at the end if no prepayments were made. The 5-year loan however, would give the District and the capital Campaign more time for fundraising in order to prepay as much as possible and avoid having to make a large balloon payment at the end of the term. Everyone agreed that a 5-year loan would be more favorable.

Vice Pres. Binley stated that essentially the Board is being asked to vote their confidence in the Capital Campaign to repay the \$500-570,000 loan. He stated that the fundraising should fall to the Capital Campaign and not to the District.

The rest of the Board, except for Dir. Aitken, expressed his firm commitment to keep the District out of debt and stated that he will vote "no" on any motion that financially jeopardizes the District.

Assistant Chief Camiccia expressed his support of the Project and encouraged the Board to take a risk and borrow money in order to keep the Project moving forward.

FF Steve Marcotte suggested that the capital Campaign secure the loan or find individuals to do so in order to protect the District and tax payers.

FF Pete Smith reminded everyone that the action item at hand was to simply give permission to Mark Pressman to prepare financial papers for the loan. On November 28<sup>th</sup>, the Board will have to decide whether to actually approve of the 5-year loan.

MSC, Phillips/Currey (unan) to direct bond counsel to prepare legal documents necessary to issue bonds secured by the special tax to be repaid no later than 2045: and additional bonds to be secured by lesser payments made by the District to be issued on an interest only basis with a maturity date of 2011, with no prepayment penalty on the District's portion, based on the belief that the Capital Campaign can repay funds necessary within a five year period.

### **ADJOURNMENT**

MSC, Currey/Phillips (unan) to adjourn the meeting at 9:30PM.

Respectfully submitted,

Molly Brown  
District Secretary

NOTE: All minutes to all Board meetings are available for review at the Bolinas Library.