

District Board Members

Blaine Maynor -Vice President
Division 1
Nicole Johnson
Division 2
Randy Mendosa - President
Division 3
Eric Loudenslager
Division 4
David Rosen
Division 5



District Staff

Justin McDonald
Fire Chief
Becky Schuette
Clerk of the Board

Special Board Meeting
April 5, 2022
10:00 AM
Location: *Remote Via Zoom*

To meet the State required Shelter in Place mandate, this Regular Board Meeting of the Board of Directors for the Arcata Fire Protection District will be held via remote access using Zoom.

You may join from a smart device or computer by copy and pasting this link into your web browser: <https://us02web.zoom.us/j/551748203>
Meeting ID: 551 748 203

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE - Suspended for virtual meetings

ATTENDANCE & DETERMINATION OF QUORUM

PUBLIC COMMENT/ASSOCIATION REPORTS

Any person may address the District Board on any subject pertaining to District business, which is not listed on the agenda. This comment is provided by the Ralph M. Brown Open Meeting Act (Government Code § 54950 et seq.) and may be limited to three (3) minutes for any person addressing the Board. Any request that requires Board action may be set by the Board for a future agenda or referred to staff.

DISTRICT BUSINESS

1. Approval to Purchase and Finance a New Engine from Golden State Fire Apparatus in the Amount of \$725,806.39 and Authorize the Fire Chief to Sign the Agreement **Pg. 3**
 - a. Attachment 1 - Golden State Fire Apparatus Proposal **Pg. 5**
 - b. Attachment 2 - Community Leasing Partners Term Sheet **Pg. 9**

ADJOURNMENT

Next Regular Board Meeting is scheduled for April 12, 2022, at 5:30 pm.

Prepared by: *Becky Schuette, Clerk of the Board*

The Arcata Fire Protection District ("District"), in compliance with the Americans with Disabilities Act ("ADA"), individuals who require special accommodations to access, attend and/or participate in District board meetings due to a disability, shall make their request by calling (707)825-2000, no later than 48 hours in advance of the scheduled meeting time. In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority of, or all, the Board in advance of a meeting may be viewed at 2149 Central Avenue, McKinleyville, California or at the scheduled meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the Board Secretary, at (707) 825-2000.

The meeting agenda is posted at least 72 hours in advance of regular scheduled meetings, at the following locations:

- *District's Headquarters' Building, 2149 Central Avenue, McKinleyville, CA 95519*
- *Arcata Downtown Station, 631 9th Street, Arcata, CA 95521*
- *Mad River Station, 3235 Janes Road, Arcata, CA 95521*
- *The Arcata Fire Protection District website: www.arcatafire.org*

Date: April 5, 2022
To: Board of Directors, Arcata Fire District
From: Justin McDonald, Fire Chief
Subject: Approval to Purchase and Finance a New Engine from Golden State Fire Apparatus in the Amount of \$725,806.39 and Authorize the Fire Chief to Sign the Agreement

DISCUSSION:

Over the past several months, the District fleet of fire engines has been in and out of the shop for repairs of deferred maintenance issues. Recently, there have been times that we have had two, even three engines out for repairs simultaneously, forcing on-duty staff to run calls with the Water Tender or Rescue as a primary response vehicle. The Board has been aware of this and has indicated that a new engine purchase should be prioritized.

For several months, staff has been researching the cost and specs for new engines and the research has shown that the process would take 15 to 19 months to build and receive a new engine. Given the long turnaround time, staff reached out to several vendors to see the availability of stock vehicles. There was limited availability, and two units were found from Pierce that were prebuilt and available through Golden State Fire Apparatus (GSFA). Staff had planned on placing this agenda item on the Regular April Board Meeting for the Board to discuss and potentially take action, unfortunately, both of these vehicles have since sold.

Late last week, staff learned that the GSFA representative was able to offer the District an alternative. Pierce has proposed a limited time offer to build an engine from the specification of the demo unit, with minor modifications to meet the District need. They have offered to insert this build in the queue in order to secure an 8 month build time. **Attachment 1** is a copy of the proposal, listing the complete price as \$725,806.39. It should be noted that Pierce will have a 7% pricing increase May 1st.

Additionally, staff has also secured a lender to finance the purchase. The lender was able to commit to 3.29% interest for a 7-year term. **Attachment 2** is the term sheet for Community Leasing Partners.

At the time of publication, staff had received information, but not documentation, indicating that at least one other lender was going to be able to offer 2.75%. It is the expectation that potentially two more set of terms may become available by the time the Board meets. Any additional documentation will be provided during the meeting and included in the minutes.

Although this has been a topic of discussion during several of our most recent meetings, it is important that staff point out that this item is being discussed at a special meeting because the sale offer is only good until Friday April 8, 2022, in order to secure the pricing and 8-month build. Just since the lender was first contacted, interest rates have gone up from 1.9% when the lender was first contacted to 3.29%.

RECOMMENDATION:

Staff recommends the Board consider the information provided, take public comment, discuss, and authorize the Fire Chief to execute the purchase contract with GSFA for the purchase of the fire engine and with the lending agent offering the best terms.

FINANCIAL IMPACT:

- No Fiscal Impact/Not Applicable
- Included in Budget: The budget has \$200,000 for vehicle purchasing. This would be use to make the annual loan payment.
- Additional Appropriation Requested:
- Unknown/Not Yet Identified

ALTERNATIVES:

1. Board discretion

ATTACHMENTS:

- Attachment 1 – Golden State Fire Apparatus Proposal
- Attachment 2 – Community Leasing Partners Term Sheet



**GOLDEN
STATE**
FIRE APPARATUS

PROPOSAL PREPARED FOR

Arcata Fire District
Pierce Manufacturing, Inc.
Enforcer Type 1 Engine
March 31, 2022

SALES CONSULTANT

Jon Bauer
Golden State Fire Apparatus, Inc.
7400 Reese Road
Sacramento, CA 95828
916.330.1638 Office
530.351.2151 Cell
jbauer@goldenstatefire.com

PARTS, SERVICE & SUPPORT

Golden State Emergency Vehicle Service, Inc.
7400 Reese Road
Sacramento, CA 95828
916.330.1638 Office
parts@goldenstatefire.com

PROPOSAL PREPARED FOR:

Arcata Fire District

2149 Central Avenue
McKinleyville, CA 95519

Submitted Date:	March 31, 2022
Proposal Number:	50331-22
Expiration Date:	April 8, 2022
Sales Consultant:	Jon Bauer

Pursuant to this proposal (the "Proposal"), Golden State Fire Apparatus, Inc. ("GSFA") hereby proposes to furnish the **ARCATA FIRE DISTRICT** ("Customer"), the following fire apparatus and equipment, hereinafter called the "Product":

100% PRE-PAYMENT AT TIME OF ORDER

#	Description	Price
A	One (1) Pierce Manufacturing, Inc. Enforcer Type 1 Engine	684,503.34
B	Discount Sourcewell Consortium Purchase (Product Code 789)	(6,088.00)
C	Discount For 100% Pre-Payment	(4,822.87)
SUBTOTAL		673,592.47
7.75% State Sales Tax		52,203.42
California Tire Fee		10.50
GRAND TOTAL		\$725,806.39



PROPOSAL SUMMARY

This Proposal includes the following items in accordance with the specifications hereto attached:

- Fire apparatus and equipment
- Third party performance bond
- Factory final inspection
- Pre-delivery inspection/services by GSFA
- Delivery to GSFA service center in Sacramento
- Final delivery from service center to Customer
- Demonstration and familiarization of the Product
- California Tire Fee

PRODUCT COMPLETION

The Product shall be built in accordance with the specifications hereto attached within approximately **245** calendar days after Customer's acceptance of this Proposal, subject to the force majeure provisions contained in the Purchase Agreement (defined below). The Purchase Agreement shall further describe the delivery schedule for the Product.

DELIVERY LOCATION

Product shall be shipped in accordance with the specifications hereto attached and be delivered to you at **McKINLEYVILLE, CALIFORNIA**. Prior to final delivery of the Product to Customer, Customer agrees to provide proof of liability and physical damage insurance to GSFA. GSFA shall not deliver the Product until such proof of insurance is provided.

ACCEPTING THIS PROPOSAL

In the event Customer wishes to purchase the Product described in this Proposal and the attached specifications, then, prior to the expiration date listed on page 2 of this Proposal, Customer shall sign and return this Proposal. Thereafter, GSFA and Customer will endeavor to enter into a purchase agreement incorporating this Proposal and including additional terms (a "Purchase Agreement"). If Customer returns a signed copy of this Proposal alone, GSFA will send Customer its form of Purchase Agreement for Customer's review and signature. If Customer desires to use its standard form of purchase order as the Purchase Agreement, then Customer should return a signed copy of this Proposal along with a copy of such purchase order. **All purchase orders shall be made out to GSFA.** GSFA will review such purchase order and contact the Customer regarding any required revisions. Only upon a full execution of a Purchase Agreement shall GSFA and Customer be obligated to purchase and sell the Product set forth in this Proposal.

TERMS AND CONDITIONS

The following Terms and Conditions are hereby made part of this Proposal:

1. Payment Terms, 100% Pre-Payment – Customer shall pay 100% of the Grand Total, within 15 calendar days of Contract Signing to GSFA. It is the responsibility of the Customer to have full payment ready within this timeframe. If payment is late or delivery is delayed pending payment, a daily finance charge of \$150.00 and a daily storage fee of \$50.00 may apply until such payment is received. Due to insurance liability, the Product(s) will not be left at the Customer's location without full acceptance and payment or prior written agreement between the Customer and GSFA.

2. Multiple Unit Purchase – If the Purchase Price includes pricing for multiple units, the price stated on this Proposal shall only be valid if the quantity of Products being proposed are purchased at the same time, pursuant to the same Purchase Agreement.

3. Stock / Demo Units – If applicable, any stock/demo units, including those identified by this Proposal, are available for sale on an as-is, first-come and first served-basis. Regardless of this Proposal, the first Customer to enter into a Purchase Agreement identifying any such stock/demo units shall obtain said units.

4. Order Changes – The Customer may request that GSFA incorporate a change to the Product or the Specifications for the Product by delivering a written change order to GSFA, which shall include a description of the proposed change sufficient to permit GSFA to evaluate the feasibility of such change (a "Change Order"). GSFA will provide Customer a written response (a "Response") stating (i) whether GSFA will accommodate such Change Order (which GSFA may decide in its sole and absolute discretion) and (ii) the terms of the modification to the order, including any increase or decrease in the Purchase Price resulting from such Change Order, and any effect on production scheduling or Delivery resulting from such Change Order. Customer shall have seven (7) days after receipt of the Response to notify GSFA as to whether Customer desires to make the changes GSFA has approved in the Response. In the event Customer counter-signs GSFA's Response, Customer shall pay the increase (or be refunded the decrease) in the Purchase Price prior to final delivery to Customer location.

5. Force Majeure – GSFA shall not be responsible nor deemed to be in default on account of delays in performance due to causes which are beyond GSFA's and manufacturer's control and which make GSFA's performance impracticable, including but not limited to wars, insurrections, strikes, riots, fires, storms, floods, other acts of nature, explosions, earthquakes, accidents, any act of government, delays in transportation, inability to obtain necessary labor supplies or manufacturing facilities, allocation regulations or orders affecting materials, equipment, facilities or completed products, failure to obtain any required license or certificates, acts of God or the public enemy or terrorism, failure of transportation, epidemics, quarantine restrictions, failure of vendors (due to causes similar to those within the scope of this clause) to perform their contracts or labor troubles causing cessation, slowdown, or interruption of work.

6. Cancellation/Termination – In the event Customer and GSFA enter into a Purchase Agreement and Customer thereafter cancels or terminates the Purchase Agreement, GSFA will charge a cancellation fee as follows: (a) 10% of the Purchase Price after order is accepted and entered by GSFA; (b) 20% of the Purchase Price after completion of the pre-construction phase of the order process; and (c) 50% of the Purchase Price after the requisition of any materials or commencement of any manufacturing or assembly of the Product by either GSFA or the manufacturer of the Product. The tier of cancellation fee applicable to any cancellation shall be in the sole and absolute discretion of GSFA.

7. State Sales Tax – Customer shall be responsible for the cost of state sales tax associated with, or attributable to the Product. The taxes owed by Customer for the Product is subject to adjustment for the applicable state sales tax rate in effect when the Product is delivered to the Customer. Therefore, the sales tax will be increased or decreased at the time of delivery if a change in the sales tax rate has occurred, in which case Customer shall pay GSFA (or be refunded by GSFA) the applicable change in sales tax.

8. Proposal Expiration – After the Expiration Date shown on page one of this Proposal, Customer shall require GSFA's written consent to accept this Proposal.

9. Governing Law – This Proposal is to be governed by and under the laws of the state of California.



**GOLDEN
STATE**
FIRE APPARATUS

Thank you for providing Golden State Fire Apparatus, Inc. with the opportunity to provide this proposal. If you have any questions regarding the options presented or need additional options, please contact me.

Sincerely,

Jon Bauer

Golden State Fire Apparatus, Inc.

I, _____ authorized representative of **ARCATA FIRE DISTRICT** agrees to purchase the proposed Product(s) and agree to the terms and conditions of this proposal and the specifications hereto attached.

SIGNATURE: _____

TITLE: _____

DATE: _____



Phone: 888.777.7850
 Fax: 888.777.7875
 Cell: 785.313.3154
 215 S. Seth Child Road
 Manhattan, KS 66502
www.clpusa.net

March 31, 2022

Customer Name: Arcata Fire District, CA

Equipment: One Pierce Enforcer Type I Engine
 Sales Representative: Jon Bauer @ Golden State Fire Apparatus
 Delivery: Estimated 245 days

Community Leasing Partners, a Division of *Community First National Bank*, is pleased to present the following financing options for your review and consideration.

Option 1

Total Cost:	\$ 730,629.26	Payment Frequency:	Annual
Down Payment:	\$ -	First Payment:	One year from closing
Prepay Discount:	\$ 4,822.87		
Amount Financed:	\$ 725,806.39		
Term in Years:	<u>5</u>		<u>7</u>
Payment:	\$159,588.91		\$117,790.76
Factor:	0.219878		0.162289
Interest Rate:	3.24%		3.29%

- **THERE ARE NO DOCUMENTATION OR CLOSING FEES ASSOCIATED WITH THIS PROPOSAL.**
- Fixed interest rate for the terms provided unless otherwise stated.
- This financing is to be executed and funded within 30 days of the date of the proposal, or Lessor reserves the right to adjust the interest rate. The proposal is subject to credit review and approval of mutually acceptable documentation.
- This proposal has been prepared assuming the lessee is bank qualified and that the proposed lease qualifies for Federal Income Tax Exempt Status for the Lessor under Section 103 of the IRS Code.

Thank you for allowing Community Leasing Partners the opportunity to provide this proposal. If you have any questions regarding the options presented, need additional options, or would like to proceed with a financing, please contact me at 1-888-777-7850.

Respectively,

Blake J. Kaus
 Vice President & Director of Leasing
blakekaus@clpusa.net