

Basalt & Rural Fire
Protection District
“Protecting Our Community Since 1970”

RECORD OF PROCEEDINGS
BASALT & RURAL FIRE
PROTECTION
DISTRICT SPECIAL BOARD
MEETING January 16, 2024

Roll Call:

President Van Walraven, Vice President Duroux, Treasurer Young, Board Member Foster, Board Member Williams, Chief Thompson, Finance Director Thompson, HR Director Thomas, Deputy Chief Cornelius, Executive Assistant Jennifer Diamond, - Lifesize- Amy Canfield, Kim Crawford, Attorney Cole.

Call to Order:

Noting a quorum was present, President Van Walraven called the BFD Meeting to order at 5:00 p.m. on January 16, 2024.

Approval of Minutes: Vice President Duroux motioned to accept the minutes of January 9, 2024. Board Member Willimas seconded the motion. There was no discussion, and the motion passed unopposed.

Finance: Overview of Resolution 6: Kim Crawford with Butler and Snow said the district issued bonds in 2016, which is very similar; the documentation and the process are pretty much the same. Kim Crawford explained that the district started with an election for our bond, which was approved; now, the first step in issuing the bonds is to adopt Resolution 6, which allows the district to do that. Kim Crawford said this resolution allows the district to issue general obligation bonds approved by the voters and the district at this election. Kim Crawford told the Board there was unused General obligation debt from the 2016 election for \$270,000. Kim Crawford said these funds will also help with these bonds because the purposes were very similar in each of your elections. Kim Crawford gave an overview of the bond resolution. Kim Crawford said the resolution sets out what both ballot questions said. Kim Crawford explained that each ballot question is a General Obligation, so you have a maximum annual and a maximum total repayment cost that the voters in the Tabor question authorized, and you will not exceed those. Kim Crawford says the bonds cannot mature before December 31, 2044. Kim Crawford said the maximum tax Nadeem rate is 5.5, the maximum taxable rate is 6.5, the aggregate principal amount is 26 million from this election, and \$270,000. Kim Crawford explains that because you want to sell your employees housing, under federal laws, the

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government needs to own that property to be tax exempt; a small portion is taxable, about 3 million. Kim Crawford says under this resolution, you promise the bondholders that you will impose a property tax sufficient to pay back these bonds every year, just like you did in 2016. Kim Crawford said most of the bond is how they get transferred and who can buy them. Kim Crawford said the middle of the bond includes approval of forms of certain documents, and those documents are a continuing disclosure undertaking, a paying agent agreement, a bond purchase agreement, and an official statement. Kim Crawford said these documents are on file with the district; Attorney Cole has reviewed them, and so have Chief Thompson and Financial Director Thompson. Kim Crawford said the documents are related to the actual sale of the bonds. Any Questions. Treasurer Young asked about the investment criteria for proceeds. “Are we restricted to whomever we place the funds with to have back assets”? Kim Crawford said you have to invest in eligible investments under state law; Kim Crawford offered to provide the statute as to what those are. Kim Crawford said regarding investment income; you are restricted under federal tax purposes to earning the amount that your bonds are earning; for example, if your bonds sell at an arbitrage rate of 4 %, then your investment earnings will only be up to 4 % and anything over that will be paid back to the IRS called rebate. Kim Crawford said there is a specific period that you can invest those bond proceeds without regard to what they yield if you spend proceeds in a particular time not sure of the exact numbers, but it is like 6 percent in 18 months or 50% within two years, so if you invest it and earn 10% you can keep all the investment funds as long as you meet these drawn down requirement. Kim Crawford said the investment earnings need to be spent the same way your bond proceeds are spent. Amy Canfield with Stifel clarified that this only applies to the tax-exempt portion. Any questions?

Amy Canfield presented a structured overview, saying the election in 2023 yielded a 26 million bond, and from 2016, there is \$270,000 remaining for a total of \$26,270,000. \$3,270,000 will be taxable for housing efforts, and the remaining 23 million will be tax- exempt. Amy Canfield said we are assuming a structure over 20 years, so a 20-year term with level payments, and those payments annually are just over 2 million from our latest numbers. Amy Canfield said the rates are in our favor, and the district was successfully achieving a rating upgrade from S&P to an AA from AA minus to help lower the interest rates: we are under 4% borrowing cost.

President Van Walraven asked for a motion to accept Resolution 6, a bond resolution to approve the issuance of general obligation bonds, taxable series, and tax-exempt bonds, and approve forms of related documents continuing disclosure undertaking to pay agent agreement bond, purchase agreement, and official statement. Treasurer Young motioned to accept Resolution 6 series of 2024 as described above; Board Member Foster seconded the motion. All board members favored accepting Resolution 6, and none were opposed.

Motion passes 5-0

Adjournment: Board Member Williams motioned to adjourn the meeting, Vice President Duroux seconded the motion, and the meeting ended at 17:10. None opposed.