**UNIFIED FIRE SERVICE AREA**
**FINANCE COMMITTEE MEETING MINUTES**
Thursday, February 17, 2022 at 1:00 p.m.
Meeting was held both electronically via Zoom Webinar/UFA Headquarters

**Committee Members Present:**
Council Member Hull
Mayor Silvestrini

**Committee Members Absent:**
Mayor Overson
Council Member Bailey

**Staff:**
Chief Petersen
CFO Hill
Cyndee Young
District Administrator Anderson
AC Pilgrim

**Guests:**
Brad Larson,
Brad Patterson, Gilmore Bell
Brandon Dougall
Brian Anderton
Brooke Burton
Bryan Case
AC Burchett
Dustin Dern
Embret Fossum
Erica Langenfass
Catherine Harris
Japheth McGee, Zions
Jill Tho
Johnathan Ward, Zions
Kate Turnbaugh
Lana Burningham
Larson Wood
Mark Henderson
Michael Greensides
Nile Easton
Patrick Costin
Steve Prokopis
Steve Quinn
Zach Robinson

Meeting called to order by District Administrator Anderson at 1:09 p.m.

Public Comments
None
Public comment was made available live and with a posted email address

Selection of Finance Committee Chair
Mayor Silvestrini moved to elect Council Member Hull as UFSA Finance Committee Chair
All voted in favor, none opposed

Minutes Approval – Chair Hull
Mayor Silvestrini moved to approve the minutes from the November 1, 2021 Finance Committee Meeting as submitted
Council Member Harris seconded the motion
All voted in favor, none opposed

Discussion/Direction on 2021 Audit Firm – CFO Hill

- UFSA was informed that BDO is unable to provide audit services per their contract, for the next two years
- Audits must be completed by June 30
- CFO Hill has reached out to Keddington and Christensen, current UFA auditors
    - They have agreed to move forward as UFSA auditors
    - Keddington and Christensen were UFSA auditors until 3 years ago
    - They will be offered the remaining 2-years on the contract, UFSA will then go out to bid for audit services
    - The cost will increase $1,000 over the BDO contract agreement amount
    - A different partner of the firm will conduct the audit
- Mayor Silvestrini agreed that this makes sense
    - While it would be best to conduct an RFP for services, given the timing, it would not be wise to rush the audit or miss the deadline
    - Retaining Keddington and Christensen would be preferred for just this year, but if it is dependent on completion of the contract, this also allows for continuity
- Chair Hull asked if a refund for work would be pending from BDO
    - District Administrator Anderson stated that all payments for services are current

Mayor Silvestrini moved to retain Keddington and Christensen for audit services for the next two years
Council Member Hull seconded the motion
All voted in favor, none opposed

Discussion/Direction on Excess Bond Proceeds Due to Inability to Rebuild Station 112 – CFO Hill

- Japheth McGee provided background on the options for the excess proceeds from Station 112
    - Of the $34.9M in Lease Revenue Bonds for the 5 stations, $6.4M was earmarked for Station 112
- Option 1 – Save, Earn, Pay, Wait
    - Hold funds in a restricted account earning nominal interest until the UFSA is able to utilize those funds to re-construct Station 112
    - The bonds were issued on a tax-exempt basis and the IRS has strict rules requiring spending of 85% of the bond proceeds within 3 years
- Mayor Silvestrini asked that if the thresholds are not met, is UFSA penalized based on the entire amount or just the overage
    - Brad Patterson, Gilmore Bell, stated that the entire bond could be taxable, they would probably want the full amount
- Mayor Silvestrini also asked was if this would result in a black mark for UFSA
    - Brad Patterson stated that, yes, this could have a negative impact in the future for future bond issuance
        - This is unknown for sure, but imagines it could impact the investors position
- Japheth McGee stated that inflation is helping with project costs and with some repurposing, could result in under the 15% threshold
    - This remaining 15% in accounts could be held until Station 112 construction could begin
    - Holding these funds would require UFSA to continue interest payments on the entirety of the Series 2021 bonds

- Option 2 – Open Market Purchase
    - Approach bond holders with the option to repurchase the bonds they are holding
        - This is accomplished through an open market purchase of outstanding bonds
    - The purpose of this option is to reduce the annual interest and principal expense the UFSA would be required to make between now and when construction can begin
    - This option relies on assumptions about reinvestment earnings, future interest rates, and expected price from bond holders

- Option 3 – Utilize Cash
    - With Millcreek Station 112 still standing, investors have what was represented to them, 5 stations in specific locations
    - The funds can be used to accomplish purposes in line with those originally in the bond offering documents
    - This would include the purchase of land in Eagle Mountain for future stations
- A combination of these options could also be considered to better fit the needs of UFSA
- Mayor Silvestrini would like to present these options to the UFSA Board and feels this decision is best made in the presence of the full Board

Closed Session

- None

Adjournment

Mayor Silvestrini moved to adjourn the February 17, 2022 UFSA Finance Committee Meeting
Council Member Hull seconded the motion
All voted in favor, none opposed