



Big Bear Fire Authority

**BIG BEAR FIRE AUTHORITY
NOTICE & AGENDA OF ADMINISTRATIVE COMMITTEE MEETING
September 30, 2021**

To: Vice Chairman John Green
Director Rick Herrick
Director Bynette Mote
Director Al Ziegler

Fire Chief Jeff Willis
Assistant Chief-Fire Marshal Mike Maltby
Director of Business Services Kristin Mandolini
Captain Norman Dykesten
Engineer Andrew Crane
Authority Counsel Joey Sanchez
Local Media

CC: Chairman Randall Putz
Director Alan Lee
Director Perry Melnick
Director Karyn Oxandaboure
Director John Russo
Director Larry Walsh

NOTICE IS HEREBY GIVEN, that a meeting of the Administrative Committee of Big Bear Fire Authority will be held on Thursday, September 30, 2021 at 2:00 p.m. Pursuant to Governor Newsom's Executive Order N-25-20 and N-29-20. The members of the Big Bear Fire Authority Board and the public shall participate in this meeting via teleconference; there is no in-person meeting location for this meeting. Public comment may be submitted by email as described below. This meeting is being called pursuant to Section 54956 of the Government Code of the State of California.

The Public may observe this meeting by:

- Calling (669) 900-6833 with meeting ID: or;
- Join Zoom Meeting online at
- <https://us02web.zoom.us/j/89029569035?pwd=L2xHeGRST0hNSnBpN0NiRk1DcTkRUT09>
- Meeting ID: 890 2956 9035 with passcode 453993

This meeting will be recorded. Contact the Board Secretary to receive a copy of the recording.

OPEN SESSION

CALL TO ORDER

MOMENT OF SILENCE

ROLL CALL

GENERAL PUBLIC COMMENT - Public comment is permitted only on items on the posted agenda. Members of the public who wish to comment on matters before the Board are invited to submit comments via email to publicmeetingcomments@bigbearfire.org on or before Thursday, September 30, 2021 at 12:00 p.m. Please limit comments to 300 words or less. All comments submitted will be read aloud during the meeting. Please note, all email correspondence relating to this meeting will become part of the Board minutes.

DISCUSSION ITEMS

1. On-Site Pre-Construction for Pierce Type 1 Structure Engine

Administrative Committee to receive presentation from Apparatus Specification Committee.

2. Apparatus Spec Committee Recommendation for Ladder Truck Purchase

Administrative Committee to receive presentation from Apparatus Specification Committee and provide further direction to staff.

3. Tax & Revenue Anticipation Note from First Foundation Bank

Administrative Committee consideration to recommend to the Board to approve and accept a Resolution to enter into an agreement to obtain Tax and Revenue Anticipation Note from First Mountain Bank.

ADJOURNMENT

I hereby certify under penalty of perjury, under the laws of the State of California, the foregoing agenda was posted in accordance with the applicable legal requirements. Dated this 28th day of September, 2021.



Chardelle Smith, Board Secretary

The Big Bear Fire Authority wishes to make all of its public meetings accessible to the public. If you need special assistance to participate in this meeting, please contact Board Secretary Chardelle Smith at 909-866-7566. Notification prior to the meeting will enable the Fire Authority to make reasonable arrangements to ensure accessibility to this meeting.



BIG BEAR FIRE AUTHORITY AGENDA REPORT

Item No. 3

MEETING DATE: September 30, 2021

TO: Big Bear Fire Authority Administrative Committee

FROM: Jeff Willis, Fire Chief *JW*

PREPARED BY: Kristin Mandolini, Director of Business Services *KM*

SUBJECT: **TAX AND REVENUE ANTICIPATION NOTE FROM FIRST FOUNDATION BANK**

BACKGROUND

The Board previously assigned the Administrative Committee to discuss and assist in determining a potential designation of fund balance. The recommendation was \$3.5 million for cash flow, \$2 million for fleet replacement, \$1 million for a contingency, \$250,000 for equipment, and \$250,000 for facility improvements. Since then, within the 2020/21 budget, we have spent approximately \$1 million of fund balance on needed and necessary fleet replacement. Within the recently adopted 2021/22 budget \$230,000 of fund balance is anticipated to be spent also for mission critical fleet replacement.

As a result of these discussions, commercial financing was determined to be the most suitable option to preserve fund balance while also providing for the purchase and replacement of (2) type one structure engines, (1) ladder truck, and (1) brush engine.

Staff was given further guidance to seek commercial lending options that could assist with cash flow to flatten the drop in fund balance between expenditures and receipt of property tax revenue, ambulance transport revenue, and reimbursable revenue.

DISCUSSION

The department is experiencing greater than anticipated payroll expense due to a combination of factors: (1) Covid-19 related vacancies; (2) existing position vacancies; (3) Injury related vacancies; (4) annual vacation and sick leave vacancies; (5) significant demand and draw down of personnel and equipment for the 2021 wildfire season. These vacancies require backfill to maintain minimum staffing levels that are calculated and paid at overtime rates. Most of the payroll overtime expense listed above is reimbursable from different sources. There is a current need to cover these expenses until the department is reimbursed which can be 4-6 months.

Through a series of discussions with various lenders, it was determined that the size of the Authority and the small loan amount the agency was seeking did not fit most lenders we spoke with. Typical lending institutions that specialize in public financing deal in loans of \$10 million dollars or greater.

As this discovery process evolved, eventually staff contacted the Big Bear Branch of First Foundation Bank. It was discovered that First Foundation Bank has a division that specializes in public financing. Through this discussion, staff has worked with Authority legal counsel and a municipal advisor to deliver to the Board the right size loan to assist with flattening the drop in fund balances in between expenses and timing of revenues.

The financing sought is a Tax and Revenue Anticipation Loan not to exceed \$2,000,000 that matures in June 2022 and has an interest rate of 2.85%. This additional cost will be absorbed through reimbursable revenues.

RECOMMENDATION

Staff recommends that the Administrative Committee recommend to the Board approval to accept and approve a resolution to execute and enter into the necessary agreements to obtain a Tax and Revenue Anticipation Note from First Foundation Bank.



September 9, 2021

RE: **Big Bear Fire Authority**
2021 TRAN Financing

Based upon your request and preliminary review of the information provided to-date, First Foundation Public Finance (“FFPF”) would like express its interest in underwriting and obtaining credit approval for the following Credit Facility to the Big Bear Fire Authority, CA (“Borrower”) based on the terms outlined below. This Letter is provided by First Foundation Public Finance for discussion purposes only. *It is not intended to be binding, does not create any obligation on the part of First Foundation Public Finance to Sponsor or any third party, and is not a commitment to lend or agreement of any kind. No obligation whatsoever on the part of First Foundation Public Finance shall arise until execution and delivery of a formal commitment or loan documentation by a duly authorized officer of First Foundation Public Finance, which obligation shall be subject to all of the conditions contained therein.*

The proposed loan conditions are:

STRUCTURE:	Non-revolving Line of Credit
PURPOSE:	Revenue anticipation
MAX. LOAN AMT:	\$2,000,000
INTEREST RATE:	Taxable: 2.85%
RATE LOCK:	The Rate will be locked for a period of 60-days prior to dosing. If the Credit Facility fails to dose within this period, FFPF reserves the right to adjust the rate.
MATURITY:	June 30, 2022
REPAYMENT:	Semi-annual interest, balloon principal
TRANCHE LIMIT:	Maximum of 4 draws
UNUSED FEE:	25 bps on unused funds remaining
PRE-PAYMENT:	Anytime
COLLATERAL:	Borrower’s gross revenues

ADDITIONAL TERMS: Documents to be prepared by the Borrower’s Bond Counsel for review by FFPF’s counsel Nixon Peabody, LLP. Legal fees and expenses of Nixon Peabody, LLP shall be TBD. All other filing fees and related fees shall be paid by the Borrower in connection with the issuance (including applicable CDIAAC fees).

Periodic financial and collateral reporting by the Borrower, as well as representations and warranties of the Borrower regarding its status and ability to repay, taxability gross-up and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed above will be determined as part of FFPF’s underwriting and credit approval process.

PDF’s of all executed and other documents listed on the Closing Index shall be provided to FFPF no later than 24 hours before the time of the requested wire; provided, that if any documents can only be signed after receipt of the wire, those documents shall be provided immediately after receipt of the wire.

In an event of default, a default rate equal to the Interest Rate + 3.00% will be required.

Notice: The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, marital status, age (provided the applicant has the capacity to enter into a binding contract); because all or part of the applicant’s income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The federal agency that administers compliance with this law concerning this creditor is the Federal Deposit Insurance Corporation, Consumer Response Center, 1100 Walnut Street, Box #11, Kansas City, MO 64106.