



Willows City Council Regular Meeting

September 10, 2019
Willows City Hall
7:00 p.m.

City Council
Gary Hansen, Mayor
Kerri Warren, Vice Mayor
Lawrence Mello, Council Member
Joe Flesher, Council Member
Larry Domenighini, Council Member

Interim City Manager
Wayne Peabody

City Clerk
Tara Rustenhoven

201 North Lassen Street
Willows, CA 95988
(530) 934-7041

Agenda

1. **CALL TO ORDER- 7:00 p.m.**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **CEREMONIAL MATTERS (Proclamations, Recognitions, Awards)**
 - a. A Day to Remember
 - b. National POW/MIA Recognition Day
5. **PUBLIC COMMENT/WRITTEN COMMUNICATIONS**
 - a. **Public Comments:**

Members of the public wishing to address the Council on any item(s) not on the agenda may do so at this time when recognized by the Mayor/Vice Mayor; however, no formal action will be taken unless a majority consensus of the Council directs staff to place the item on a future agenda. Public is advised to limit discussion to one presentation per individual. While not required, please state your name and address for the record. (Oral communications will be limited to three minutes)
6. **CONSENT AGENDA**

Consent items are considered to be routine by the City Council and will be enacted in one motion. There will be no separate discussion on these items unless a Council Member requests, in which event the item will be removed from the consent agenda. It is recommended that the Council:

 - a. Approval of general checking, payroll & direct deposit check registers 37200-37229 and ACH10, Z10192-Z10224, 38240-38258 and 37230-37234
 - b. Approval of minutes of the Regular City Council Meeting held on August 27, 2019.

Comments from the public are welcome. The Mayor will allow an opportunity for comments related to Public Hearings and each action item on the agenda. Please limit comments to three minutes per topic, and one comment per person per topic. Once comments conclude, please allow the Council the opportunity to continue its consideration of the item without interruption.

7. REGULAR BUSINESS AGENDA/ITEMS REQUIRING COUNCIL ACTION

- a. Approve, by motion, the term sheet provided by Umpqua Bank for an interim line of credit during the balance of construction period on the South Willows Infrastructure and a 5 year take-out loan in the amount of \$540,000 upon completion of the project, and authorize the Administrative Services Director to sign the term sheet.
- b. Approve, by motion, the purchase of a new HME Ahrens-Fox Models 18 Type 1 fire apparatus through the State of California OES Bid cooperative in an estimated amount of (sales price and sales tax) \$537,776. Council directs staff to negotiate final terms of the sales agreement and authorizes the Interim City Manager to sign the sales agreement. Council further directs the Administrative Services Director to negotiate best possible lease financing terms and return to Council with financing documents.

8. COUNCIL/ STAFF REPORTS/COMMENTS

- a. Staff Reports/Comments:
- b. Council Reports/Comments:

9. ADJOURNMENT

This agenda was posted on 2019


Tara Rustenhover, City Clerk

A complete agenda packet, including staff reports and back-up information, is available for public inspection during normal work hours at City Hall or the Willows Public Library at 201 North Lassen Street in Willows or on the City's website at www.cityofwillows.org.

In compliance with the Americans with Disabilities Act, the City of Willows will make available to members of the public any special assistance necessary to participate in this meeting. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132). The public should contact the City Clerk's office at 934-7041 to make such a request. Notification 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

The City of Willows is an Equal Opportunity Provider



CEREMONIAL MATTERS



City of Willows Proclamation

“A DAY TO REMEMBER”

WHEREAS, the unprovoked attacks of September 11, 2001, upon America by foreign terrorists have thrust the United States and other countries into a war it never envisioned, militarily or diplomatically; and

WHEREAS, the challenges facing all the civilized people of the world as they relate to the war on terrorism will not end until those fanatics responsible are eliminated or brought to justice; and

WHEREAS, America is fully committed to ensure our freedoms remain unfettered and sovereign for all generations, now and forever; and

WHEREAS, world opinion needs to remain focused upon the eradication of these inhuman acts perpetrated around the globe; and

WHEREAS, one way to accomplish this is to NEVER FORGET that those innocent victims did not die in vain; and

WHEREAS, America can fight back by reminding the world that the deaths of these people will always be remembered, and they will be forever loved; and

WHEREAS, a noble and appropriate way to accomplish this is through the annual celebration of their living; and

WHEREAS, this commemoration should be held each September 11 throughout the land to include:

- The promotion of global peace and goodwill;
- The demonstration of America’s resolve and perseverance to win the war on terrorism;
- The advancement of responsible citizenship;
- The encouragement of patriotism and love of county; and
- The poignant remembrance of those innocent victims who died on September 11 as heroes one and all.

NOW, THEREFORE, BE IT PROCLAIMED that I, Gary Hansen, Mayor of the City of Willows and on behalf of the City Council and the Citizens of the City of Willows, issue this Proclamation to memorialize those men, women, and children who lost their lives; and

BE IT FURTHER PROCLAIMED that this Proclamation be publicized for all to see, and know that the citizens of Willows remember with eternal respect those lives which were suddenly, without cause, and pointlessly taken on September 11, 2001--**May They Forever Rest in Peace and Abide in our Memories.**

PROCLAIMED this 10th day of September, 2019.

Gary Hansen, Mayor



City of Willows

Proclamation

NATIONAL POW/MIA RECOGNITION DAY SEPTEMBER 20, 2019

WHEREAS, in 1979, Congress passed a resolution authorizing observance of National POW/MIA Recognition Day; and

WHEREAS, that national observance now takes place annually on the third Friday of September – this year on September 20; and

WHEREAS, throughout American history, generations of patriots have bravely served in our military and sacrificed much to protect our country and preserve democracy around the world; and

WHEREAS, some of those brave men and women who answered the call to service were captured in conflict and imprisoned by our enemies; some never returned from the battlefield; and

WHEREAS, today and every day, we pay tribute to the American men and women who have not returned to the country they so valiantly defended, and we express profound gratitude to those who returned after facing unimaginable hardships; we will never forget the sacrifices they made to keep this nation free; and

WHEREAS, observances of National POW/MIA Recognition Day are held across the country on military installations, ships at sea, state capitols, veterans facilities; and

WHEREAS, we urge the Government of the United States to continue the quest to fully account for every service member still classified as missing.

NOW, THEREFORE, BE IT PROCLAIMED that I, Gary Hansen, Mayor of the City of Willows and on behalf of the Willows City Council, do hereby declare September 20, 2019, as "POW/MIA Recognition Day," never forgetting the sacrifices they made.

Proclaimed this 10th day of September, 2019.

Gary Hansen, Mayor





CONSENT AGENDA



Period

8/24/2019 TO 9/6/2019

General Checking 37200 TO 37229
ACH10

Payroll Direct Deposit Z10192 TO Z10224

Payroll Checks 38240 TO 38258
37230 37234

APPROVAL DATE 9/10/2019

APPROVED _____

REPORT.: Aug 27 19 Tuesday
 RUN...: Aug 27 19 Time: 11:20
 Run By.: JANE COLLINS

CITY OF WILLOWS
 Cash Disbursement Detail Report
 Check Listing for 08-19 Bank Account.: 1045

PAGE: 001
 ID #: PY-DP
 CTL.: WIL

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	Invoice #	Payment Information Description
037200	08/26/19	CMS00	C.M.S.	148.00	.00	148.00	B90826P	CORPORATE MINUTES OFFICER
037201	08/27/19	ABO00	STEVE ABOLD	200.00	.00	200.00	B90827	PUB. WKS. TOOL PARKS/PUB.
037202	08/27/19	ACM00	ACME RIGGING & SUPPLY COM	377.44	.00	377.44	304290	GUTTERBROOM WIRE
037203	08/27/19	AMA00	AMAZON.COM	824.95	.00	824.95	B90826	BOOKS
037204	08/27/19	ATT01	A.T. & T.	1066.35	.00	1066.35	B90826	TELEPHONE EXP. 7/19-8/18/
037205	08/27/19	BAK06	BAKER & TAYLOR BOOKS	351.69	.00	351.69	34701343	NEW PRINT MAT. LIBRARY
037206	08/27/19	CAL01	CALIFORNIA WATER SERVICE	4000.08	.00	4000.08	B90823	WATER EXPENSE 7/4-8/5/19
037207	08/27/19	COL08	COLE HUBER LLP	4366.00	.00	4366.00	32330	LEGAL ADVISE NUISANCE ABA
037208	08/27/19	COM16	COMCAST CABLE	150.94	.00	150.94	B90826	FD INTERNET 8/19-9/18/19
037209	08/27/19	COR02	CORBIN WILLITS SYSTEMS	416.03	.00	416.03	B908151	CONT.SERV. FINANCE SEPT 2
037210	08/27/19	DEM01	DEMCO, INC.	405.09	.00	405.09	6661306	LIBRARY SUPPLIES
037211	08/27/19	EWI00	EWING IRRIG. PRODUCTS, INC	461.75	.00	461.75	686484A	IRRIGATION COMPONENTS
037212	08/27/19	FED00	FEDEX	56.46	.00	56.46	670855316	SHIPPING
037213	08/27/19	FGL00	FGL ENVIRONMENTAL	22.00	.00	22.00	976875A	BACTI ANALYSIS
037214	08/27/19	HOF02	SARAH HOFFMAN	100.00	.00	100.00	B90827	VEHICLE ALLOW. RECREATION
037215	08/27/19	INK01	THE INKWELL	42.63	.00	42.63	2761	STAMP
037216	08/27/19	MAT01	MATSON & ISOM TECHNOLOGY	2949.00	.00	2949.00	70225	MANAGED PARTNER AGREEMENT
				100.00	.00	100.00	70286	OFFSITE BACKUP AUGUST 201
			Check Total.....:	3049.00	.00	3049.00		
037217	08/27/19	MEN02	MENDES SUPPLY COMPANY	76.15	.00	76.15	R03633101	MAINTENANCE KIT
				340.56	.00	340.56	R03707200	LINERS/TISSUE/GLOVES
			Check Total.....:	416.71	.00	416.71		
037218	08/27/19	NSW00	NSWTS	110.00	.00	110.00	453	MONTHLY SERVICE CHARGE
037219	08/27/19	PEA00	WAYNE PEABODY	200.00	.00	200.00	B90827	TECHNOLOGY ALLOWANCE SEPT
037220	08/27/19	PGE01	PG & E	13967.35	.00	13967.35	B90827	P.G. & E. 7/17-8/15/19
037221	08/27/19	PIN01	PINNACLE PIPELINE INSPECT	50.50	.00	50.50	B90827	BUSINESS LICENSE OVERPMT
037222	08/27/19	SAC08	SACRAMENTO VALLEY MIRROR	172.20	.00	172.20	16136	LEGAL AD
037223	08/27/19	SAF03	SAFETY TIRE SERVICE	25.00	.00	25.00	39723	#14 BACKHOE REPAIR
037224	08/27/19	SAI02	TIMOTHY L. SAILSBERY	200.00	.00	200.00	B90827	VEHICLE ALLOW. FINANCE SE
037225	08/27/19	SCH02	SCHOLASTIC INC.	347.83	.00	347.83	19754302	PAPERBACKS
037226	08/27/19	STO01	STONY CREEK UNIFIED SCHOO	100.00	.00	100.00	B90827	EC LIBRARY RENT SEPT 2019
037227	08/27/19	UND01	UNDER THE SUN EVENTS	150.00	.00	150.00	438	ARCH RENTAL
037228	08/27/19	VAL14	VALLEY TRUCK & TRACTOR CO	132.53	.00	132.53	922142	JD MOWER REPAIR
037229	08/27/19	WAL07	WAL-MART COMMUNITY	580.90	.00	580.90	B90826	AUGUST STMT PER ATTACHED
			Cash Account Total.....:	32491.43	.00	32491.43		
			Total Disbursements.....:	32491.43	.00	32491.43		
			Cash Account Total.....:	.00	.00	.00		

REPORT.: Sep 03 19 Tuesday
 RUN...: Sep 03 19 Time: 09:36
 Run By.: JANE COLLINS

CITY OF WILLOWS
 Cash Disbursement Detail Report
 Check Listing for 09-19 Bank Account.: 1045

PAGE: 001
 ID #: PY-DP
 CTL.: WIL

Check Number	Check Date	Vendor Number	Name	Gross Amount	Discount Amount	Net Amount	-----Payment Information----- Invoice #	Description
ACH10	09/03/19	PER01	P.E.R.S.	1750.00	.00	1750.00	15779584H	PERS GASB-68 REPORT
Cash Account Total.....:				1750.00	.00	1750.00		
Total Disbursements.....:				1750.00	.00	1750.00		



ACTION MINUTES OF THE WILLOWS CITY COUNCIL REGULAR MEETING HELD AUGUST 27, 2019

Meeting audio is available at the City of Willows website. This is not a live feature. Audio recordings are posted the succeeding business day following the scheduled City Council Meeting.

Please visit www.cityofwillows.org for free PodBean recordings.

Mayor Hansen called the meeting to order at 7:00 p.m.

The meeting opened with the Pledge of Allegiance led by Library Director Jody Meza.

Roll Call

Council Members Present: Council Members Flesher, Domenighini, Mello, Vice Mayor Warren, Mayor Hansen

Council Members Absent:

Staff Present: Interim City Manager Wayne Peabody, Library Director Jody Meza, City Clerk Tara Rustenhoven

Public Comment/ Written Communications: No public comments or written communications.

Doug Ross, resident of Willows suggested putting up a "Pedestrian" sign out on North Humboldt near the Subway or Starbucks entrance.

Kevin Nelson, resident of Willows and President of the Willows Car & Bike Association, wanted to say thank you to the City of Willows, Public Works team and Willows Fire Department and the Glenn County Sheriff's Office for helping with the Car and Bike Show. They always go above and beyond to help. The show was a success and the attendance was up from prior years.

Jody Samons, Glenn County Community Development Director, wanted to express the appreciation on behalf of Glenn County and the management staff at CalPlant1 for the participation and over the top efforts of Chief Peabody and staff for the hiring event held at City Hall. 281

Consent Agenda:

- a. Approval of general checking, payroll & direct deposit check registers 37094-37199, Z10098-Z10191, 38164-38239.
- b. Approval of minutes of the Regular City Council Meeting held on July 23, 2019.

Action:

Motion: Council Member Domenighini/Second: Council Member Flesher

Moved to approve the Consent Agenda as presented above and the following item(s).

The motion passed unanimously 5/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Mello, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT:

ABSTAIN:

Regular Business:

Librarian and Library Board recommend eliminating overdue library material fines in order to remove barriers to accessing the library and increase efficiency of the return process.

Jose Hansen, resident of Willows, voiced his concerns on eliminating the overdue library fines.

Jeremiah Woodworth, resident of Willows also voiced his concerns on eliminating the overdue library fines.

Action:

Motion: Council Member Domenighini/Second: Council Member Mello

Moved to approve eliminating overdue library material fines in order to remove barriers to accessing the library and increase efficiency of the return process.

The motion passed unanimously 5/0 carried by the following voice vote:

AYES: Flesher, Domenighini, Mello, Vice Mayor Warren, Mayor Hansen

NOES:

ABSENT:

ABSTAIN:

Council/Staff Reports/Comments:

a. Staff Reports/Comments:

- Chief Peabody-The 2nd annual Color Run was on August 24th with roughly 80 participants; The Car & Bike show was a success and lastly the Community Clean-up day was a success and gave a count of all that was dumped that day. Also the General Plan Update is on the City website for one more day and it would be greatly appreciated if the community would take the survey.
- Library Director Jody Meza met with a staff member of the Glenn County Office of Education. There is an opportunity for the Willows, Bayliss, and Elk Creek Library to receive \$1000 to improve the children's sections.

b. City Council Reports Comments:

Mayor Hansen:

- Wanted to say his granddaughter loves Ms. Lollie, loves reading and the Library. Keep up the good work.
- Attend the Community Clean Up day. Special thanks to Community Services Director Steve Soeth and Public Works Super Natisa Pfyl and staff for all their hard work.
- August 1st, attended the Glenn Groundwater Meeting
- August 15th attended the fire dinner
- Made a comment on the Transit Bus and how it's been running for 8 years.
- Great job on the Car & Bike Show.

Council Member Flesher:

- Attended the Glenn Transit meeting. They are in need of a new bus.
- Attended the Willows Car & Bike Show. Kudos to Kevin Nelson.
- Took grandson to the children's area at the library and wanted to thank the Library for everything it does for the community.

Council Member Mello:

- Attended the Glenn County Waste Management meeting.
- Attended the Glenn County Economic meeting

Council Member Domenighini

- Attended the LAFCO meeting.
- Attended the Library Board meeting.

Vice Mayor Warren

- In July, visited Washington D.C. for a week and wanted to thank Congressman LaMalfa for taking the time to meet with us.

Adjournment:

The Meeting was adjourned at 7:54p.m.

Dated: September 3, 2019

Tara Rustenhoven, City Clerk



REGULAR BUSINESS

AGENDA ITEM

TO: Wayne Peabody, Interim City Manager
FROM: Tim Sailsbery, Administrative Services Director
SUBJECT: Operating Line of Credit and Takeout Financing

RECOMMENDATION

Approve, by motion, the term sheet provided by Umpqua Bank for an interim line of credit during the balance of construction period on the South Willows Infrastructure and a 5 year take-out loan in the amount of \$540,000 upon completion of the project, and authorize the Administrative Services Director to sign the term sheet

SITUATION (or BACKGROUND):

The loans under consideration by the Council are requested for two purposes-

Operating Line of Credit- The City has had to front a large portion of payments thus far for construction and construction inspection. While the EDA grant reimbursement (61.5% of the funding) has started, it is quite slow in its turn-around. The City is still working with all parties to complete the conditions of accessing the CDBG-OTC grant funds (14.1% of the funding) and has had to "front" these funds in the meantime. These two items have created stress on the City's operating cash flow and created the need for requesting this operating line. The City will be responsible for loan related costs and interest on this note.

Take-Out Financing- Under the development agreement with Basin Street, Basin is to provide \$936,873 toward the cost of infrastructure. \$401,159 has been provided, with the remaining \$535,714 to be paid in installments in years 2-5. Originally, the City was going to absorb this and receive and retain the payments, however, a number of expenditures on the project that are likely not going to be reimbursable under grant funds or subject to reimbursement by Basin Street have arisen. As a result, it is recommended to "finance" Basin's payment stream over the five year period.

These loans will be collateralized under a "sale/leaseback" transaction, in which a City asset (the fire station in this case) is pledged as collateral. Please note that this is also how the sewer treatment plant loan is collateralized. In addition, the grant funds will provide secondary collateralization for the operating line of credit.

The sale/leaseback transaction and the determination that this is considered public debt for tax purposes must be put together by an attorney referred to as "bond counsel." The City will need to retain bond counsel for this transaction, at an estimated cost of \$17,500. The sale/leaseback also requires a third party to act as the agent for the sale and the leaseback (estimated fee \$2,500) In addition, the City will be responsible for covering the cost of Umpqua's legal review of bond counsel documents (TBD). Umpqua is not charging the City any loan fees for this transaction.

This item will return once the documents pertaining to the sale/leaseback are completed. Council will have the opportunity to further act on this and the underlying notes at that time.

FINANCIAL CONSIDERATIONS:

Interest on the line of credit and take-out financing (TBD)
\$17,500 bond counsel services
\$2,500 sale/leaseback transaction third party
Bank legal review fee (TBD)

ALTERNATE ACTIONS

1. Approve the term sheet as requested
2. Request additional information from staff.
3. Reject items

RECOMMENDATION

Approve, by motion, the term sheet provided by Umpqua Bank for an interim line of credit during the balance of construction period on the South Willows Infrastructure and a 5 year take-out loan in the amount of \$540,000 upon completion of the project, and authorize the Administrative Services Director to sign the term sheet

Respectfully submitted,

/s/ Tim Sailsbery

Tim Sailsbery
Administrative Services Director

Attachments:
- Term Sheet

Vanessa L. Ryan
SVP/ Corporate Relationship Manager
Tel: 916.724-1214
Email: vanessaryan@umpquabank.com

Anastasia Efstathiou
Corporate Portfolio Manager
Tel: 916.774-3923
Email: anastasiaefstathiou@umpquabank.com



Attachment
UMPQUA
B · A · N · K

City of Willows Term Sheet Dated September 4, 2019

Umpqua Bank (“Umpqua”) would like to express its interest in underwriting and obtaining credit approval for the following loan (the “Credit Facility”) for the City of Willows, Willows, California (the “City”) on the terms and conditions outlined below.

Preface: Umpqua’s expression of interest in underwriting and obtaining credit approval for the Credit Facility is for discussion purposes only and does not constitute a commitment from Umpqua. Any commitment to lend that we might make is subject to the fulfillment of a number of conditions that include, but are not limited to, our normal credit approval process, an in-depth investigation of the purpose of the loan, the City and collateral as applicable and deemed satisfactory to Umpqua at our sole discretion.

Confidentiality: Except as required by law, neither this expression of interest nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed financing. The foregoing confidentiality provisions shall not apply to the disclosure of the federal income tax structure or treatment of the proposed financing.

Twelve-Month Draw Period

Line Amount: \$ 1,400,000
Structure/Security: Lease-Leaseback Project Delivery
Primary Collateral -Lien on City Fire Station, 445 S. Butte Street
Secondary Collateral - Grant Revenue Guarantee
Term: Maturity - November 15, 2020 – 12-Month Draw Period
Indicative Interest Rate: *as of September 3, 2019*
3.32% Qualified rate with legal opinion from City’s Bond Council
3.43% Non-Qualified rate
Loan Fee: \$ 0.00 – Waived Due to Full Banking Relationship

Five-Year Term Loan

Loan Amount: \$ 540,000 (estimated balance)
Structure/Security: Lease-Leaseback Project Delivery
Primary Collateral - Lien on City Fire Station, 445 S. Butte Street
Term: Maturity – November 15, 2025 – Five-Year Term Loan Commitment, preceding the 12-month draw period.
Indicative Interest Rate: *as of September 3, 2019*
3.22% Qualified rate with legal opinion from City’s Bond Council
3.35% Non-Qualified rate
Loan Fee: \$0.00 – Waived Due to Full Banking Relationship

Prepayment Provision 5%, 4%, 3%, 2%, 1% - *commencing after 12-month initial draw period*

Relationship Discount The above rates include a relationship discount that assumes the City will maintain its current deposit relationship with Umpqua Bank.

Vanessa L. Ryan
SVP/ Corporate Relationship Manager
Tel: 916.724-1214
Email: vanessaryan@umpquabank.com

Anastasia Efstathiou
Corporate Portfolio Manager
Tel: 916.774-3923
Email: anastasiaefstathiou@umpquabank.com



COI Fees

Documents to be prepared by the City's Bond Counsel (Brian D. Quint at Quint & Thimmig LLP) with the cost estimated to be provided by Counsel to the City. The document review by Umpqua's Legal Counsel cost has been estimated at TBD. All legal fees, filing fees and related fees shall be paid by the City in connection with the issuance.

The financing documents will be in the standard forms customarily required by the Bank for tax-exempt municipal funding and will include additional terms and conditions not discussed above. The City will provide annual financial report to the Bank during the period the financing is outstanding and held by the Bank. At the date of closing of the financing, the financial condition and credit of the City and all other features of this transaction would be as represented to the Bank without material adverse change. In the event of adverse material changes in the credit worthiness of the City, including litigation involving or claims filed against the City, any future commitment would terminate upon notice by the Bank. Any future commitment would be non-assignable by the City.

Approval

If selected to provide the financing, the Bank would review the City's most recent 3-years of financial information as part of the credit approval process. The Bank would also require a summary of the City's anticipated project, including costs, anticipated draws and timeline to completion. The estimated time between being selected and credit approval is 3 weeks. Prior to closing, the Bank would require (1) a copy of the City's executed authorizing ordinance, (2) the original executed documents (3) a valid legal opinion from Bond Counsel.

Additional Conditions

Periodic financial and collateral reporting by the City, as well as representations and warranties of the City regarding its status and ability to repay and related matters, taxability gross-up and covenants and conditions that are appropriate for a Credit Facility of the scope and nature proposed herein will be determined as part of Umpqua Bank's normal underwriting and approval process. The proposed facility will be subject to a default rate equal to the proposed interest rate + 3.0%.

PDFs of all executed and other documents listed on the Closing Index shall be provided to the Bank 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.

Sincerely,

A handwritten signature in cursive script, appearing to read "Vanessa Ryan".

Vanessa Ryan
SVP, Corporate Relationship Manager
Corporate Banking

A handwritten signature in cursive script, appearing to read "Anastasia Efstathiou".

Anastasia Efstathiou
VP, Corporate Portfolio Manager
Corporate Banking

Vanessa L. Ryan
SVP/ Corporate Relationship Manager
Tel: 916.724-1214
Email: vanessaryan@umpquabank.com

Anastasia Efstathiou
Corporate Portfolio Manager
Tel: 916.774-3923
Email: anastasiaefstathiou@umpquabank.com



Please pursue underwriting and approval of a commitment for the described Credit Facility.

Borrower

By: _____

Printed Name: _____

Title: _____

AGENDA ITEM

TO: Honorable Mayor Hansen and Members of the City Council

FROM: Wayne Peabody, Fire Chief/ Interim City Manager

SUBJECT: Purchase and Financing of New Engine No. 3

RECOMMENDATION

Staff recommends that City Council approve by motion the purchase of a new HME Ahrens-Fox Models 18 Type 1 fire apparatus through the State of California OES Bid cooperative in an estimated amount of (sales price and sales tax) of \$537,776. Council directs Staff to negotiate final terms of the sales agreement and authorizes the Interim City Manager to sign the sales agreement. Council further directs the Administrative Services Director to negotiate best possible lease financing terms and return to Council with financing documents.

SUMMARY

The City of Willows Fire Department runs 1000 calls a year ranging from medical aids to grass fires. This apparatus will be able to function in a wide range of calls which assist the department in not having to change engines based upon the emergency. We currently run a similar engine that belongs to the State of California and found it be very functional for our needs.

The Fire Chief has reviewed a number of options under various master agreements and believes that the HME Ahrens Fox model best fits the needs of the Willows Fire Department.

The manufacturer has offered 10-year financing terms on this apparatus. Staff requests the opportunity to compare this to other offers for 10-year lease financing terms and select the best combination of interest rate and loan fees for this transaction.

FINANCIAL CONSIDERATIONS

\$50,000 was allocated as part of the approved 2019/20 Adopted Budget from the Fire-Development Impact Fee Fund (Fund 356). As it appears the annual lease payment on this will be \$60,000 to \$65,000, Staff will return to Council for additional appropriation from that Fund once the exact amount is known. Fund 356 will be utilized until exhausted (balance of approximately \$130,000 as of 6/30/19), at which point the General Fund will take over lease payments. General Fund allocation for fire capital has been transferred to finance the General Plan until Fire-Development Impact Fees are exhausted.

NOTIFICATION - none

RECOMMENDATION

Staff recommends that City Council approve by motion the purchase of a new HME Ahrens-Fox Models 18 Type 1 fire apparatus through the State of California OES Bid cooperative in an estimated amount of (sales price and sales tax) of \$537,776. Council directs Staff to negotiate final terms of the sales agreement and authorizes the Interim City Manager to sign the sales agreement. Council further directs the Administrative Services Director to negotiate best possible lease financing terms and return to Council with financing documents.

Respectfully submitted,



Wayne Peabody
Fire Chief
Interim City Manager

ATTACHMENTS

Derotic Emergency Equipment Proposal
OES Equipment Package
HME Ahrens-Fox Sales Agreement



August 2, 2019

Chief Peabody
Willows Fire Department
445 South Butte St.
Willows, CA 95988

Chief Peabody,

HME Ahrens-Fox and Derotic Emergency Equipment are pleased to offer you this revised proposal:

- This proposal is for one (1) HME Ahrens-Fox Model 18, Stock Truck #23282.
- The Price is Five Hundred One Thousand, Four Hundred and Twenty Three Dollars and Zero Cents (\$501,423.00) – COD Contract. (DOES NOT INCLUDE TAXES OR FEES).
- This price includes the vehicle, delivery to California, lettering and striping, pre-delivery inspection at one of our service centers, desired equipment list, and mounting and bracketing.
- This price is good for thirty (30) days from the date on this document. Additional price extensions will need to be requested as needed.
- This vehicle is available on a first come, first served basis.

We look forward to working with you and your staff to deliver your new HME Ahrens-Fox Fire Apparatus, which will give the Willows Fire Dept. many years of service.

Sincerely,

James Mario Demattei
James Mario Demattei
President

Casey Scott
Casey Scott
CEO

Brian Jenson
Brian Jenson
COO



STATE OF CALIFORNIA

TYPE 1 FIRE ENGINE

**OES EQUIPMENT PACKAGE
AND
LETTERING DETAILS**

1. **OES EQUIPMENT PACKAGE:** The following OES equipment package shall be furnished with each unit when specified on the purchase order. The actual placement of the equipment with respect to compartment, mount and/or bracket shall be discussed at the preconstruction conference.

1.1 **Hose:**

- Two (2) – Hard Suction, 10' x 6", NH, "KOCHEK MAXI-FLEX", light weight, long handled. Couplings to be engraved "CA-OES"
- ~~Twenty Four (24) – 3" x 50', Thermoplastic Lined Synthetic Fire Hose, Color Tan. Couplings to be 2 1/2" lightweight alloy with NH threads. Couplings to be engraved "CA-OES", hose to be stenciled "CA-OES"~~
- ~~Two (2) – 3" x 12', Thermoplastic Lined Synthetic Fire Hose with 2 1/2" couplings to be used as soft suction. Color Tan. Couplings to be engraved "CA-OES". Hose to be stenciled "CA-OES".~~
- ~~Twelve (12) – 1 1/2" x 50', Thermoplastic Lined Synthetic Fire Hose, Color Yellow. Couplings to be engraved "CA-OES". Hose to be stenciled "CA-OES".~~
- ~~One (1) – 1 1/2" x 35', Thermoplastic Lined Synthetic Fire Hose, Color Yellow. Couplings to be engraved "CA-OES". Hose to be stenciled "CA-OES".~~
- ~~One (1) – 6" x 16' Thermoplastic Lined Synthetic Fire Hose Soft Suction. Shall be equipped with light weight alloy couplings NH thread. Female swivel shall have long handles; male swivel shall have rocker lugs. Color Tan. Couplings to be engraved "CA-OES". Hose to be stenciled "CA-OES".~~
- ~~Ten (10) – 100' lengths of 1 1/2" Forestry Hose, NH, thermoplastic lined, Cotton Synthetic Ref: GSA NSN# 4210-01-166-6697~~
- ~~Eight (8) – 100' lengths of 1" Forestry hose, NPSH, thermoplastic lined, Cotton Synthetic Ref: GSA NSN# 4210-01-166-8122~~

1.2. **Ladders:**

- One (1) - 10' Folding Attic Ladder. Ref: DUO-SAFETY Series 585A.
- One (1) - 14' Roof Ladder. Ref: DUO-SAFETY Series YGR.
- One (1) - 24' Extension Ladder. Ref: DUO-SAFETY Series 900 A.
- Halyard shall be Wellington Puritan 1/2" Ladderline.

3. **Nozzles:**

- One (1) - Akron Brass Apollo Style 3433 Hi-Riser Master Stream Appliance with Akron Style 1755 Turbomaster 500-750-1000-1250 gpm Master Stream Combination Nozzle, as well as Akron #3488 Aluminum stream

straightener and Akron #2499 Quad Pyrolite stacked tips. Included shall be a 3" direct mount base and a ground base with a 2 1/2" siamese.

- Two (2) - Akron #1722 Midrange 1 1/2" Turbojet Nozzles, 30-60-95-125 gpm
- Two (2) - Akron #2393 Axial Playpipe - Pyrolite w/#1420 Stacked Tips - 1", 1-1/8", 1 1/4"
- One (1) - Akron #2370 2 1/2" Turbojet Combination Nozzle w/Axial Playpipe
- One (1) - "Mad Dog", 1 1/2" air aspirating foam nozzle.
- Three (3) - 1 1/2" Forestry Nozzle, NH, light weight alloy, Ref: GSA NSN# 4210-01-167-1123 Nozzle and GSA NSN# 4210-01-165-6600 shutoff valve
- Four (4) - 1" Forestry Nozzle, NPSH, Ref: GSA NSN# 4210-01-165-6603 Nozzle and GSA NSN# 4210-01-165-6599 shutoff valve
- One (1) - Honda WH20XK1C1 Portable High Pressure Pump w/ Two (2) 2" NTPF x 1 1/2" NHM adaptors - no exception
- One (1) - Kocheck P-15, 1 1/2" x 10' hard suction, male on one end and female on other. Couplers to be engraved "CA-OES". Hose to be stenciled "CA-OES".
- One - (1) - 1 1/2" strainer.

4. Fittings:

- One (1) - Siamese, 2 - 2 1/2" NHF x 1 - 2 1/2" NHM, lightweight alloy
- One (1) - Gated Wye, 1 - 2 1/2" NHF x 2 - 1 1/2" NHM, lightweight alloy
- One (1) - Adaptor - Double Female - 6" NHF x 4 1/2" NHF, lightweight alloy
- One (1) - Adaptor, Double Female - 6" NHF x 4" NHF, lightweight alloy
- Two (2) - Adaptor, Double Female - 2 1/2" NHF x 2 1/2" NHF, lightweight alloy
- Two (2) - Adaptor, Double Male - 2 1/2" NHM x 2 1/2" NHM, lightweight alloy
- One (1) - Reducer - 2 1/2" NHF x 1 1/2" NHM, lightweight alloy
- One (1) - Reducer - 1 1/2" NHF x 1" IPM, lightweight alloy
- One (1) - Increaser - 1" IPF x 1 1/2" NHM, lightweight alloy
- One (1) - Adaptor 1" IPM x 1" NHF, lightweight alloy
- One (1) - Adaptor, 1" IPF x 1" NHM, lightweight alloy
- One (1) - Strainer, 6", lightweight

5. Handtools - Structural:

- One (1) - 6' Pike Pole with fiberglass handle
- One (1) - 8' Pike Pole with fiberglass handle
- One (1) - Shovel, Scoop, Fiberglass "D" handle
- One (1) - Axe, Pickhead, fiberglass handle
- One (1) - Axe, flathead, fiberglass handle
- One (1) - Bolt Cutter, 30"
- Four (4) - Strap, Hose & Ladder, nylon
- One (1) - Mallet, Rubber, 23 oz. w/Hickory handle
- One (1) - Wrench, Spanner, 6", Ref: Akron Brass #19 Universal Suction Spanner Wrench
- One (1) - Hose clamp, Hebert, 2 1/2"-3" Model w/mounting brackets
- Two (2) - Lantern, hand, 12 volt, Ref: Streamlight Vulcan, w/charger. Hand lanterns shall be mounted and hardwired in cab at locations to be determined at the preconstruction conference.
- Two (2) - Rope, utility, 1/2" x 50', nylon
- Two (2) - Salvage covers, 12' x 14', canvas duck, stenciled "CA OES FIRE"

- One (1) Stihl MS 460 Chainsaw with .063, 3/8 pitch, 20" bar with Raptor carbide chain and no carrying case. Included to be one spare carbide chain, one conventional chain, one spare 20" bar, one spare spark plug, one spare air filter, tool kit and one gallon of bar oil. Saw to have full length bar protector sheath.
- One (1) 5#, 2A 10BC Dry Chemical Fire Extinguisher shall be mounted in right side of through compartment against wall of pump module; exact location to be determined at pre-construction conference.
- One (1) – D.O.T. cab first aid kit, REF: DynaMed #B-FK723, 3 in 1 kit, metal case

6. Handtools – Wildland:

- One (1) – Forest Fire Shovel, long handle, fiberglass handle, round-point. Meets USFS Spec. No. 5100-326
- Two (2) – Thau Claw fire handtool, fiberglass handle – Ref: Fire Tool, 510-886-2437
- One (1) – Pulaski, fiberglass handle
- Two (2) – Spanner Wrench, for 1" & 1 ½" Forestry Hose, Ref: GSA NSN# 5120-00-596-1426
- Two (2) – Fire Hose Clamp, for use on 1" & 1 ½" single jacket, rubber lined Forestry hose, Ref: Timberline Firefighter's Clamp
- Three (3) – Hoseline Tee w/valved male branch, 1 ½" NHF x 1 ½" NHM w/ 1" NPSH male branch, Ref: GSA NSN# 4210-01-081-0417

7. Emergency Medical:

- One (1) Junkin Stokes Litter – Stainless Steel Tapered Model without leg divider. No wooden slats. Ref: Junkin SAF-300-W
- One (1) Hypalon Stokes Litter Cover, color orange.
- One (1) plastic spine board with straps, Ref.: Junkin Plastic Backboard with head immobilizer. Color yellow. Backboard to be compatible with litter.
- One (1) – Trauma Kit, Ref: DynaMed #B-TK031, Modular BLS Xtra Kit
- Two (2) – Space Blanket, Disposable

8. Urban Search & Rescue Tool Cache:

- One (1) – Carpenter's Tool Box, long enough for 20" hand tools, one tray, Ref: Sears Industrial #59216
- Three (3) – Hammer, Framing, 24 oz., fiberglass handle
- Two (2) – Tri-square
- One (1) – Speed square
- One (1) – Square, framing
- Two (2) – Handsaw, crosscut, 26", Ref: Stanley Fat Max
- Three (3) – Tape measure, 25'
- Two (2) – Hacksaw, heavy duty, 12", Ref: LENOX #5012 Low Profile Frame, with carbide blade, flat version
- Twelve (12) – Hacksaw blade, carbide, flat version
- Two (2) – Hammer, Sledge, 8#, fiberglass handle
- One (1) – Shovel, long handle, fiberglass handle, square point
- Four (4) – Hammer, Sledge, 3-4#, short fiberglass handle
- Four (4) – Bar, pinchpoint, 60"

- ~~Two (2) Jack, Bottle, Hydraulic, w/handle, 8-ton~~
- ~~Two (2) Bar, claw, wrecking, 36"~~
- ~~Two (2) Chisel, cold 1" x 7 7/8"~~
- ~~One (1) Marking Kit, Building~~
- ~~Two (2) Lumber crayons, Red~~
- ~~Two (2) Lumber crayons, yellow~~
- ~~Four (4) Lumber pencil~~
- ~~Four (4) Lumber chalk~~
- ~~Six (6) Spray paint, line marking, orange, downward application type~~
- ~~Four (4) Roll, flagging tape, orange or red~~
- ~~Two (2) Roll, barrier tape, yellow, "caution"~~
- ~~Two (2) Roll, duct tape large commercial size~~
- ~~Three (3) Carpenter's belt, leather, 10 pocket~~
- ~~Nails: 30# 16d coated sinkers; 30# 8d coated sinkers; Nails to be in plastic 30# containers~~
- ~~Six (6) Steel Picket, 1" round x 4', pointed on one end~~

9. **Tool Kit – Automotive:** One (1) – Toolbox of adequate size to store equipment listed below. Ref: Craftsman or equivalent

- One (1) – Adjustable wrench (12")
- One (1) – Adjustable wrench (8")
- One (1) – Slip joint pliers (12")
- One (1) – Diagonal wire cutters
- One (1) – Standard socket set (1/2" ratchet, 6" extension & socket rack)
Sockets shall be 8-piece standard socket set, with 3/8, 7/16, 1/2, 9/16, 5/8, 11/16, 3/4 & 13/16
- One (1) – Metric socket set (1/2" ratchet, 6" extension & socket rack)
Sockets shall be 8-piece metric socket set to include 10 thru 17 mm
- One (1) – Breaker bar, 1/2"
- One (1) – Hammer, ball peen, fiberglass handle
- One (1) – Screwdriver set, slotted and Phillips, 16 piece
- One (1) – Tin snips, 9"
- One (1) – Utility knife
- Two (2) – Rolls, duct tape – large commercial size

10. **Cribbing and Wedge Kit:** ~~Cribbing and wedges: Each crib shall have a 4 mm x 22" loop of nylon rope for a handle. Three (3) Hypalon or canvas bags shall be included for storing and carrying cribbing. Ref: TURTLE TILE Dura-Crib~~

- ~~Sixteen (16) each 4" x 4" x 18"~~
- ~~Sixteen (16) each 2" x 4" x 18"~~
- ~~Sixteen (16) each 4" x 4" x 18" wedges~~
- ~~Sixteen (16) each 2" x 4" x 18" wedges~~

11. **Rope Rescue Cache:**

- Two (2) – 1/2" x 150' Static Kernmantle NFPA Lifeline in Rope Bag (bag color red or orange). Each rope shall have a different color stripe. Bag shall have provision for storing of rope log.
- Four (4) – Rope log forms – Two for lifelines, one for hardware and one for software.

- Twenty seven (27) – Carabiner, stainless steel, locking “D”, 11mm, NFPA approved-general use. Ref : SMC Lite D
- Three (3) – Rescue Pulley, 2”, NFPA approved. All shall be Prusik minding, Ref: CMC 300323
- Two (2) – Load releasing device, UL classified to NFPA, color yellow, including aluminum locking D, NFPA approved, light use, color red. Ref: CMC #201108
- Two (2) – Multi-point collection device, stainless steel, general use, NFPA approved. Ref: CMC #300615
- One (1) – Friction Device – Figure 8, w/ears, aluminum, NFPA. Ref: CMC #312873
- One (1) – Friction Device, Brake Bar, 6 bar, twisted, NFPA. Ref: SMC #314001
- One (1) – Edge Protector, 18”, Ref: CMC #294030
- One (1) – Rescue Edge Pad, 24 ounce #4 canvas, 34”x60”. Ref: CMC #294019
- One (1) – Litter Pre-Rig, Ref: CMC #724121
- Two (2) – Harness, NFPA, Class III, fully adjustable. Ref: CMC/Roco Universal Combo Harness; universal sizing
- Webbing, 1”, Spiral Weave Nylon, 4,000#, precut in length/colors below:
 - Six (6) each - 1” x 5’ – green
 - Six (6) each - 1” x 12’ – yellow
 - Six (6) each - 1” x 15’ –blue
 - Six (6) each - 1” x 20’ – orange
- Six – (6) – Pair Prusik loops, 8mm,
 - Six (6) each - 54” - teal
 - Six (6) each - 70” - red
- One (1) – Rope Bag, ½” x 150’ - red or orange
- Two (2) – Rope bag, ½” x 100’ - black
- One (1) – Heavy Rescue Organizer, Ref. CMC #770403, color red
- One (1) – Stokes Litter Cover, Ref: CMC #724104
- Two (2) – Chemical Light Kit (Sticks):
 - Four (4) – Red (8 hr. minimum)
 - Four (4) – Yellow (8 hr. minimum)
 - Four (4) – Blue (8 hr. minimum)
 - Four (4) – Green (8 hr. minimum)

12. Miscellaneous:

- 25' of 3/8 air hose with quick change fittings and safety blow gun.
- Two (2) ZICO Model SAC-44 Space-Saver Chock Blocks (or equal) shall be mounted in horizontal holders beneath the running boards. Specific locations to be determined at the preconstruction conference.
- Two (2) Lantern, hand, 12 volt, (Ref: Streamlight Vulcon), with charger. Hand lights shall be mounted and hardwired in cab. Locations to be determined at preconstruction meeting.
- One (1) – Tow Chain, 3/8”x 25’, 5400 #, Chain shall be contained in a drawstring closure bag.
- One (1) – Emergency Flare Kit, 3 Triangles, meets or exceeds DOT Specifications, including 40 mph wind test

- Three (3) – Metal Safety Can, 2 gallon, with spout

13. Mobile Radio:

- A Kenwood 5710BK10 P25 VHF Hi band, dash mount, 45 Watt, 512 channel mobile radio with a KCT-18 Ignition Sense kit shall be provided. Radio shall include special CDF features factory installed by Kenwood. These features include:
 1. Single band radio assembly (factory installed), Kenwood labor code L1028.
 2. Key label insert for CDF control head function (factory installed), Kenwood labor code L862.
 3. High level audio output at the control head auxiliary connector (factory installed) Kenwood labor code L1008.
 4. Special "CDF" flash programming (factory installed), programming shall include the attached Radio Standard Frequency Load, Kenwood labor code L1005.
 5. Ignition sense kit KCT-18 factory installed and implemented in programming.
 6. Horn signaling output relay kit (factory installed), Kenwood labor code L1006.
- ~~A Bendix/King GPH 5102XCMD04 Handheld VHF radio, 148-174 MHz, w/antenna, shall be provided with each unit. A B/K 12-volt DC charger shall be installed and hard-wired in the small compartment in the stepwell beneath the officer's seat. Features to include LZA 0531 BK Tone Operator select option, LKS 1031 BK 28 channel keyboard select option, LKS 1041 IS talk-around option. Each hand-held radio shall include the following:

 1. Two (2) Rechargeable Battery Pack #LAA 0193 Bendix/King 10-volt Ni-Cad
 2. One (1) Battery Holder for Replaceable 'AA' Size Cells #LAA 0139 Bendix/King
 3. One (1) 115 VAC Trickle Charger #LAA 0305 Bendix/King
 4. One (1) 13.8 VDC Trickle Charger #LAA 0340 Bendix/King
 5. One (1) Speaker Mike #LAA 0207 Bendix/King
 6. One (1) Carrying Case w/full flap #LAA 0415 Bendix/King~~

- 14. Fabricated Brackets / Mounts:** The following shall be fabricated, mounted and/or furnished with each unit. Mounting locations shall be determined at pre-construction conference.
- One (1) – Log book holder, fabricated aluminum or stainless steel pocket to hold 10"x 9"x 2 ½" three ring log book. Sample log book will be provided at the pre-construction conference.
 - One (1)- Hard Plastic Mount for 1" nozzle from hose reel, Ref: Performance Advantage Co. #1002
 - Two (2)- axe mounts, one for a pick head, and one for flat head axe
 - Eight (8) - mounting brackets mounted on vertical divider in pull out tool tray in front transverse compartment as follows:
 - Two (2) each for 30" bolt cutters
 - Two (2) each for Pulaski
 - Two (2) each for 36" claw wrecking bars

- Scoop shovel shall be mounted to top of rear compartment with bracket and rubber ratchet holder. Ratchet holder Ref. Performance Advantage Company Handlelok-2
- Three (3) - 2-½" ZICO Quic-Coupling Mounts mounted in drawer type tray in left side forward compartment.
- Seven (7)- Akron Brass Style 373 E-Z lock 2-½" Nozzle Holders mounted as follows:
 - Three (3) on shelf in left side forward compartment
 - Two (2) in tray in same compartment
 - Two (2) in well
- Four (4)- Red Head Brass Style M 6" Rigid Male Mounting Plates mounted as follows:
 - Three (3) on upper portion of rear wall of left side forward compartment
 - One (1) in left side of through compartment on side of ladder tunnel.
- One set of Hebert Hose Clamp brackets shall be mounted in left side through compartment on side of ladder tunnel next to 6" male mounting plate.
- Two Akron Brass Style #2443 Hydrant/Spanner wrench holders with tools shall be mounted inside left front and right rear high side compartments.
- Bracket and strap with adjustable clasp and j-hook for generator on slide out tray.
- Mount on top of hosebed cover for securing Stokes Litter and cover. Design and mounting location to be determined at pre-construction conference.
- Radio mount on top of doghouse – radio to be mounted on a swiveling platform with an easily accessed lock, so as to be able to swivel to either the engineer's or officer's side.

2. **LETTERING AND STRIPING:** The completed fire engine shall be striped and lettered with high-quality Reflexite reflective tape. Lettering and striping shall be computer or die cut. Application of material shall be completed in a professional manner. OES will provide OES door shields.

2.1 **Body:** Lower portion of the apparatus fire body shall have a full - length white reflective stripe, 5" wide, with a 3/8" wide black non-reflective border stripe. Rub rails shall have standard DOT alternating red/white reflective stripe.

2.2 **Cab:** Shall have the same stripe as body. Exact location of cab stripe shall be determined at pre-construction conference. Front of cab and rear of apparatus below hosebed shall be striped.

3.3 **Lettering:** Left and right side of the apparatus shall have the letters OES and the unit number, in black non-reflective block letters. Unit numbers shall be the same style as the OES letters. A unit number is letters "OES", space, three digit number. Four inch black numbers shall be provided. Example: OES 366.

Front and rear unit number shall be white reflective with black shading, mounted on an aluminum or stainless plate. Lettering shall be 10" high.

A graphic sign shall be applied to each side of the body buildup. Graphic to read: "Urban Search & Rescue Type 3". Exact location shall be determined at the preconstruction conference. OES will supply the graphic sign.

- 3.4 **Cab Roof:** Shall have minimum 24" black, block letters indicating OES Unit Number
- 3.5 **Cab Doors:** Shall have black reflective lettering, approximately 2 1/2" in height, with approximately 3/8" stroke, stating GOVERNOR'S OFFICE OF EMERGENCY SERVICES.
- 3.6 **Front Bumper:** Front bumper shall have alternating red and yellow 3" reflective stripes in a chevron pattern.
- 3.7 **Rear Compartment Doors:** Rear compartment doors shall have alternating red and yellow 3" reflective stripes in a chevron pattern mounted on separate smooth metal panels.



SALES AGREEMENT

This Sales Agreement (the "Agreement") made by and between **HME, Incorporated** (Company) and

Willows Fire Department

(Legal Name of Buyer)

445 South Butte St.

Willows

California

95988

(Address)

(City)

(State/Province)

(Zip/Postal Code)

1. ACCEPTANCE: The "Company" agrees to sell and the "Buyer" agrees to purchase the apparatus and equipment (collectively the "Vehicle") described in the HME, Incorporated specifications hereto attached and made part of this Agreement, in accordance with the terms and conditions herein and the attached documents referenced herein (collectively, the "Agreement").

2. DELIVERY: Except as otherwise specified in this Agreement and provided that the Buyer has paid the purchase price, the Vehicle shall be ready for delivery within 150 calendar days after the date this Agreement is signed and executed by an officer of Company at the Company's Corporate Headquarters in Wyoming, Michigan, and based upon a satisfactory completion of a Pre-Construction Conference, if requested. The Company cannot be held liable for penalties and/or delays due to strikes, failures to obtain materials, fires, accidents, force majeure, or any other causes beyond the Company's control. The Pre-Construction Conference shall be conducted within 30 days from the execution of this Agreement.

To establish a stable design, procurement, and build schedule in accordance with the specifications and this Agreement, a Buyer change order cutoff date of eight (8) weeks from the date of the execution of the Agreement will be enforced. Changes in major components, configuration, or other items that may change the major components or configuration, (e.g.: engine, transmission, axles, water tank, body, fire pump) will not be allowed after the Agreement execution date.

If inability to obtain exclusive or brand name materials causes completion or delivery problems, the Company shall advise the Buyer of said problem. The Company resolves to examine alternative sources of said material. Material substitutions shall be mutually agreed upon by the Buyer and the Company. No substitutions shall be made without the execution of a written change order by the Buyer.

3. CHANGE ORDERS: Changes to the Agreement may be requested by the Buyer after the execution of the Agreement according to the terms of Section 2 of this Agreement. Changes shall be reviewed for cost and schedule impact by the Company. Changes shall be sequentially numbered. Change Orders shall be prepared by the HME sales representative and executed by the Buyer. The price of the Vehicle shall be adjusted to take into account any Change Orders. Any and all Change Orders may extend the completion and delivery dates of the Vehicle.

4. **SPECIFICATIONS:** The Company agrees that all material and workmanship in and about this Vehicle shall comply with the hereto attached HME, Incorporated specifications dated 3rd day of July, 2019

5. **WARRANTY:** The Company shall provide the warranty as specified in the attached HME, Incorporated specifications.

6. **PRICE:** The Buyer shall pay, as a purchase price for the Vehicle, the sum of Five Hundred One Thousand, Four Hundred and Twenty Three US Dollars and zero Cents (\$ 501,423). All prices are less any applicable local, state, or federal taxes which may be applied to the sale of the Vehicle. NOTE: Payment shall be made only to: HME, Incorporated, 1950 Byron Center Avenue, Wyoming, Michigan 49519, attention: Accounts Receivable.

7. **TERMS OF PAYMENT:**

a) Payment of the purchase price plus cost of any authorized Change Orders, shall be paid, in full, at the time of plant pick-up or availability for delivery, whichever is earlier.

b) No payment of any amount shall be made payable to a sales representative without written approval from the Company.

c) It is agreed that the Vehicle covered by this Agreement shall remain the property of the Company and not be placed in service until the purchase price and any additional costs and expenses are paid by the Buyer. Any payment not made when due shall accrue a service charge of 1.5% per month, but in no event shall such charge exceed the maximum rate allowed by law.

8. The Company requires, and the Buyer agrees, that the Vehicle shall be inspected and picked up by the Buyer within seven (7) days of notice that the manufacturer of the Vehicle has been completed.

9. **CANCELLATION:** This Agreement is subject to cancellation by the Buyer only upon payment to the Company of reasonable cancellation charges as determined by the Company, which shall take into account expenses already incurred and commitments made by the Company.

10. **TAG-ON / ADDITIONAL ORDERS:** At its sole discretion, the Company may allow the terms of this Agreement to be extended to both the Buyer and similar agencies for the purchase of a similar Vehicles under similar terms for a period of one (1) year from the date of the execution of this Agreement. Should the Company choose to exercise this option, it shall be permitted to adjust the Agreement pricing to account for equitable price adjustments associated with the change in the cost of the materials used to produce the Vehicle. Such adjustments will be based upon the Producer Price Index (PPI) for fire trucks and/or heavy transportation equipment or by itemizing price changes expected by the Company from the component vendors. If there are any changes between the Vehicles(s) purchased via this Agreement and any subsequent orders, those changes must be documented via properly signed and executed Change Orders, including any necessary price adjustments. If the purchasing agency is not the Buyer, a separate Agreement must be executed under the terms of this Agreement to complete the additional purchases.

This Agreement, including its appendices and attachments, embodies the entire understanding between the parties relating to the subject matter contained herein and merges all prior discussions and agreements between them. No agent or representative of the Company has the authority to make any representations, statements, warranties, or agreements not herein expressed and all modifications of amendments of this Agreement, including any appendices, must be in writing signed by an authorized representative of each of the parties hereto.

No surety of any performance bond given by the Company to the Buyer in connection with this agreement shall be liable for any obligation of the Company arising under the standard warranty.

IN WITNESS WHEREOF, the Buyer and the Company have caused this Agreement to be executed by their duly authorized representatives this 3rd day of August, 2019.

COMPANY

BUYER

HME, Incorporated
1950 Byron Center Avenue
Wyoming, Michigan 49519
616-534-1463 Phone
616-534-1967 Fax

Willows Fire Department
445 South Butte St.
Willows, CA 95988
Phone 530-934-7402
Fax _____

BY: _____
NAME: _____
TITLE: _____
DATE: _____

BY: _____
NAME: _____
TITLE: _____
DATE: _____

BUYERS WITNESS

WITNESSED: _____
NAME: _____
TITLE: _____
DATE: _____