



North Tooele Fire District
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Fire Chief - Kevin Nunn

To: Board of Trustees

From: Fire Chief

Re: Tax Anticipation Note (TAN)

In our last Board Meeting, I expressed my concern over our cash flow. Once again, as in last year, we are at approximately 47% of budget while cash flow is around 19%. We will not see a majority of our tax income until December 15. We need cash to move through the last quarter of the year. While Scott has indicated that this happens every year, we are uncomfortable with this thought.

I corresponded with our auditor at Squire, Danny Barlow, this week about a Tax Anticipation Note (TAN). He referred me to Zions Bank and they were very accommodating. They indicated that Weber Fire District does that every year. I found that interesting. They are very familiar with the process and have already sent planning documents to Cassandra. It is our expectation to bring documents to the Board Meeting in August.

To permanently fix this, the District should spend zero money for one whole year. Since that's not a logical solution, the larger plan is to have at least \$500,000 in savings at all times to cover the last months of every year. To get to that goal, last year, we budgeted to set aside \$100,000 each successive year for the next five years. This will take time to build. Since the State won't let me build a Toll Plaza on I-80, assistance will come from the income generated through EMAC, our new Cost Recovery Plan, the Permanent Community Impact Board (CIB) and Payment In Lieu of Taxes (PILT). Finally, there has to be cost-savings measures taken on part of the Captains and Firefighters. We have already put some of these actions into place. Unfortunately, none of these are immediate solutions.

For now, we believe a Tax Anticipation Note through Zions Financial is going to be the best method of forward movement. Thank you for your patience and understanding through these times. We need to take ownership of this continued problem. We are focused on solving them without repeatedly taxing our citizens. While it will take time, I believe there is funding out there for us to put more savings in the bank.

Sincerely,

Kevin Nunn, Fire Chief

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