

REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE LOVELAND RURAL FIRE PROTECTION DISTRICT

The regular meeting of the Board of Directors of the Loveland Rural Fire Protection District was held at Station No. 1 on Wednesday, April 1st, 2015 at 5:30 p.m.

The following members were present: Dave Legits, Mike McKenna, Barry Gustafson, Leroy Anderson and Jeff Swanty.

Also present were:

Greg White, Secretary, Loveland Rural Fire Protection District
Mark Miller, Loveland Fire and Rescue Department
Renee Wheeler, Loveland Fire and Rescue Department
Ned Sparks, Loveland Fire and Rescue Department
Bill Lundquist, Big Thompson Canyon Volunteer Fire Department
Bob Boggio, Rural Citizen

President Legits called the meeting to order.

The minutes of the March 4th, 2015 regular meeting were presented. Upon motion by McKenna, seconded by Gustafson, and unanimously carried, the minutes were approved.

White presented the March 2015 bills and one December 2014 bill. Upon motion by McKenna, seconded by Swanty, and unanimously carried, the following bills were approved:

December 2014

Loveland Fire Rescue Authority (1)	\$	790.63
	TOTAL	\$ 790.63

March 2015

Loveland Fire Rescue Authority (1)	\$	208,640.00
City of Loveland		
Canyon Facilities (2)		71.28
Poudre Valley REA		
Canyon Facilities (2)	29.28	
Canyon Facilities (2)	41.62	70.90
Schrader Propane		
Canyon Facilities (2)		342.00
Schrader Propane		
Canyon Facilities (2)		384.10
Qwest		
Canyon Facilities (2)		100.00
Qwest		
Canyon Facilities (2)		400.00
Fort Collins Cat Rescue & Spay/Neuter		
Miscellaneous (5)		75.00
Big Thompson Canyon Volunteer Fire Department		
Canyon Department (7)		6,753.60
Haynie & Company		
Bookkeeping (8c)		855.00
United States Postal Service		
Office Supplies and Expenses (10)		49.00

Gregory A. White	
Legal Fees (12a)	3,000.00
Gregory A. White	
Administrative Fee (12b)	1,000.00
Board Secretary Fee (8a)	320.00
Dave Legits	
Board Meetings (8b)	100.00
Mike McKenna	
Board Meetings (8b)	100.00
Barry Gustafson	
Board Meetings (8b)	100.00
Leroy Anderson	
Board Meetings (8b)	100.00
Jeff Swanty	
Board Meetings (8b)	100.00
TOTAL \$ 222,560.88	

White presented the financial report. He noted that the March property tax payment was below expectations. If the April property tax payment is also less than anticipated, White stated that he would contact the Assessor's Office to see if there are concerns with property tax payments.

Chief Miller presented the Chief's Report. He asked if there were any questions concerning the Monthly Report. There were no questions.

Miller reported that the Loveland City Council had unanimously voted on first reading to adopt an ordinance terminating the sales tax on food. The food sales tax will be phased out over three years. Eventually, it is anticipated this will be a reduction of approximately \$6 million dollars in the General Fund. Due to the fact that the Fire and Rescue Department is funded through the General Fund, this reduction in General Fund revenues may have an effect on future fire department budgets.

Miller reported on the maturation process for the Loveland Fire Rescue Authority. A Working Group has been established including Secretary White and Director Swanty from the Rural District. The goal of the Fire Authority Board is to have all department employees transferred to the Fire Authority by the end of October 2015.

Miller stated that the End of the Year Report will be completed and presented at the next Rural Board meeting.

Miller noted that one of the Community Safety Division vehicles has been delivered to the Canyon Department to be used as a Command Vehicle.

Public Safety Administrator Wheeler requested that the Board approve the donation of two floto pumps to the Glen Haven Volunteer Fire Department. Also, other pieces of equipment will be donated to the Department, but the two floto pumps are Rural equipment. President Legits noted that the Glen Haven Volunteer Fire Department is solely a volunteer department without any source of tax revenue and is in need of this equipment. Canyon Chief Lundquist stated that none of the equipment is needed by the Canyon Department. Upon motion by Gustafson, seconded by McKenna, and unanimously carried, the Board authorized the donation of the two Rural floto pumps to the Glen Haven Volunteer Fire Department.

Chief Sparks gave the Community Safety Division Report. He noted that the Lincoln Hotel is currently installing its required sprinkler system. Hopefully, the system will be completely installed in June of this year.

The City has hired John Schumacher as the new Chief Building Official. Also, the City has authorized additional personnel for the Building Department. Hopefully, this will result in better coordination and turn around of plan reviews.

Sparks stated that the Fee Schedule adopted by the Fire Authority and the Rural Board has been forwarded to be reviewed by the Larimer County Commissioners. This will be an informational item to the County Commissioners as the Fee Schedule does not require adoption or approval by the County Commissioners.

Sparks stated that he had met with the Fire Marshal for Front Range Fire Authority to discuss fees among Loveland Fire Authority, Front Range Fire Authority, and the Windsor Severance Fire District. The goal is to adopt similar fees in all of the jurisdictions to align fee permit costs for development in all jurisdictions.

The Division continues to work on red zone assessment in the Rural District. The red zone assessment is for the purpose of compiling a comprehensive map in those areas of the Rural District which are susceptible to wildfire taking into consideration access, slope and vegetation as part of the risk analysis. This map will allow individual property owners to conduct their own risk assessment and also provide information to the Department for operational response.

In the absence of Chief Ward, Chief Miller asked the Board if there were any questions in the Operation Division Report. There were no questions.

Canyon Chief Lundquist gave the Canyon Department Report. The Department responded to two brush fires, a rock fall, two structure fires, and several medical calls in the past month. The Department recently completed wildland training.

President Legits gave an update on Station No. 9. Electrical is in and inspected. The drywall is delivered and hopefully will be installed in the near future. The boiler is almost done.

White began discussion on the need for the Board to assess future revenue needs of the Rural District in order to meet anticipated obligations. White presented the Board with demographic information from the 2012 May Mill Levy Election. The 2012 May Mill Levy election was a mail ballot only election, and the 2012 November Mill Levy election was held as part of the General Election as a coordinated election through the County. The proposed May mill levy increase of a phased 2 to 4 mills was defeated 45% Yes to 55% No. The demographic information indicated that a majority of the voters in that election were over 60 years of age with 82% of the voters being over 50 years of age. The 2012 November General election voters approved a 2.9 mill levy increase with a sunset of ten years which passed 58% to 42%. White stated that it was his opinion that the most opportune time to present a mill levy increase would be at the November 2016 General election.

White presented the financial spreadsheet for the period 2014 through 2024. This spreadsheet assumes that all elements of the Strategic Plan will be completed in a timely fashion, that Rural District revenues will increase moderately for the period of time, and expenses will be as anticipated. The spreadsheet indicates that at the end of 2018, the Rural District will not have sufficient funds to meet its obligations under the Fire Authority IGA based upon the stated assumptions. The spreadsheet also contains an operating reserve calculation which provides for a 15% operating reserve each year taking into account the \$100,000 annual contingency in the Rural District budget and the TABOR reserve. The spreadsheet then calculates the amount of mill levy increase needed to meet the assumed obligations of the Rural District, the reserve, and capital needs for the construction of Station No. 10 and replacement of the Rural's two Water Tenders. The assumption is that the cost of Station No. 10 will be split evenly between the Rural District and the City. The spreadsheet shows that a mill levy of 2.761 mills will be sufficient to meet the Rural District obligations through 2024. White noted that the spreadsheet does not take into consideration the termination of the District's 2.9 mill levy in 2022.

White presented a spreadsheet which incorporates the revenues from the 2.761 mill levy to the District through 2024. The spreadsheet is based upon the mill levy going into effect on January 1, 2018.

Director McKenna commented that the spreadsheets did not contain any other revenue sources or changes in the Rural District's obligations under the IGA, but funded all needed revenue through an increased mill levy. Director McKenna stated that it was his opinion that sooner or later the Rural District tax payers would not continue to support further mill levy increases. Director McKenna stated that it was his opinion that to meet future revenue needs through a series of mill levy elections was just "kicking the can down the road" and not addressing a different approach to meeting the Rural District revenue needs in the near and long-term future.

Director McKenna inquired as to the status of the recent ISO review. Chief Miller stated that hopefully the rating will be received in the near future. Miller does anticipate, when the rating is received, a substantial reduction in both City and Rural areas within five miles of a manned fire station.

Director Swanty requested confirmation of when mill levy elections could be held and the need to address the sunseting of the 2.9 mill levy in 2022. White stated that the Rural District can seek mill levy increases in November of 2015, May of 2016, November of 2016, and again in November of 2017. Director Swanty also commented that he did not feel that having repeated mill levy elections over a ten year period would be advisable. It was his opinion that sooner or later the Rural District's voters will not approve mill levy increases. Director Gustafson agreed with Director Swanty's approach to not having a number of mill levy increase elections over the next ten years.

The Board continued to discuss possible alternatives. White and Wheeler commented on the 82 to 18% cost sharing in the Fire Authority IGA and how that was based upon the number of responses, the assessed property tax valuation between the City and the Rural District, and Rural District overall revenues. It was the consensus of the Board to continue discussion on the various scenarios for increasing the Rural District revenue and/or decreasing the Rural District responsibility pursuant to the Fire Authority IGA.

White presented information prepared by Wheeler regarding City sales tax funding of the Fire and Rescue Department and mill levies of surrounding fire districts and authorities. The Board requested that this matter be continue to be on upcoming Board Agendas and that the Staff prepare the necessary mill levy to meet Rural District obligations for the next ten years taking into consideration the sunseting of the 2.9 mill levy in 2022. Also, address meeting capital needs through a separate mill levy which would sunset after those capital needs were completed.

Miller stated that he would begin discussions with the City concerning possible alternatives to the funding of all Rural obligations through a mill levy increase. Director Swanty stated that it is important to remember that the Fire Authority is a partnership between both parties, and it is the responsibility of the parties to ensure that the Fire Authority remains the governance model for fire and emergency services within the Fire Authority Service Area.

White stated that he would not be available for the May 6, 2015 Board meeting. Upon motion by McKenna, seconded by Swanty, and unanimously carried, the May meeting of the Rural Board will be held on May 13, 2015 at 4:30 p.m.

There being no further business, the meeting was adjourned.

Gregory A. White, Secretary/
Assistant Treasurer

ATTEST:

President