

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
LOVELAND RURAL FIRE PROTECTION DISTRICT
HELD

August 5, 2020

A special meeting of the Board of Directors of the Loveland Rural Fire Protection District (referred to hereafter as "Board") was convened on Wednesday, the 5th day of August 2020, at 3:00 P.M., at the Loveland Fire Rescue Authority Fire Station No. 7, 2629 N. County Road 27, Loveland, Colorado.

ATTENDANCE

Directors in Attendance Were:

David Legits, President
Jeff Swanty, Vice President
Tom Chesney, Treasurer
Leroy Anderson, Director
Paul Bukowski, Director

Also in Attendance Were:

Chief Mark Miller, Division Chief Michael Cerovski, Cheryl Cabaruvias and Kristen Cummings; Loveland Fire Rescue Authority ("LFRA")
Firefighters Craig Willard, Brown, Bell, Carmosino, Crystal, Hessler, Jason Starck, Distefano, Walsh, Smith, Vrem, and Pollema; LFRA
Kammy Tinney and Molly Janzen; Pinnacle Consulting Group, Inc.
Linda Glesne; Collins Cockrel & Cole (via video conference)
Jeffrey Cunningham; City of Loveland Resident

Chairman Legits called the meeting to order at 3:12 P.M.

Chairman Legits declared that a quorum of the Board was present, with five of five members in attendance.

ADMINISTRATIVE MATTERS Agenda: The Board reviewed the proposed agenda for the special meeting. Following review and discussion, the agenda was approved, as presented.

Minutes: The Board reviewed the minutes of the July 1, 2020 regular meeting. Following review and discussion, upon motion duly made by Director Bukowski, seconded by Director Anderson and, upon vote, unanimously carried,

the Board approved the minutes of the July 1, 2020 regular meeting, as presented.

District Management Report: Ms. Tinney reviewed with the Board the written District Manager's report.

Public Comments: There were no public comments.

FINANCIAL
MATTERS

Ratify Approval of Claims: Ms. Janzen reviewed with the Board the expenditures for the period July 1, 2020 through July 29, 2020, totaling \$275,001.51, noting that payment to John Cutler & Associates is being held pending Board approval of the 2019 audited financial statements. Following review and discussion, upon motion duly made by Director Chesney, seconded by Director Anderson and, upon vote, unanimously carried, the Board ratified approval of the payment of claims for the period July 1, 2020 through July 29, 2020, totaling \$275,001.51.

Budget to Actual Report: Ms. Janzen reviewed with the Board the May versus June Budget to Actual report, and the Budget to Actual report for the period ending June 30, 2020. Following review and discussion, upon motion duly made by Director Swanty, seconded by Director Anderson and, upon vote, unanimously carried, the Board accepted the May versus June Budget to Actual report, and Budget to Actual report for the period ending June 30, 2020.

Unaudited Financial Statements: Ms. Janzen reviewed with the Board the unaudited Financial Statements for the period ending June 30, 2020. Ms. Janzen recommended several changes to the 2020 budget structure including reporting of oil and gas property tax revenue in the general fund rather than a special revenue fund, and the use of reserve funds and investment strategy based on the long-term strategic plan of the Authority. Director Chesney noted that the information distributed to the Board regarding the payables process and sample investment policy were distributed for information only and discussion will be held at a later date.

Following review and discussion, upon motion duly made by Director Swanty, seconded by Director Anderson and, upon vote, unanimously carried, the Board accepted the unaudited Financial Statements for the period ending June 30, 2020 as presented.

Ratification of Approval of the 2019 Audited Financial Statements: Ms. Janzen and Ms. Tinney reviewed with the Board the process and timeline to complete the 2019 Audit, a copy of which was provided to the Board via email. Ms. Janzen provided a summary of the draft audited 2019 financial statements of the District and provided an overview of the procedures used to audit the financial statements. Ms. Janzen informed the Board that an unmodified opinion was issued, with no audit adjustments to the year-end financial statements, no conflicts with management, and no deficiencies noted in the audit. Ms. Janzen reported that the 2019 audit was filed before the July 31st deadline. Following review and discussion, upon motion duly made by Director Chesney, seconded by Director Bukowski and, upon vote, unanimously carried, the Board ratified approval of the 2019 Audit and authorization to file the 2019 Audited Financial Statements with the Office of the State Auditor.

DEPARTMENT/
PERSONNEL
MATTERS

Chief's Report: Station No. 10 Update. Chief Miller presented a conceptual drawing of Station No. 10 and reported that the design process is 50% complete. Signage to indicate the location of the future station is being drafted. Chief Miller reported that the purchase and sale of the property has not yet closed, and the time frame to begin construction may be extended as part of a revised donation agreement. Chief Miller reported that there is a fiber optics agreement between the City of Loveland and LETA, and all utility expenses have been included in the planning phase for Station No. 10.

CARES ACT. Chief Miller reported that LFRA has requested \$184,000 in reimbursements, and the Larimer County Emergency Operations Center has requested \$300,000 in reimbursements from the proceeds of the approximately \$4.2 Million CARES Act funding awarded to the City.

Salary Update. Chief Miller reported that there have been additional changes to the salary analysis that was completed in February 2020. Chief Miller noted that the department's average salary is now 14% lower than the market average, and the department is losing staff as a result of the pay inequities. Chief Miller reported that there is a gap of approximately \$968,000 - \$1,300,000 in salary needs. The Authority's goal is to minimize the wage gap through additional funding for salary increases

effective January 2021. Chief Miller reported that all positions are being reviewed prior to a presentation to the LRFA Board, City Council, and LRFPD Board, respectively. Chief Miller noted that the City currently has a budget deficit of \$9,500,000 and has informed all departments of the need to find funding through budget cuts, grants, and other available funding sources. Director Swanty noted that Chief Miller declined a salary increase in 2020.

Ballot Questions. Chief Miller reported that City Council has expressed concern with the Districts' proposal to place a question on the November ballot to remove the sunset of a portion of the District's mill levy while the City is attempting to increase the sales tax. The City stated concerns regarding confusion to taxpayers and the funding of Station No. 10. Chief Miller reported that he is concerned about the Gallagher issue, and that he believes it is the last opportunity to present to voters before the next decrease to the Residential Assessment Rate in 2021. Chief Miller reported that Colorado State Fire Chiefs distributed a white paper memorandum regarding same and distributed a copy for Board review.

Ms. Glesne provided the Board with some background regarding the statewide initiative to repeal the Gallagher Amendment and the challenges created since it was passed.

Director Swanty stated that he is in agreement with Chief Miller and that a partnership is needed between the District and the City. Director Swanty reported that he is in support of delaying the mill levy sunset question in favor of a de-Gallagherization question on the November 2020 ballot.

Ms. Tinney clarified that the District has three additional opportunities to present a question to voters to remove the sunset of a portion of the District's mill levy and discussed the combined efforts of several fire departments across the State to provide messaging regarding the Gallagher Amendment and its impacts leading up to elections of their own in 2018. Ms. Tinney reiterated that messaging is critical due to the complexity of this topic and provided sample messaging from that combined effort for Board review.

Ms. Tinney reported that the timeline to coordinate with Larimer County for conduct of the election includes the need to enter into an Intergovernmental Agreement with Larimer County no later than August 24th, and the adoption of a Resolution Calling the November 2020 Election no later than August 21st. Ms. Tinney recommend that the Board hold a special meeting to further discuss the topics if the Board chooses to include a de-Gallagher question on the November ballot.

It was the consensus of the Board that a de-Gallagherization question will be necessary. and to remove language regarding de-Gallagherization from the question if possible. Ms. Glesne will provide the Board with the language from the statewide ballot initiative and requested direction from the Board. Following discussion, upon motion duly made by Director Chesney, seconded by Director Bukowski and, upon vote, unanimously carried, the Board directed Ms. Glesne to prepare a revised Resolution calling the November election to include both questions on the November 2020 ballot.

The Board determined to hold a special meeting on August 12, 2020.

LEGAL
MATTERS

Resolution Calling November 2020 Regular Election: It was the consensus of the Board to table the adoption of the Resolution Calling November 2020 Regular Election to the August 12th special meeting.

Intergovernmental Agreement with Larimer County for Conduct of November 2020 Coordinated Election: It was the consensus of the Board to table the approval of the Intergovernmental Agreement with Larimer County for the Conduct of the November 2020 Coordinated Election to the August 12th special meeting.

Factual Summary regarding November 2020 Election Question: It was the consensus of the Board to table the approval of the Factual Summary regarding the November 2020 Election Question to the September 2nd regular meeting.

Resolution of Advocacy for voter approval of the District's continuation of the levy of 2.90 mills set to expire in 2022: It was the consensus of the Board to

table the adoption of the Resolution of Advocacy for voter approval of the District's continuation of the levy of 2.90 mills set to expire in 2022 until the September 2nd regular meeting.

Inclusion of Pinewood Lakes Fire Protection District: Ms. Tinney reported that the Pinewood Lake Fire Protection District Board President was informed of the February 2021 Special Election date, and that the Memorandum of Understanding was discussed with Mr. Greg White on behalf of the PLFPD.

COMMUNITY
MATTERS

Issues Committee: Mr. Cunningham addressed the Board and indicated that formation of the committee is on hold pending further direction from the Board. Following discussion, upon motion duly made by Director Bukowski, seconded by Director Chesney and, upon vote, unanimously carried, the Board authorized the Issues Committee to move forward following the Special Board Meeting on August 12th.

OTHER
BUSINESS

There was no Other Business to come before the board

ADJOURNMENT

There being no further business to come before the Board, upon motion duly made and seconded, the meeting was adjourned at 6:05 P.M.

Respectfully submitted,

By: Kammy Dickey
Secretary for the Meeting