



Loveland Fire Rescue Authority Board Meeting Minutes
Wednesday, July 27, 2016
3070 W. 29th Street, Loveland
1:30 p.m.

Members Present:

Board Chairman Jeff Swanty, Loveland Rural Fire Protection District
Vice Chairman Cecil Gutierrez, City of Loveland Mayor
Director John Fogle, City of Loveland Council Member
Director Steve Adams, Loveland City Manager
Director Dave Legits, President of the Loveland Rural Fire Protection District

Members Absent:

None

Staff Present:

Loveland Rural Fire Protection District ("Rural Board") Secretary Greg White
Fire Chief Mark Miller
Public Safety Administrative Director Renee Wheeler
Division Chief Greg Ward
Business Services Coordinator Roylene Sterkel
Emily Powell, Legal Counsel to the Authority
Division Chief Rick Davis
Captain Dave Schuetz
Engineer Robbie Pop
Firefighter Alex Chapin

Visitors:

Human Resource Director Julia Holland
Rural Board Vice-President Mike McKenna

Call to Order:

Chairman Swanty called the Loveland Fire Rescue Authority ("LFRA") Board meeting to order on the above date at 1:30 p.m.

Swearing In:

Roylene Sterkel, in her capacity as notary public, administered the Oath of Office to Steve Adams as a new Director of the LFRA Board of Directors.

Awards and Presentations:

None

Public Comment:

None

Consent Agenda:

1. Consider a Motion to Approve the Minutes from the LFRA June 29, 2016 Regular Board Meeting.
2. Consider the Approval of the Hazard Mitigation Plan
3. Review the 2017 Second Quarter Budget Biz.

Director Fogle moved to approve the consent agenda. Director Legits seconded; motion carried unanimously.

Regular Agenda:

4. **Consider Approval of the Draft Fourth Amendment to the Intergovernmental Agreement for the Establishment and Operation of the Loveland Fire Rescue Authority as a Separate Governmental Entity Between the City of Loveland and the Loveland Rural Fire Protection District ("Establishing IGA"), Concerning the Lease and Transfer of Real and Personal Property to the Authority.**

Attorney Powell gave a brief history of the transfer of fire personnel, property, and equipment from the City and District to LFRA. She proceeded to explain the effect of the proposed Fourth Amendment to the Establishing IGA. Section 6.1 expands and defines the lease of City fire real property to LFRA. Section 6.2 addresses the transfer of City fire personal property to LFRA, including what will happen if apparatus or vehicles transferred to LFRA as part of the City fire personal property are sold. The proceeds from such sale will be applied to the purchase of new Authority-owned apparatus or vehicles, or shall be deposited into a dedicated LFRA apparatus and vehicle replacement fund. Section 7.1 addresses the transfer of Rural District fire personal property to LFRA, and Section 7.3 addresses the lease of District fire real property to LFRA.

Attorney Powell stated that she doesn't have street addresses for Fire Station 8 and 9 that are referenced in Section 7.3. Rural District Secretary Greg White said he will get those addresses to Attorney Powell. Section 9.2 of the Fourth Amendment addresses the termination of the Establishing IGA should that occur.

Administrative Director Wheeler addressed the Board about a recommendation for revising Section 5.1(b) in order to gain additional efficiencies in the monthly billing and annual

reconciliation process. This process is based on annual budget billings rather than actual expenses incurred during the preceding calendar month. Administrative Director Wheeler explained that this change would eliminate the time invested in annual contribution reconciliations, make the City's and Rural District's payments easier to administer and track and eliminate the step associated with taking carryover appropriations to the City Council and the Rural District Board for their approval. If revenues LFRA collects exceed the budget and there is an expenditure budget savings, then staff would only have to go to the LFRA Board for approvals.

Vice Chairman Gutierrez asked about how this would affect the Canyon equipment. Rural Secretary White said the Canyon equipment, which is owned by the Rural District, will be transferred to LFRA like all other Rural District-owned property.

Attorney Powell reported that Exhibit B of the Fourth Amendment identifies the services to be provided by the City to LFRA pursuant to the Establishing IGA. Chief Miller said that the reference in Exhibit B to "Fleet Maintenance" wasn't captured in the Third Amendment to the Establishing IGA, but accurately reflects the current City service.

Administrative Director Wheeler reiterated the advantages of having the City's and Rural District's contributions based on LFRA's annual budget rather than actual expenses incurred monthly. Rural District Secretary White said he has no concerns for this process and feels it would be much more efficient. Vice-Chairman Gutierrez asked if extra funds would stay in the LFRA fund balance. Administrative Director Wheeler said they would, but that the LFRA, City, and Rural District Boards would review the LFRA fund balance annually as part of the budget process. Attorney Powell said amounts retained as fund balance could be used for the next year's expenditures, if directed by the LFRA, City, and Rural District Boards. Director Adams asked who would collect the interest from extra funds. Attorney Powell said any interest earned would be retained in the LFRA fund.

Director Fogle said this process would make more sense and Director Legits agreed that he likes the flexibility. Rural District Secretary White said it would simplify the supplemental budget issues because requests for supplemental appropriations would no longer have to go before three boards, but rather, just the LFRA Board.

Rural District Secretary White said that Article 5 of the Fourth Amendment needs to be clarified. Article 5 states "The District shall continue to maintain and fund the Canyon Department"; however, the Rural District and LFRA are discussing changes to the funding of the Rural District's fleet replacement plan. Attorney Powell asked if Rural District Secretary White could provide more information regarding the fleet replacement plan during his review of the Fourth Amendment.

Attorney Powell said the Board can approve the draft Fourth Amendment with the changes directed by the Board, and to authorize the draft Fourth Amendment to be provided to legal counsel for the City and Rural District for their review.

Director Fogle moved to approve the Fourth Amendment with changes directed by the Board, and to authorize it to be provided to legal counsel for the City and Rural District. Vice-Chairman Gutierrez seconded the motion; it carried unanimously.

Attorney Powell will send the Fourth Amendment to the City Attorney and the Rural District Attorney for their review, and it will need to go before the City and Rural District governing boards for final approval. Attorney Powell said final approval of the Fourth Amendment will need to be obtained before the real property and equipment can be transferred to LFRA effective on January 1, 2017, as directed by the LFRA Board.

Chairman Swanty asked whether the Board sees any road blocks relative to getting the Fourth Amendment approved by the other governing bodies. Vice-Chairman Gutierrez indicated that he didn't foresee City Council as opposing it. Administrative Director Wheeler asked whether it would be advantageous to have a joint meeting with the governing bodies to explain the process. Vice-Chairman Gutierrez said that time could be a problem to set up a meeting but perhaps a memo could be generated. Director Fogle suggested that it be placed on the City Council consent agenda. Director Adams said he could talk with his managers about it and asked Chief Miller to send him relevant information. Administrative Director Wheeler said she will send information to finance for their awareness.

5. Review New Drafts of the Omnibus Bills of Sale and the Facilities Leases.

Attorney Powell explained that the lease documents have been changed (highlighted in yellow) to address the feedback of the Board from previous meetings.

Director Adams said that Exhibit A to the facilities leases should include the legal descriptions. Attorney Powell stated that she has either legal descriptions or maps for all of the City properties, and is working with Rural District Secretary White on the Rural District properties. Director Adams wondered if Section 6 of Article V of the Training Facility lease, related to the retention pond, shouldn't read "Remediation" rather than "Relocation" and read "in coordination with landlord". Human Resources Director Holland said the responsibilities are really remediation by LFRA in coordination with the City, and relocation by the City. Director Adams stated that in Section 5 (Utilities), LFRA should pay the "City Rate" if obtaining utilities from the City.

Attorney Powell identified three groups of vehicles that are not owned by either the City or District, but for which the City or District have use rights. Attorney Powell is working on separate transfer documents for those groups.

Director Fogle moved to approve the draft Omnibus Bills of Sale and facility leases with the additional changes directed by the Board, and to authorize the drafts to be provided to legal counsel for the City and Rural District for their review. Vice-Chairman Gutierrez seconded the motion; it carried unanimously.

6. Discuss the Conceptual Overview of New Station Location, Timing and Funding.

Chief Miller explained that a piece of property has been identified that may work for a future new Station 7. It is west of the City near County Road 27 and 24. He is working with the County to identify the needs for that property. Chief Miller said staff is looking for direction from the Board regarding proceeding with researching funding options and appropriate steps to take. Director Fogle asked what the approximate cost might be. Chief Miller said \$4.2 million for the

station and equipment. Director Fogle asked if perhaps the City could purchase the property and station and lease it back to the Rural District. Rural District Secretary White said the Rural District will need an increased mill levy regardless of how the Station is titled in order to fund it. Director Fogle said City Council is considering lowering CEF's to help the development community. Vice-Chairman Gutierrez said using CEF funds could be an issue for City Council.

Attorney Powell explained that the City, District, and LFRA will need to define who owns the property, Station, and equipment if LFRA is dissolved at some point. If it is funded jointly by the City and District, one option would be to agree on a first right of refusal. If the Rural District can fund and own the property and Station directly and then lease it to LFRA, that would be consistent with the property transfer structure that the parties currently are undergoing. There may be other options that the Board could consider as well. A 5th Amendment to the Establishing IGA may be needed to deal with future-acquired fire stations by the City and the Rural District.

Chairman Swanty said the Strategic Plan will need to be revisited regarding this issue. Chief Miller will continue to research options and bring them back to the Board at their September meeting.

7. Review Briefing Papers and Correspondence.

a. Chief's Report:

Chief Miller talked about an **incident** that occurred that resulted in LFRA filing a report with the police department. The complaint has been resolved.

Chief Miller reported that there will be a **budget sub-committee** meeting on August 10th. Chief Miller reported that **FRAC** is taking a break in August and will not hold a meeting. FRAC is down to three members and has only received one application.

Director Adams thanked LFRA for their efforts and hard work on the **4th of July**. He appreciated the professionalism of the firefighters.

Chief Miller reported that LFRA has deployed a **wildland** crew to South Dakota and Wyoming to help with on-going wild fires. LFRA sent a crew of three to South Dakota and they were re-deployed to Wyoming from there. LFRA may be re-assigning a new crew once the current crew returns, depending on the state of the fire.

Vice-Chairman Gutierrez asked if the **fire restrictions** that the County implemented affect the City. Chief Miller said that the County restrictions do not apply to the City of Loveland.

No further regular business items were discussed and Chairman Swanty recessed the regular Board meeting at 3:25 p.m.

Executive Session Pursuant to C.R.S. 24-6-402(4)(f) to Discuss Personnel Matters Concerning the Annual Fire Chief Performance Evaluation.

Chairman Swanty moved that the LFRA Board go into executive session, as authorized in CRS §24-6-402(4) (f) and the LFRA Bylaws. Director Fogle seconded the motion and it carried unanimously.

Chairman Swanty stated that this executive session will concern the following matters as authorized by the following sections of the Colorado Open Meetings Law:

- Personnel matters pursuant to CRS § 24-6-402(4) (f) and LFRA Bylaws section 4(e) specific to the annual Fire Chief Performance evaluation.

The LFRA Board went into Executive Session at 3:32 p.m.

Director Fogle made a motion to come out of the Executive Session at 4:10 p.m. and go back into regular session. Vice Chairman Gutierrez seconded the motion and it carried unanimously.

Director Fogle made a motion to approve a 3.5% merit pay increase for the Fire Chief, effective in the next regular payroll. Chairman Swanty seconded the motion and it carried unanimously.

Vice Chairman Gutierrez made a motion to approve the 2016 Fire Chief Performance Evaluation. Director Fogle seconded the motion and it carried unanimously.

The regular meeting was adjourned at 4:20 p.m.

The foregoing minutes, having been approved by the LFRA Board of Directors, constitute the official minutes of the meeting held on the date stated above.

Jeff Swanty, Chairman

Roylene Sterkel, Secretary

I hereby attest that the executive session was confined to the topics authorized for discussion in executive session pursuant to CRS § 24-6-402(4)(f).

Jeff Swanty, Chairman