



LOVELAND FIRE RESCUE ADVISORY COMMISSION
Wednesday, March 9, 2022 – 5:30 p.m.
Fire Station 6
4325 McWhinney Blvd, Loveland, CO 80538

FRAC Meeting attendees:

Present: Jon Smela, Scott Kretschmer, Bill Lundquist, Paul Pfeiffer, Carol Stark, Dan Lowe, Paul Bukowski, Sara Winter, Councilman Dana Foley, Chief Sendelbach, Chief Smith, Chief Ward

Not Present: Councilman John Fogle; Zack Sullivan

1. Approval of meeting minutes:

- a. Minutes from February 9, 2022 were approved with Revision: Clarify item 3C that the Station 10 as being fully staffed with the crew and apparatus (Engine) originating from Station 6.

2. Update on Future Funding of the LFRA (Fire District vs Fire Authority)

- a. Update on LFRA Board presentation on forming a Fire District
 - i. LFRA Board's direction was not to look towards forming a fire district at this time
- b. Overview from Emily's presentation to the LFRA Board (see PowerPoint presentation attached)
- c. LFRA Board's current direction for LFRA
 - i. Chief to give the LFRA Board the budget number needed to properly fund LFRA (Strategic plan leads to this number)
 - ii. Possible Fire Safety Tax
- d. Strategic Plan data inputs (funnel diagram of inputs attached)
 - i. Citizen Stakeholder Survey
 - ii. Internal LFRA SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis
 - iii. Staffing, Facilities, and Equipment Plan
 - iv. Budget
 - v. External Stakeholder Survey
 - vi. FRAC to review the draft Strategic Plan drawn up from all the above inputs
 - vii. Lt. Engelhardt to provide a presentation on the Citizen Survey at next meeting (April 13)
- e. Clarification about staffing of Station 6 & Station 10
 - i. Engine 6 and Crew will be moved to Station 10
 - ii. QRV will be put into service at Station 6 in tandem with Tower 6
 1. QRV will take some of the call volume off of Tower 6
 - a. Medical calls
 - b. Go as 2nd apparatus with the Tower to structure fires
 - c. I-25 calls

- iii. Staffing at Station 4
 - 1. May have to go to full staffing depending on increasing airport volume

1. Citizen Survey: Prioritization of LFRA Services

- a. The survey results and prioritization of services ranking will be presented by Lt. Engelhardt at the next meeting
 - i. 450 respondents
 - ii. Who was this survey delivered to?

2. FRAC Feedback/Recommendations

- a. FRAC Member Questions:
 - i. When will the draft budget be done (target date): 45-60 days
 - ii. Is this strategic plan needed for accreditation? yes
 - iii. Is there a P&Z coverage overlay for County/City/Johnstown? The strategic plan writes to the service levels, coverage areas and population areas.
 - iv. Can we receive citizen survey & SWOT Analysis info prior to the next meeting? Will work on that.

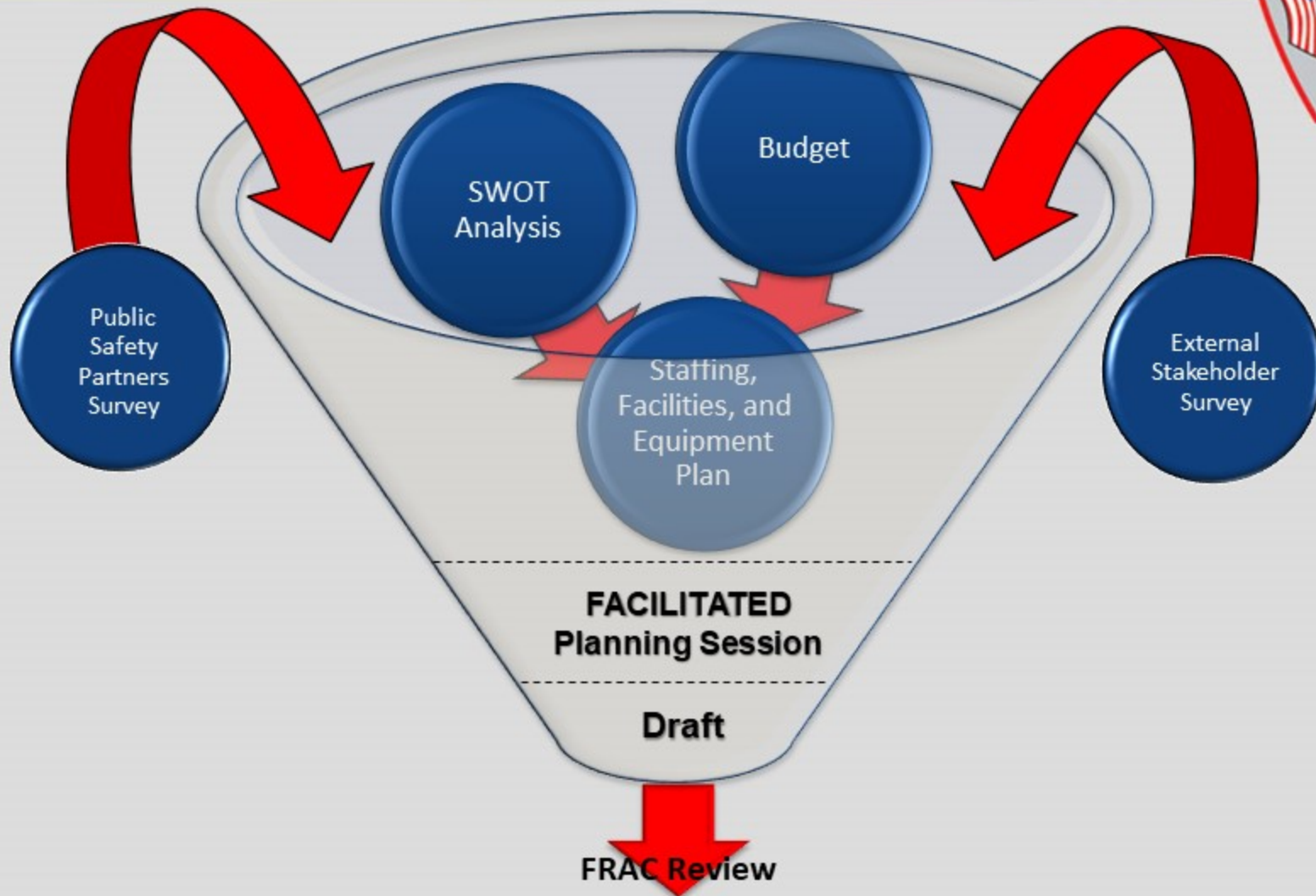
3. Public Comment (if applicable): No Comment

4. **Next Meeting:** April 13, 2022 @ 5:30 at Station 2 (3070 W. 29th St.)

3. **Motion to Adjourn:** Meeting adjourned at 7:25p by Chairman Smela

Minutes respectfully documented by Kristi Coleman

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Options for Unifying the Loveland Fire Rescue Authority as a Fire Protection District

Summary of Options

Because LFRA would be seeking to unify the operations and administration of a fire protection district (the Rural District) with those of a municipality (the City), the options for unification are more limited than if two fire protection districts were seeking to unify. Nonetheless, two different options are available:

- 1. Fire Protection District Organization** – Organize a completely new fire protection district over the area currently comprised of the Rural District and the City. Once complete, dissolve the Rural District.
- 2. Merger-by-Inclusion** – Conduct an election whereby the Rural District proposes to extend its boundaries over the City’s jurisdictional area. If approved by the voters, the Rural District will cover the entire area currently comprised of both it and the City.

Option 1: Fire Protection District Organization

Organize a completely new fire protection district over the area currently comprised of the Rural District and the City. Once complete, dissolve the Rural District.

Option 1: Fire Protection District Organization

Benefits

1. Achieves a single, unified entity for providing services.
2. Permanent.
3. Has the most citizen buy-in.
4. Avoids perception of a “takeover”.
5. Does not require the Rural District to request a concurrent mill levy increase.
6. Can establish a new mill levy, de-Gallagherization, contracts, policies and procedures, etc.

Estimated Timeline:

- District Organization: 18 to 24 months.
- Personnel/Asset Transfers; Authority Dissolution: 4 to 6 months after organization.
- Rural District Dissolution: 6 to 12 months after organization.

Drawbacks

1. Longer and more expensive to accomplish due to numerous drafting projects, petition gathering, governmental hearings, a complex election, and the Rural District dissolution.
2. The City may need to reduce its property tax in order to lessen the tax burden on the included property owners.
3. Must establish a new Board of Directors.
4. More complexity in property transfers (including LFRA lease-purchases).
5. Must establish a new mill levy, de-Gallagherization, contracts, policies and procedures, etc.

Option 2: Merger-by-Inclusion

Conduct an election whereby the Rural District proposes to extend its boundaries over the City's jurisdictional area. If approved by the voters, the Rural District will cover the entire area currently comprised of both it and the City.

Option 2: Merger-by-Inclusion

Benefits

1. Achieves a single, unified entity for providing services.
2. Permanent.
3. Has some citizen buy-in.
4. Faster and less expensive to accomplish due to fewer drafting projects and a simpler election.
5. Does not need a secondary process to dissolve the Rural District.
6. The Rural District's Service Plan, approved ballot issues, contracts, policies/procedures, etc., survive.

Drawbacks

1. The Rural District may require a concurrent mill levy increase in order to generate adequate revenue.
2. The City may need to reduce its property tax in order to lessen the tax burden on the included property owners.
3. May be perceived as a "takeover" of the City by the Rural District.
4. The Rural District's Service Plan, approved ballot issues, contracts, policies/procedures, etc., survive.

Estimated Timeline:

- Rural District Inclusion: 12 to 18 months, including Pre-Inclusion IGA negotiation.
- Personnel/Asset Transfers; Authority Dissolution: 4 to 6 months after inclusion.

Other Funding Stabilization Option: Restructure Annual Contribution Formula

General structures for fire authority annual funding contribution formulas:

- 1. Budget-Driven:** Fire authority determines the total contribution amount needed to sustain its budgetary expenditures each year. The total contribution amount is then divided among the parties to the fire authority based upon a mathematical formula.
- 2. Revenue-Driven:** A mathematical formula determines the amount of revenue that the parties will contribute to the fire authority each year. The fire authority then develops its budgetary expenditures based upon the amount of revenue that will be contributed.

Other Funding Stabilization Option: Restructure Annual Contribution Formula

Budget-Driven: Fire authority determines the total contribution amount needed to sustain its budgetary expenditures each year. The total contribution amount is then divided among the parties to the fire authority based upon a mathematical formula.

EXAMPLE:

Authority determines that a total of \$20,000,000 will be required to sustain its minimum budgetary expenditures in 2023. Additional desired expenditures would require a total of between \$21,000,000-\$25,000,000 depending on City/Rural District approvals.

City/Rural District approve \$22,000,000 in expenditures.

Pursuant to the agreed-upon mathematical formula, City pays 82% (\$18,040,000), and Rural District pays 18% (\$3,960,000).

Other Funding Stabilization Option: Restructure Annual Contribution Formula

| | Benefits | Drawbacks |
|----------------------|---|---|
| Budget-Driven | <ul style="list-style-type: none">• Low possibility of fire authority revenue shortfalls.• Low possibility of “over-funding” the fire authority. | <ul style="list-style-type: none">• Difficult for the parties to anticipate/budget for contribution amounts.• Limited ability of the fire authority to engage in long-range planning or build reserves.• Limited ability to adjust expenditures during the year; may have to request additional contributions from the parties. |

Other Funding Stabilization Option: Restructure Annual Contribution Formula

Revenue-Driven: A mathematical formula determines the amount of revenue that the parties will contribute to the fire authority each year. The fire authority then develops its budgetary expenditures based upon the amount of revenue that will be contributed.

EXAMPLE:

Pursuant on agreed-upon mathematical formula, the City contributes an amount equal to a 1% sales tax and a 2 mill property tax within the City (\$18,040,000 in 2023) and the Rural District contributes an amount equal to an 8 mill property tax within the Rural District (\$3,960,000 in 2023), for a total annual contribution of \$22,000,000.

Authority establishes its 2023 budget based on \$22,000,000 in revenue, electing how to allocate the revenue among its operations, administration, capital improvements, and reserve funding needs.

Other Funding Stabilization Option: Restructure Annual Contribution Formula

| | Benefits | Drawbacks |
|----------------|--|---|
| Revenue-Driven | <ul style="list-style-type: none">• Parties have predictability in their contribution amounts.• Parties are not approached for additional contributions during the year.• Fire authority can engage in long-range planning and build reserves by expending less than the total contribution amount.• May tie in with proposed City Fire Safety sales tax and Rural District mill levy increase initiatives. | <ul style="list-style-type: none">• Fire authority revenues ebb and flow with the economy; may experience revenue shortfalls in “down years”.• Contribution amounts may be more than is needed by the fire authority to meet its budgeted expenditures (i.e., over-funding). |