RECORD OF PROCEEDINGS

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, February 7, 2018 at 3:00 p.m.

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

Also present were:
- Greg White, Secretary, Loveland Rural Fire Protection District
- Mark Miller, Loveland Fire Rescue Authority
- Ned Sparks, Loveland Fire Rescue Authority
- Greg Ward, Loveland Fire Rescue Authority
- Michael Cervoski, Loveland Fire Rescue Authority
- Shawn Neal, Big Thompson Canyon Volunteer Fire Department
- Bob Boggio, Rural Citizen
- Gary Gerrard, Rural Citizen

President Legits opened the meeting.

The minutes of the January 3, 2018 regular meeting were reviewed. Upon motion by Anderson, seconded by Gustafson, and unanimously carried, the minutes were approved.

White presented the January 2018 bills. Upon motion by Anderson, seconded by Swanty, and unanimously carried, the following bills were approved:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Loveland Fire Rescue Authority (1)</td>
<td>$225,100.75</td>
</tr>
<tr>
<td>Special District Association of Colorado (5)</td>
<td>$1,237.50</td>
</tr>
<tr>
<td>Miscellaneous (5)</td>
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<tr>
<td>Gregory A. White (Legal (12a))</td>
<td>$2,550.00</td>
</tr>
<tr>
<td>Haynie &amp; Company (Accounting &amp; Audit (12))</td>
<td>$400.00</td>
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<tr>
<td>Gregory A. White (Administrative (13b))</td>
<td>$1,000.00</td>
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<tr>
<td>Board Secretary Fee (9a)</td>
<td>$400.00</td>
</tr>
<tr>
<td>Dave Legits (Board Meetings (9b))</td>
<td>$100.00</td>
</tr>
<tr>
<td>Mike McKenna (Board Meetings (9b))</td>
<td>$100.00</td>
</tr>
<tr>
<td>Andy Anderson (Board Meetings (9b))</td>
<td>$100.00</td>
</tr>
<tr>
<td>Jeff Swanty (Board Meetings (9b))</td>
<td>$100.00</td>
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**TOTAL** $231,088.25

White reviewed the Financial Report. He noted that the Financial Report was for December 31, 2017. He stated that the property tax revenues for 2017 were approximately $10,000 lower than budgeted but specific ownership tax was $32,000 ahead of budget. Also, the Rural District will be reimbursed in 2018 for property taxes abated in 2017 which will more than cover the $10,000 reduction in property tax revenue. White noted that expenditures were approximately $55,000 below budgeted amounts.
White presented the property tax and specific ownership comparison for the years 2015 thru January 2018. He noted that property taxes and specific ownership taxes were significantly higher than past years.

Chief Miller gave the Chief's Report. He presented a short version of the 2018 Loveland Fire Rescue Authority Planning Update presented to the LFRA Board on January 31, 2018. Chief Ward presented the Operations portion of the Update addressing alarm levels for oil and gas incidents for provision of water and foam, auto/mutual aid agreements with the Glen Haven and Risk Canyon Volunteer Departments, and pre-planning for wildland urban interface property.

Miller presented an update on Station 7. He noted the land acquisition is complete with the assistance of the loan of $200,000 from the Rural District. The LFRA Board authorized the hiring of a financial advisor to bring financial proposals to LFRA to fund the design and construction of Station 7. Hopefully, proposals will be received in the next week.

Miller briefed the Rural Board on the recent discovery of more asbestos in the foundation of the buildings on the property which will result in increased costs for asbestos mitigation. LFRA is finalizing the contract with Belford Watkins for architectural services for the project. The current timeline for construction of the project is to begin construction in the fall of 2018 and have the station open by early September 2019.

Miller presented a chart indicating call load and incidents in 2017.

Miller briefed the Rural Board on the decision by LFRA to explore the possibility of providing access to health insurance through LFRA's current insurer CBET. Miller stated that the Rural Board could opt to make available this coverage to its Board members. It was the consensus of the Rural Board to further explore this possibility.

Miller briefed the Rural Board on the current status of LFRA impact fees. The IGA between Loveland and LFRA has been executed. The Larimer County Board of Commissioners will consider approval of the IGA on February 13, 2018. Miller anticipates no concerns with that approval.

On Monday, February 5, 2018, Miller, White and Swanty attended the Johnstown Town Council Meeting. After discussion and input from the public including members of the Front Range Fire Authority Board of Directors, the Johnstown Town Council voted 7-0 to approve the IGA as presented. Pursuant to Johnstown’s Town policies, the Town Attorney will prepare an ordinance for approval which takes two readings. Miller stated he would attempt to have this process occur as soon as possible.

The Vice-President of the Front Range Fire Authority Board read a statement to the Johnstown Town Council endorsing the approval of the requested impact fees, but requesting that the Town Council, as part of its approval of the IGA, request that the Loveland Rural Fire Protection District and the Front Range Fire Authority meet to discuss revenue sharing in that portion of the Rural District located within the Town of Johnstown, specifically the 2534 area. White noted that the Town Council’s approval of the IGA did not include this request.

Miller provided background to the Rural Board concerning this issue including the applicable provision of the 2000 Annexation Agreement between the Town of Johnstown and the owners of the 2534 and Thompson River Ranch properties which encouraged revenue sharing between the Loveland Rural Fire Protection District and Johnstown Fire Protection District.

Gary Gerrard gave a historical perspective of the decision by the owners to remain in the Loveland Rural Fire Protection District because the Loveland Rural Fire Protection District was the only entity capable of providing fire response to 2534 and Thompson
River Ranch areas. This response was critical for the beginning and continued development of this area of Johnstown.

Gerrard briefed the Rural Board on the sensitivity of the Johnstown Town Council to mill levies in Johnstown. The Town of Johnstown itself has a 23 mill levy and other metropolitan districts within Johnstown also have substantial mill levies. Gerrard stated that he hoped that the revenue from impact fees would prevent the Rural District from having to increase its mill levy in the near future.

Gerrard also encouraged the Rural Board to meet with Front Range Fire Authority to discuss mutual issues. He felt that this was important to the Johnstown Town Council that the Rural District was interested in addressing these issues. The Rural Board thanked Gerrard for his comments and efforts on behalf of the Rural District both during his time on the Rural Board and the present.

After discussion, it was consensus of the Rural Board that Chief Miller contact Chief Bateman and begin the process of discussions with Front Range Fire Authority related to fire and emergency response in the 2534 and Thompson River Ranch areas.

Chief Sparks stated that there was no significant issues including the Community Services Division.

Chief Ward presented the Operation Division Report. He stated the only significant incident was the recent crash at the airport involving an airplane and a helicopter. Ward reported that the new Type 3 Engine will be in service in approximately ten days, and the new Type 2 is also ready for delivery.

Canyon Chief Neal presented the Canyon Report. He noted that old Engine 88 which became Engine 8 has been replaced by old Engine 32 which is now designated as Engine 8. Also, Engine 9 is currently in Station 9. Neal noted that there were six calls in January by the Department.

White presented an Engagement Letter from Haynie & Company to perform accounting service for the Rural District in 2018. The only difference in this Engagement Letter and previous years is that Haynie & Company has requested an increase to $450 per month for its services. White stated that it was his opinion that this was a reasonable amount for services provided by Haynie & Company. Upon motion by Swanty, seconded by Anderson, and unanimously carried, the Board authorized White to execute the Engagement Letter as presented.

White stated that the IGA between the Pinewood Lake Fire Protection District and the Rural District for services expired at the end of 2018. He asked if the Rural Board was interested in renewing the Agreement at the end of 2018. He noted that the Pinewood Lake Fire Protection District was created by the Loveland Rural Fire Protection District to collect revenue for fire and emergency services in its area. The amount of the annual payment has increased 4% per year over the term of the Agreements. Following discussion, it was the consensus of the Rural Board that White prepare a new IGA with Pinewood on the same terms and conditions as the old IGA with the same 4% increase each year for services.

White stated that the required Notice of Election for Directors would be published in the Loveland Reporter Herald within the next few days. He noted that the terms of Directors Legits, Anderson and Swanty are expiring in May of 2018. All three Directors requested Self-Nomination petitions from White for new four year terms.
There being no further business, the meeting was adjourned.

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Gregory A. White, Secretary/
Assistant Treasurer

ATTEST:

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President