

RECORD OF PROCEEDINGS

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

A Special Meeting of the Board of Directors of the Loveland Rural Fire Protection District was held at Station No. 2 on Wednesday, July 20, 2016 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
Greg Ward, Loveland Fire Rescue Authority
Ned Sparks, Loveland Fire Rescue Authority
Shawn Neal, Big Thompson Canyon Volunteer Fire Department

President Legits called the meeting to order.

President Legits noted that the only item on the Agenda was the Apparatus Replacement Plan and requested White review the Plan with the Board.

White reminded the Board that he was specifically requested by the Board to meet with the Fire Authority to draft an Apparatus Replacement Plan which would meet the City's, the Rural District's, and the Fire Authority's needs for apparatus replacement. White noted that the participants included himself, Chief Miller, Chief Ward and Administrative Services Director Wheeler with Chief Sparks attending some of the meetings. The group determined that the Plan would be based on 1) the City and the Rural District transferring all of its apparatus to the LFRA effective January 1, 2017; and 2) following transfer of all apparatus, LFRA will be responsible for replacement of apparatus.

White reviewed the following documents with the Board:

1. Summary of Different Evaluation Methods. This document values all Rural and City apparatus in the Apparatus Replacement Plan. White directed the Board to the last two columns in this evaluation. In the "Net Book Value Acquisition Cost Depreciated" shows the sum of \$357,526 – Rural and \$3,553,871 – City for apparatus value. These values are be the depreciated value of all apparatus as of January 1, 2017. Based upon this, the Rural District would transfer 9% of the value of all apparatus and the City would transfer 91% of the value of all apparatus to the Fire Authority.

The second column, "Net Book Value Acquisition Cost Depreciated With Three New Engines" is based upon the Rural District purchasing three new engines in 2016, which shows the Rural totaling \$1,879,996.42 and the City totaling \$3,553,870.82 which shows the Rural District at 35% and the City at 65% of the total value of apparatus transferred.

2. LFRA Fleet Replacement Fund. White went through the LFRA Fleet Replacement Fund document.
 - a. For 2017, the City would transfer the approximate \$1,334,298 the City has reserved for apparatus replacement. The Rural District would contribute \$1,500,000 in 2017 for its portion of apparatus replacement. The \$1,500,000 would be paid over a ten year period, including interest, at \$152,250 a year. The 2017 LFRA Budget already included \$697,867 for apparatus replacement. The apparatus purchased in 2017 would include current

apparatus replacement of \$196,400 plus additional apparatus purchase with the \$1,500,000 credited to the Rural District. The total apparatus purchases in 2017 is \$1,696,400. The plan shows the Fleet Replacement Fund works through 2033 based on the Replacement Plan developed by the Department including adequate reserves in each year for replacement of all apparatus.

- b. White briefed the Board on the Apparatus Replacement Plan prepared by the Fire Department for all apparatus, the years in which the apparatus would be replaced, and the yearly funds reserved to replace the apparatus.

White noted that this Fleet Replacement Fund assumed that apparatus would be replaced pursuant to the Plan.

- 3. Loveland Rural Fire Protection District Ten Year Budget. White then presented this document which incorporates the expenses and revenues of the Fleet Replacement Plan including the \$152,250 per year ten year payment of the Rural District and the Rural's 18% share of the LFRA yearly Apparatus Replacement budget. White noted that this shows that the Rural District can meet its responsibilities under the Fleet Replacement Plan without the necessity of additional revenues in the form of a mill levy increase.

The Board discussed the Fleet Replacement Fund. Following discussion, it was the consensus of the Board that the Fleet Replacement Fund Plan should be forwarded for consideration and adoption by the City, the Fire Authority and the Rural District.

There being no further business, the meeting was adjourned.

Gregory A. White, Secretary/
Assistant Treasurer

ATTEST:

President