

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, November 6, 2019 at 3:00 p.m.

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

Also present were:

Greg White, Secretary, Loveland Rural Fire Protection District
Mark Miller, Loveland Fire Rescue Authority
Greg Ward, Loveland Fire Rescue Authority
Cheryl Cabaruvias, Loveland Fire Rescue Authority
Mike Cerovski, Loveland Fire Rescue Authority
Kammy Tinney, Pinnacle Consulting Group
Bob Boggio, Rural Citizen

President Legits opened the meeting.

The minutes of the October 2, 2019 regular meeting were reviewed. Upon motion by Gustafson, seconded by Anderson, and unanimously carried, the minutes were approved.

White presented the October 2019 bills, he noted that the \$836.21 payment to LFRA was from; insurance money received by the Rural District and LFRA purchased equipment to replace the damaged equipment. Upon motion by Anderson, seconded by McKenna, and unanimously carried, the following bills were approved:

Loveland Fire Rescue Authority (1)	\$ 253,286.00
Prairie Mountain Media	
Miscellaneous (5)	34.80
Loveland Fire Rescue Authority	
Miscellaneous (5)	836.21
Watson Coon Ryan LLC	
Accounting & Audit (11)	4,500.00
Gregory A. White	
Legal (12a)	7,300.00
Haynie & Company	
Accounting & Audit (11)	475.00
Gregory A. White	
Administrative (12b)	1,000.00
Gregory A. White	
Board Secretary (8a)	400.00
Dave Legits	
Board Meetings (8b)	100.00
Barry Gustafson	
Board Meetings (8b)	100.00
Mike McKenna	
Board Meetings (8b)	100.00
Leroy Anderson	
Board Meetings (8b)	100.00
Jeff Swanty	
Board Meetings (8b)	100.00
TOTAL	\$ 268,332.01

White presented the Financial Report. He noted that specific ownership tax continues to be above budgeted figures. General property tax revenues are in line with the budget. Expenses are also within budgeted figures.

President Legits opened the budget hearing for the 2020 Budget. White stated that the required budget notice had been published and no communications were received on the budget. White reviewed the proposed budget with the Board addressing the following issues;

- The Certification of Valuation from the Larimer County Assessor's Office dated August 20, 2019 showed an increase of total assessed valuation of the District from \$374,600,000 to \$600,000,000. The majority of this increase was from new oil and gas production from wellheads located within the District in 2018, representing \$172,000,000 of the increase in assessed valuation. The \$3,720,600 from general property taxes is for that portion of the assessed valuation less the amount for new oil and gas production.
- The specific ownership taxes were decreased from the 2019 budget amount in anticipation of some slowdown in specific ownership tax revenues.
- The increase in interest income is based upon current invested rates of return of approximately 2%.
- LFRA payment of \$3,069,225 is the District's 18% share of the adopted LFRA Budget for 2020.
- White requested an increase in contribution to the Big Thompson Canyon Fireman's Pension Fund from \$30,000 to \$40,000. White stated that the recently received Actuarial Study indicated that this increase is necessary to meet future obligations of the Pension Fund and to provide for the possibility of an increase in the amount of monthly retirement benefits in the future.
- The financial, legal and administrative portions of the budget are based on the budget provided by Pinnacle for administrative and financial services plus anticipated legal and auditor expenses.
- The \$80,000 budgeted for election expenses is for the regular May 2020 board election and a potential ballot issue election in November of 2020 which may include a mill levy increase, termination of the current sunset provision on the District's mill levy, and possible degallagherization of the District.
- 2020 Budget establishes an oil and gas revenue fund. The amount of \$1,500,000 is the anticipated general property tax revenue from new oil and gas production in the District in 2018 which is collectible in the 2020 budget year. There is no appropriation of this revenue in the 2020 budget. Any use of these revenues would need to be approved through a supplemental budget appropriation approved by the Rural Board.

As part of the budget presentation, White distributed the Loveland Rural Fire Protection District's 10 Year Budget analysis dated November 4, 2019. White noted that this financial analysis was updated to include the revenues and expenses in the 2020 budget. White noted that the 10 year financial plan included a reduction of oil and gas revenue in 2021 down to \$750,000. White stated that the information on the Colorado Oil and Gas Conservation Commission website showed that oil production on both of the major well head locations in the Rural District was 34% of 2018 production and gas production was 80% of 2018 production. This indicates a substantial reduction in general property tax from oil and gas production in 2021.

President Legits closed the public hearing. The following resolutions were adopted upon motion by Gustafson, seconded by Anderson and unanimously carried.

RESOLUTION

WHEREAS, the Board of Directors of the Loveland Rural Fire Protection District appointed Gregory A. White, Secretary-Assistant Treasurer, to prepare and submit a proposed Budget to said governing body at the proper time; and

WHEREAS, Gregory A. White, Secretary-Assistant Treasurer submitted a proposed Budget to this governing body for its consideration; and

WHEREAS, upon due and proper published notice, said Budget was open for inspection by the public at a designated place, a public hearing was held on November 6, 2019, and interested taxpayers were given the opportunity to file or register any objections to said proposed Budget; and

WHEREAS, whatever increase may have been made in the expenditures like increases were added to the revenues so that the Budget remains in balance as required by law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND RURAL FIRE PROTECTION DISTRICT;

Section 1. That estimated expenditures for each fund are as follows:

General Fund:	\$3,805,090
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Section 2. That estimated revenues are as follows:

General Fund:	
From general property tax levy:	\$5,220,600
From sources other than general property tax:	\$ 356,220
TOTAL REVENUES:	\$5,576,820

Section 3. That the Budget submitted and hereinabove summarized by fund, approved and adopted as the Budget of the Loveland Rural Fire Protection District for 2020.

RESOLUTION

WHEREAS, the Board of Directors of the Loveland Rural Fire Protection District adopted the annual Budget in accordance with the Local Government Budget Law on November 6, 2019; and

WHEREAS, the Board of Directors of the Loveland Rural Fire Protection District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures set forth in said Budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the Budget to provide for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND RURAL FIRE PROTECTION DISTRICT.

Section 1. The following sums are hereby appropriated from the revenues of each fund, to each fund, for the purpose stated therein:

General Fund:	\$3,805,090
Capital Outlay:	\$ 0
Contingent:	\$ 100,000
Current Operating Expenses:	\$3,594,263
TABOR Reserve	\$ 110,827
Oil and Gas Fund	\$ 0
Total:	\$3,805,090

RESOLUTION

WHEREAS, the Board of Directors of the Loveland Rural Fire Protection District has adopted the annual budget in accordance with the local government budget law on November 6, 2019; and

WHEREAS, the amount of money from real property tax assessments necessary to balance the Budget for the general operation expense is \$5,220,600 for the General Fund and the Oil and Gas Fund; and

WHEREAS, the 2019 assessed valuation for the Loveland Rural Fire Protection District is \$599,518,547.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOVELAND RURAL FIRE PROTECTION DISTRICT.

Section 1. For the purpose of meeting all general operating expenses for the Loveland Rural Fire Protection District during the 2020 Budget year, there is hereby levied a tax of 8.708 mills upon each dollar of the total assessed valuation for all taxable property within the Loveland Rural Fire Protection District for the year 2020.

Section 2. The Secretary-Assistant Treasurer is hereby authorized and directed to certify to the County Commissioners of Larimer County, Colorado, the mill levy for the Loveland Rural Fire Protection District as herein above determined and set.

Miller gave the Chief's Report, he noted that the discussion of the 2018 International Fire Code amendments had already been before the Board.

Miller stated that the beam signing ceremony for Station 7 scheduled for November 2, 2019 had been canceled due to weather. The department anticipates an open house in late February/ early March of 2020 when the station is open and operational.

Chief Cerovski updated the board on the Station 7 construction. The station is 65% complete and will be fully enclosed by the end of November. Also, outside paving and concrete will be fully installed by November. Construction of the station is still within budget; and it is anticipated that Station 7 will be in service in mid February 2020.

Miller noted that the donation of a site for Station 10 in 2534 from the Gerrard Family Limited Partnership was ongoing with a donation agreement scheduled to be reviewed by the LFRA Board at its November 20, 2019 meeting.

Miller briefed the Board on the City of Loveland Sales Tax increases [2A] and [2B] defeat in the November 5, 2019 City election. The reconstruction of Station 3 and the remodeling and addition to Station 5 were projects to be funded by the City of Loveland from the proposed sales tax increase. Due to the defeat of the tax increase, any capital expenses in the future for Station 3 and Station 5 are unfunded. He noted that the reconstruction of Station 3 remains on the capital improvement plan for the City of Loveland, but there is no funding identified for this project. In light of this election, the City will be reviewing future capital projects.

In the absence of Chief Sparks, Miller noted that the Community Service Division is continuing to work on the adoption of the 2018 Fire Code.

Chief Ward gave the Operation Division Report. He noted that two significant incidents as follows;

1. October 16-17, 2019 a wild land fire near the Boy Scout Ranch in the Red Feather Lakes area. The department participated in this incident.
2. November 1, 2019 there was a vehicle fire on the top floor of the Foundry Parking Garage. This was the first incident in the parking garage and provided the Department with valuable information on future emergency incidents in the parking garage.

Ward noted that new Engine 7 is currently in service and temporary located in Station 1. This engine will be located in Station 7 when the station is operational.

Ward stated that, as of November 4, 2019, LFRA had moved to the 48 hour on and 96 hour off shift schedule.

Kammy Tinney of Pinnacle Consulting Group asked the Board whether or not the Board wanted Pinnacle's attendance at LFRA Board meetings beginning in 2020. She noted that Pinnacle's 2020 Budget did not include attendance at LFRA Board meetings. White and Miller both recommended to the Rural Board that Pinnacle's attendance at the LFRA Board Meetings would be highly beneficial to the District. Upon motion by Gustafson, seconded by McKenna and unanimously carried the Board authorized Pinnacle to attend LFRA Board Meetings in 2020.

President Legits asked if it was general consensus of the Board to move forward with review of potential ballot issues at the November 2020 general election. This would include, at a minimum, termination of the sunset provision of the current mill levy and may include a request for increase in the District's mill levy and removing the Gallagher limitation on residential valuations. A general discussion ensued with the consensus of the Board to move forward in early 2020 to review this matter.

There being no further business, the meeting was adjourned.

Gregory A. White, Secretary/
Assistant Treasurer

ATTEST:

President