The regular meeting of the Board of Directors of the Loveland Rural Fire Protection District was held at Station No. 1 on Wednesday, September 4, 2019 at 3:00 p.m.

The following members were present: Dave Legits, Mike McKenna, Barry Gustafson, Leroy 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
- Mike Cerovski, Loveland Fire Rescue Authority
- Cheryl Cabaruvias, Loveland Fire Rescue Authority
- Bob Boggio, Rural Citizen

President Legits opened the meeting.

The minutes of the August 7, 2019 regular meeting were reviewed. Upon motion by Gustafson, seconded by Swanty, and unanimously carried, the minutes were approved.

White presented the August 2019 bills. Upon motion by Swanty, seconded by Anderson, 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>$253,286.00</td>
</tr>
<tr>
<td>Gregory A. White Legal (13a)</td>
<td>$1,950.00</td>
</tr>
<tr>
<td>Haynie &amp; Company Accounting &amp; Audit (12)</td>
<td>$475.00</td>
</tr>
<tr>
<td>Gregory A. White Administrative (13b)</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Gregory A. White Board Secretary (9a)</td>
<td>$400.00</td>
</tr>
<tr>
<td>Dave Legits Board Meetings (9b)</td>
<td>$100.00</td>
</tr>
<tr>
<td>Barry Gustafson Board Meetings (9b)</td>
<td>$100.00</td>
</tr>
<tr>
<td>Mike McKenna 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** $257,511.00

White presented the Financial Report. He noted that revenues continued to be above budgeted amounts with expenses less than budgeted amounts. White stated that due to the early date of the meeting, the August Treasurer’s statement was not available prior to the Board meeting.

Chief Miller presented the 2020 LFRA Budget which was adopted by the LFRA Board on August 28, 2019. The core budget increased 2.5% from 2019. The decision
packages, including staffing for Station 7, wage adjustments for 2020 and two additional rovers hired in 2019, increased the budget by 10.2%.

Miller reviewed the LFRA fund revenue for 2020 which includes the Rural District’s contribution of $3,069,225. Miller reviewed the services provided by the City to LFRA which increased 4.1% over 2019. Miller noted that the 2019 ending fund balance was approximately $900,000 and the remaining fund balance will be placed in reserve accounts according to the recently adopted LFRA reserve fund policy.

Miller provided information concerning the specific items for the Department for 2020 which were removed due to the City of Loveland’s request to reduce the 2020 Budget. The total unfunded needs are $1,154,383.

Miller listed the outstanding issues. Miller noted that LFRA continues to fall behind in its operating and maintenance funding which remains a serious concern of the Department. Also, Miller noted that there will need to be a supplemental appropriation for the 2020 Budget for an additional $20,000 for the 2020 contribution to the Loveland and Rural Consolidated Pension Fund. White and Miller briefed the Board on the recent Actuarial Study which shows the need for an additional contribution. Miller and White noted that the reasons for the increased contribution were the change in the assumption of future investment return by FPPA from 7.5% to 7%, the last two years of return on investment for the Consolidated Pension Fund which were less than anticipated in the previous actuarial study, and the addition of one volunteer to the fund. The volunteer will receive retirement benefits that were not included by FPPA in the previous actuarial study.

Upon motion by Swanty, seconded Anderson, and unanimously carried, the Board approved the 2020 LFRA Budget as presented.

White briefed the Board on the provision of the Fair Campaign Practices Act as it applied to the City sales tax ballot issue and presented a list of prohibited activities prepared by the attorney for LFRA which outline the activities for Board members for LFRA with regard to this sales tax increase. The reason for restriction on LFRA Board members’ activities that, if passed, the sales tax will refund the replacement of Station 3 and the renovation and addition of Station 5. White clarified that Rural Board members also are subject to the Fair Campaign Practices Act as the Rural District would benefit from use of sales tax to replace and renovate the two City fire stations. He noted that Board members have a constitutional right to express their personal opinions as private citizens and also to contribute personal time and money to urge electors to vote for or against this ballot issue.

Chief Cerovski gave a progress update on Station 7. Construction is proceeding on schedule.

Miller stated that the LFRA Board had authorized a Letter of Intent for LFRA to build Station 10 on property owned by the Gerrard Family Limited Partnership in 2534. The September 28, 2019 LFRA Board meeting has been moved to October 3, 2019, and the Board will discuss this matter at that time including input from Gary Gerrard.

Chief Sparks gave the Community Services Division Report. He provided information to the Board on the residential fire in the north portion of the Rural District which resulted in two fatalities. Currently, it appears that this fire was accidental, and no criminal charges will be pursued.

Chief Ward gave the Operation Division Report. He provided more details on the fatal residential fire. There were four occupants in the residence, two of which had already escaped from the residence, at the time of arrival of LFRA. However, two individuals remained in the residence. LFRA personnel entered the residence during the operation and removed both of the victims. Both of those victims eventually died as a result of the incident. Also, PFA responded to this incident as part of the automatic aid agreement.
Ward noted that Engine 7, manufactured by SVI, is nearly operational. In the near future the Department will place Engine 7 in operation in order to break in operation of this apparatus prior to its eventual location in Station 7.

White presented a proposal from Pinnacle Consulting Group Inc. to provide administration and management and finance and accounting services to the Rural District. Attached to the proposal was an exhibit detailing the services provided and the cost. White noted that the district management/administration for 2019 was not needed as he would provide those services through the end of 2019. However, he noted that the initial startup probably would need to be increased in order to have Pinnacle on board and available for the District beginning January 1, 2020. White also noted that there was no need for the 2019 financial services by Pinnacle. White reviewed the annualized fee of district management and administration including the cost for election services. Also, White reviewed the finance and accounting services. He noted that in his opinion, those services could be provided for less cost than proposed by Pinnacle. After discussion, it was the consensus of the Board that White and Miller meet with Pinnacle to revise its proposal for presentation at the October 2, 2019 Rural Board regular meeting.

White presented the August 20, 2019 Certification of Valuation by the Larimer County Assessor for the Rural District. White noted that the total assessed valuation of the District has increased from $374,000,000 to $600,000,000. Most of this increase was due to $172,000,000 of producing oil and gas from wellheads located within the Rural District.

White stated that he had received information from the Larimer County Assessor's Office on this substantial addition to the District’s assessed valuation. He noted that this assessed valuation will increase the property tax revenues of the Rural District in 2020 by close to $2,000,000 based upon the current District mill levy. White noted that he had just received a spreadsheet from the Larimer County Assessor’s identifying the individual oil and gas accounts including information that will enable the District to determine the location of these producing oil and gas units. White noted that location of the well head determines which taxing entity receives property tax valuation. It will be important to identify all of the producing well heads. White and the Department will review this latest information and provide more information to the Board in order to enable the Board to discuss policy issues related to this substantial increase in the Rural District’s taxable assessed valuation.

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

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