

RECORD OF PROCEEDINGS FOR THE
COLORADO RIVER FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS
MARCH 21, 2019
STATION 61, 611 MAIN STREET, SILT, CO 81652

The special meeting was called to order by Chairperson Lambert at 6:00 pm. The Pledge of Allegiance was said and a moment of silence was given. Chairperson Lambert recognized the remembrance of Lieutenant Eric Hill from Gypsum Fire Protection District and Greater Eagle Fire Protection District, and State Patrol Cpl. Daniel Groves who both recently lost their lives.

ROLL CALL:

Board Members Present:

Alan Lambert, President/Chairperson
Matt Weisbrod, Vice President
Levy Burris, Director
Addy Marantino, Secretary
Paige Haderlie, Treasurer

Others Present:

Randy Callahan, Fire Chief
Leif Sackett, Operations Division Chief
Orrin Moon, Prevention Division Chief
John Gredig, IT Director
PJ Tillman, Finance Manager
Alizah Garay, Administrative Assistant

ADDITIONS/DELETIONS/CHANGES TO THE AGENDA:

None

PUBLIC COMMENT:

None

MEETING ITEMS:

Review and possible adoption of Draft 2019-2024 CRFR Strategic Plan (CRFPD Resolution #2019-03-02):

Fire Chief Callahan stated that, after receiving feedback from the Board of Directors on the Strategic Plan, several corrections were made, including the replacement of the term "Union" with "Membership" and the replacement of specific names with positions with the District. Fire Chief Callahan explained that the District is already implementing the Mission and Values Statements of the Strategic Plan, which were approved by the Board at its regular March Board meeting. President Lambert felt the Strategic Plan was a great road map. Vice President Weisbrod stated that he has spent time reviewing the Strategic Plan and feels it is solid, adequate, and he has no further changes to make to the document. As it is a living document, Vice

President Weisbrod wanted to see the District meet the goals presented in the Strategic Plan quarterly. Fire Chief Callahan concurred that incorporating implementation of the Strategic Plan within Board reports was a means of keeping the Strategic Plan alive. Division Chief Sackett felt the feedback and collaboration from line personnel and administration was a triumph. Secretary Marantino made a motion to adopt the 2019-2024 CRFR Strategic Plan and sign the CRFPD Resolution No. 2019-03-02. Vice President Weisbrod seconded the motion. The motion passed unanimously.

Review of options regarding potential mill levy increase election in the future:

Fire Chief Callahan introduced the District's Mill Levy Research and Planning presentation along with supplemental data to the Board. Fire Chief Callahan stated that a potential mill levy increase election is a technical fix to a financial problem. A mill levy proposal entailed an adaptive challenge of analyzing and communicating with various cultural beliefs of the western slope. Instead of declaring the District's need for more funds, the goal was to provide adequate and effective information to the public and the District as to why the District's former funding systems no longer support the current needs of the District. Fire Chief Callahan explained that the concerns presented were on the forefront for many fire agencies. In April 2019, Fire Chief Callahan will be attending the Colorado Fire Service Critical Issues Briefing; *If You Think Gallagher/TABOR is Bad, Just Look at Energy Dependent Fire Departments*. Fire Chief Callahan explained that the following presentation was also a means to learn the directives of the Board on a possible mill levy increase election, whether it entailed continual researching, planning, and educating or if there are any alternative approaches.

Division Chief Sackett explained the 5-year history of the District's assessed valuations. Since 2014, the District's assessed valuation has declined from \$1,040,000,000.00 to \$674,000,000.00. Oil and gas revenue comprised 75% of the District's budget in 2014 and 50% of the District's budget in 2018, which has led to a total decrease in revenues of \$2,609,034.00. In comparison, residential revenue comprised 10.4% of the District's budget in 2014 and 24.1% of the District's budget in 2018, which has led to a total increase in revenues of \$326,930.00. Although residential revenues continue to steadily increase, the revenues from residential properties do not compensate for the loss of revenues from oil and gas. The District must compensate for \$2,282,104.00 in lost revenues. Division Chief Sackett stated that the direct effects of Senate Bill 19-181, which is pending before the Colorado Legislature, are unknown to the Front Range. However, some factors impacting the District are known, such as the continual increase of call volume, population, and community demand for the District's services. Treasurer Haderlie commented on a finding of an increase in population within Garfield County for ages 65 and up. Such an increase in that age group could have an even higher demand for services. Division Chief Sackett briefly reviewed a Strengths, Weaknesses, Opportunities and Threats (SWOT) budget analysis, which incorporated internal and external influences. Some of the District's internal strengths were its current \$10 million dollars in reserves, its membership, no mill levy increases since 1994 for the Rifle Fire Protection District and no mill levy increases since 2003 for the Burning Mountains Fire Protection District (the two Districts that merged to create Colorado River Fire Protection District), and new Strategic Plan. The internal weaknesses of the District included a lack of trust among District personnel, leadership transitions, a lack of a Standard of Cover (SOC), and an inferior wage and benefits compensation as presented through the Wage Survey. External opportunities of the District encompassed fiscal responsibilities,

partnerships, a possible 2020 Gallagher Amendment freeze, and a new/updated thought processes. Lastly, internal threats of the District consisted of retention loss, an increase in expenses, public awareness, and lower assessed valuations.

Division Chief Sackett described some challenges the District will face in the future. Chief Staff is projecting the District will run out of reserves between 2023 and 2025 if the District does not take any actions. The Wage Survey results have the financial impact of \$1,180,500.00 on the District's budget. Division Chief Sackett went on to explain the supplemental data. The first page of the supplemental data provided the mill levies from taxing entities in neighboring counties from 2018 and 2019. The second page showcased the effects of the costs to the District per \$100,000.00 based on the 7.20%, 6.11%, and 6.95% residential assessment rate (RAR) required to be established by the Gallagher Amendment. At a 6.11% RAR, and a mill levy of 12.450, the additional tax revenue on a \$100,000 home would be \$32.14 per year. At a 6.95% RAR, and a mill levy of 12.123, the additional tax revenue on a \$100,000.00 home would be \$40.32 per year.

Division Chief Sackett reviewed the potential mill levy increase election timelines for 2019 and 2020. The advantages of pursuing a mill levy increase in November of 2019 would be it would affect the District's budget 2020. A disadvantage of pursuing a mill levy increase in in November 2019 was less time to prepare and educate the public. President Lambert stated that the District will also be incorporating a new fire chief as well during that time. The advantage of pursuing a mill levy increase in November of 2020 was additional time to prepare and educate the public; however, it would be competing with a presidential election. Vice President Weisbrod asked about conducting a mill levy increase election in May of 2020. Fire Chief Callahan believed that election was an independent mail ballot election. Treasurer Haderlie asked how the independent mail ballot election worked. Division Chief Sackett referenced how Grand Valley Fire Protection District pursued a mail-in ballot election and had a 52% pass rate. Vice President Weisbrod stated that it was reflective on the number of ballots returned and what the majority of the number of ballots returned was.

Division Chief Sackett went on to explain several projections. If the District decided to make no changes to its budget and continued to utilize its reserves as it does currently, the District's general reserves would deplete by 2025. With 2% inflation on expenditures from 2020 forward, without making any changes to the budget and continuing to utilize the reserves as the District does currently, the District's general reserves would deplete by 2023. On page 7 of the supplemental data, Division Chief Sackett explained the calculation of mill levy limits at 6.95% RAR. Specifically, Division Chief Sackett explained some figures of the 2019 adopted budget that were expected to alter. As the contract with Valley View Hospital has ended, the expected revenues from Interfacility Transfer (IFT) services would decline by \$335,000.00. In addition, the District has not hired an HR Director yet and may not hire 4 Single Role personnel, as the Valley View Hospital contract has terminated and the need for IFTs may not be as high. Eliminating those positions would lower the Salaries and Benefits Expenditures by about \$340,000.00. Division Chief Sackett stated that other aspects of the 2019 Budget also would need to be alterned, such as Elections, under Operational Expenditures.

Division Chief Sackett described the functions of each column in the presented table. One column for the 2019 adopted budget included the purchase of a new ambulance and service truck reflected in capital reserves transfers. The second column of the 2019 adopted budget incorporated the option of including 1/3 of the Wage Survey results into expenditures. The

following columns of the 2020 forecasts included 1/3 of Wage Survey results into expenditures, 100% Wage Survey results into expenditures, followed by add-ons of an increase of the training budget by 50% and potential election costs. Each 2020 forecasts column generated a different mill levy percentage. The following table included the same columns but at 6.95% RAR. Division Chief Sackett explained that certain revenues were not incorporated into the table, such as the revenues from the Wildland Division and potential grant revenues, because those revenues could not be forecasted beforehand. Division Chief Sackett did not want to see the District hold the replacement schedule back and would prefer to avoid a massive apparatus purchase in future years.

Director Burris stated that it would be difficult to explain to the public why the District's property tax would jump from 6.102 mills to 11.473 mills or higher. Vice President Weisbrod asked if Chief Staff has looked at a stepped mill levy increase. Director Burris stated that it may be more beneficial to simplify the process by requesting a single mill levy increase than a stepped mill levy increase. President Lambert felt it was crucial to consistently release information on the District to the public. He also suggested creating a video of the District members and community members as an educational piece. Concerns were discussed regarding adding on too work with preparing and executing a mill levy education project. The Board discussed the importance of focusing on educating and engaging with the public without declaring an intent to conduct a mill levy increase election.

Secretary Haderlie and Vice President Weisbrod discussed the possible pros and cons of pursuing an independent mail-in ballot election, as opposed to a coordinated election through the County. Fire Chief Callahan stated that the District was working on generating efficiencies to best utilize its budget. However, regardless of efficiencies, there was not a clear solution that could overcome the long-term financial issue. Director Burris discussed some of the advantages of pursuing a mail-in ballot election in May of 2020. The Board also discussed the possibility of generating a survey for the public on how they feel about a possible mill levy increase. The data returned could help the District understand the mindsets of the public currently. Secretary Haderlie suggested using the data from the District's Facebook page as a measure of the public's perception on a possible mill levy increase. Director Burris suggested posting items on the effects of the Gallagher Amendment and updates of what is going on within the District in a manner that is easy to comprehend for all community members.

Director Burris left the meeting at 7:15 p.m.

The Board and Chief Staff discussed presenting various forms of data on Facebook, Twitter, Instagram, and local newspapers. Fire Chief Callahan confirmed with the Board that the consensus of the Board was for the District to continue planning, researching, and educating on a possible mill levy increase election, as well as developing stronger public relations. Division Chief Sackett recognized Battalion Chief Alvey's 25th year of service. Treasurer Haderlie stated that a cover story on Battalion Chief Alvey's service would be a great feature to launch on social media.

AJOURNMENT:

There being no other business to come before the Board, Chairperson Lambert adjourned the meeting at 7:26 pm.

APPROVAL

The foregoing Minutes, which has been approved by the affirmative majority vote of the Board of Directors of the Colorado River Fire Protection District, is a true and accurate record of the meeting held on the date stated above.

Date: 4/9/19

[Signature]

Date: 4/9/19

[Signature]