

FRONT RANGE FIRE RESCUE
BOARD OF DIRECTORS MEETING
Wednesday, January 9, 2019 at 18:00
101 s. Irene Avenue, Milliken, CO 80534

Rutt calls the FRFR BoDs Meeting to order at 18:04. Roll call: Darrin Rutt, Reid Hobler, Jim Young, Blair Howe, and Greg Freehling. Also, in attendance are Christine Champlin, Chief Covillo, Chief Drage, and Chief Bateman.

PLEDGE OF ALLEGIANCE

GUEST/PUBLIC COMMENT: N/A.

APPROVAL OF MINUTES: Howe moves to approve the December 12, 2018 FRFR BoDs Meeting Minutes. Hobler seconds. Roll call: All "aye." Motion passed.

APPROVAL/ADDITIONS/MODIFICATIONS TO AGENDA: Howe moves to approve the agenda as presented. Hobler seconds. Roll call: All "aye." Motion passed.

CONSENT AGENDA:

BILLS: Young is concerned about the legal and water bills. Christine answers question pertaining to bills. Some information regarding legal fees will be brought up in further discussion in the meeting. Itemized list provided and gone through for explanation. Bateman explains that there is nothing out of the ordinary regarding expenses. Covillo reiterates water bill question. Discussion ensued on other expenses.

Young moves to pay the bills. Howe seconds. Roll call: Rutt, yes; Hobler, yes; Young, yes; Howe, yes; and Freehling, yes. Motion passes.

STAFF REPORTS

ADMINISTRATIVE:

Treasurer's Report / Financial Report Ytd: Numbers have been posted in the Board January Financial folder. December Bills have been posted in the Board January Financial folder.

Meeting Schedule For 2019: Enclosed in the Admin folder is the proposed meeting schedule for 2019.

Freehling moves to approve the proposed meeting schedule for 2019. Howe seconds. Roll call: All "aye." Motion passes.

Posting Locations For 2019: The three posting locations will need to be set for 2019. The three locations are; Station 1, Station 2, and Station 3.

Howe moves to approve the three posting locations including Station 1, Station 2, and Station 3. Hobler seconds. Roll call: All "aye." Motion passes.

DISTRICT FILINGS: As per the State of Colorado, the following filings have been completed.

- Current Map of our District posted on DOLA and sent to both Larimer, Weld counties clerk and recorders
- Transparency Notice posted on SDA and DOLA and sent to and both Larimer, Weld counties; clerk and recorder, treasurer, assessor, Commissioners
- District Budget posted on DOLA • 2019 IGA List posted on DOLA

LIFE SAFETY OFFICER:

Code Adoption Process No additional information has been received from the Town Building Official on this process.

Impact Fees: Provide info of any impact fees that have been collected from Johnstown to date. On Dec 26th, Drage reached out to Weld County to inquire about initiating a process to enact impact fees within their portion of our district. Drage has some back and forth communication with Frank Haug, Assistant County Attorney. We are currently waiting for Building Official Jose Gonzalez to return from vacation so we can schedule a meeting to discuss this opportunity

Building Plan Reviews

Johnstown Community YMCA – Building Permit plans were received on Dec 14th. Drage completed the initial review on Dec 26th and returned comments to the architect. This review process took approx. 25 hours. Drage is now waiting for comment replies and additional plan submittals for hazardous materials, fire alarm system, fire sprinkler system, and radio amplification system.

Nature's Herbs – The FRFR building construction permit was issued on 11/20/18. They are still waiting for final approval from the Town before they can move forward. Additional permit submittals will include fire alarm, fire sprinkler, hazardous materials storage/use, and flammable liquid and carbon dioxide extraction processes.

Wilson Horse Arena – Building construction permit was issued on 11/01/18. They are currently remediating and tearing down an abandoned home on the property. Kurt and I assisted Front Range Fire Protection with a hydrant flow test on Dec 14th. We are now waiting for permit submittals for the fire sprinkler and fire alarm systems.

Bernhardt Compressor Station – No new information.

Milliken Reverse Osmosis Plant – No new information.

Boulder Scientific – No new information.

DEVELOPMENT REVIEWS

Johnstown Farms 3rd Filing – Developers submitted responses to Drage's initial plan review comments but failed to completely address all of the pending issues with their proposed development. Drage is waiting for responses to my updated comments. One of the potentially bigger issues that this development could bring is the unknown impact on the Town's ability to maintain adequate water pressures and volumes to Pioneer Ridge. Drage has clearly articulated our concerns to the Town and have been told that the issue will be discussed at the Jan 30th Planning Commission meeting. Drage also believes that infrastructure investments and improvements are among the Town Manager's goals for 2019.

Glenrose Heights – The Town accepted the updated sketch plan that was provided by the developer. Preliminary plat submittal is expected in early 2019 and will include a dedicated emergency access easement providing a second point of access for the development at CR52.

Brookstone 3rd Filing – No new information.

Vista Commons – No new information

Sunfield – No new information.

Johnstown Village – No new information.

Prairie Sky – No new information

Ridgeview Ranch – No new information

FIRE INSPECTION AND CODE ENFORCEMENT

The donation from Cub Creek Energy was approved by the COGCC on Dec 17th. We have not yet received these funds but are anticipating them in early 2019. We have also been contacted by KDVR who wants to do a story on this. Drage will keep the Board updated as this develops.

Kurt has been busy, completing 40 inspections last month and finding several critical issues that needed to be addressed. Examples include an illegal occupation (someone living in storage shed in back of a restaurant), a facility that is storing and manufacturing explosives that we weren't aware of, and several fire protection systems that were inoperative for a variety of reasons.

SPECIAL REVIEWS

On 12/31, Drage received notification of a new large oil and gas facility proposed near the intersection of Two Rivers Parkway and West 37th St. The facility will include 28 horizontal wells, six 500- barrel crude oil tanks and two 500 barrel produced-water tanks. In December, Drage applied to participate as a member of a technical panel to assist in the development of a new Underwriters Laboratories (UL) standard – UL 1389: Standard for Plant Oil Extraction Equipment that will be applied in both Canada and the US. This is the process that is involved in extracting hash oil from both marijuana and hemp cuttings, and the new marijuana facility in Milliken will include this very hazardous operation. Drage learned on January 4th that he was accepted into this standard's technical panel. Other local fire officials who were accepted into the panel include Dave Lowrey of Boulder Fire Rescue and Stefan Manning of the Colorado Springs Fire Department. The UL has indicated that my time commitment will be minimal, limited to periodic document reviews and teleconferences, plus occasional electronic voting on proposed changes. Drage is very excited about the tremendous learning opportunity that this will present!

COMMUNITY OUTREACH

Drage is working on preliminary plans to develop and implement a new outreach program to provide fire safety education to our rural community, specifically focusing on helping the farming community to better understand how to use fire safely. Drage also continues to communicate regularly with the County Health Department for enforcement of open burning violations.

EMERGENCY MANAGEMENT

Drage is still working to develop an Emergency Operations Plan and Continuity of Operations Plan. Both documents are required for compliance with Federal disaster preparedness directives. The EOP is intended to provide basic information on how we interact with our municipal partners during disasters/emergencies, and includes information about what each entity typically brings to the equation. The COOP is essentially a contingency plan for how we may need to operate during a disaster, such as a large-scale flood, that prevents one of our stations from operating as normal. Drage is hoping to have rough draft documents to Chiefs Bateman and Covillo for review and discussion by early 2019. Colorado Emergency Management Association –Drage has applied for and was granted a scholarship to attend the CEMA conference, being held Feb 20-22, 2019, at the Embassy Suites in Loveland. This is valued at \$325. By attending this conference, Drage will be able to take a large step forward in better understanding the agency's roles and responsibilities in emergency management.

Front Range Emergency Resources Co-op – We are hosting the next FRERC meeting at 1:30pm on Thursday, January 24th, at Station 1.

Weld County Local Emergency Planning Committee – We are hosting the next LEPC meeting at 10:00am on Thursday, January 24th, at Station 2.

Larimer County Emergency Managers Committee – No new information

OPERATION'S CHIEF

Apparatus, Equipment, and Facilities

Apparatus: We are excited to say that all apparatus are in-service. We have received the invoice from Stewart-Stevenson for E 2. BC Werness is working with Front Range Fire Apparatus for cost recovery. The transmission cooler that failed was the one that was replaced in 2017. E 1 - we have not received an invoice at this time, and we will follow the same procedure for reimbursement. We have ordered the new brush truck chassis. As in previous reports, we have indicated a delivery of the completed unit in May or June. We will keep you posted. Covillo has been working on getting all of the vehicles titled under FRFRFPD, and even though Covillo thought he had it all figured out, he received an education of what is necessary and more hoops to jump through. Covillo will keep working to resolve this matter.

Facilities: We have met with the architect and contractor this afternoon. We have a finalized floor layout plan. Covillo does not have an electronic version yet although once he does, we will send it out. Brent the architect provided a plan for the workout area, located on the southwest corner of the station. The addition would remove the existing landscape area and we will need to relocate the dumpster enclosure. The space will be slightly larger than the space we are utilizing in the bay. In speaking of cost, the first possibility of putting a second story on the south area we would be looking at approximately \$400,000.00 to \$350,000.00. The area Brent presented we would be looking at about \$175,000.00. These are not exact estimates only very rough numbers. Covillo asked Hannah with H3 what she is roughly thinking for the whole project, and she is thinking between \$750,000.00 to 1,000,000.00. Covillo let her know he was not holding her feet to firm estimate. Covillo is anticipating that we will have drawing completed by the end of February.

Staffing

We are saddened with Reserve FF Zack Neilson leaving the family. He is a career Firefighter at PVFPD, and he cited that he needs to spend more time at his career department. We are continuing to evaluate our Reserve program, and during our December 14th Officers meeting, there was some suggestion that we will be working to improve our onboarding process.

We will be holding an RFT FF eligibility assessment process at the end of January to establish a hiring list for 2019.

Operations/Training:

Operations:

Within your Operations Chief folder, there are the monthly and YTD reports. In 2018 we responded to 1808 calls for service. We saw an almost 4.5% increase within District 1 and a 31.5% increase in automatic and mutual aid call responses. Surprisingly, District 2 shows just over a 16% decrease as well as District 3 with 17% decrease. Overall we are only down 16 calls for 2018.

Covillo would call this an anomaly, and we should not expect the same in 2019. We have seen steady growth within the Town of Milliken over the past couple of years, and we should expect response volumes to be regular. We are averaging about five calls per day.

Having the above data is helping us to look at how we are staffing our respective stations. During our Officers meeting in December, Covillo presented some preliminary data to our team and with Station 1 responding to 35% more calls for service, the group suggested moving the 4th firefighter from Station 2 to Station 1. The move will help balance the duties with all of the crew's members at the

stations and allow Station 2's teams to increase the training of our Reserve members. Currently, it is difficult to deliver quality training to the reserves with the training building location and the reserves shifting primarily at station 1. Covillo has spoken to Chief Bateman regarding the minor staffing modification, and he is supportive of this change. Unless there is a concern, we will be making this switch on February 1st.

Subsequent to our conversation at Decembers Board meeting regarding the stationing of a UCH Ambulance at station 3, Covillo has met with Deputy Chief Dave Schellin. UCH will routinely staff the ambulance with a BLS crew, although at times the unit will be staffed with a paramedic. Covillo has expressed our concern regarding the call volume with EFPD, and they have taken note. In the event the system dynamics change, UCH will make the necessary move and have the unit staffed as an ALS rig. Also, during our conversation last month, Covillo did not understand that this unit will be staffed 24 hours a day. The crews will be on a 12-hour rotation.

Howe is very pleased with UCH Staffing at Station 3.

Young asked about the Pierce. Covillo answered question in detail.

Training:

BC Kronholm has reached out to Dennis Trego with Colorado Sweet Gold regarding using the buildings scheduled for demolition for forcible entry training. Mr. Trego asked for us to provide Sweet Gold with a release agreement. Covillo reached out to Counsel to provide us with a document. Covillo submitted the agreement to the Board for signatures. If there are no questions or pertinent discussion, President Rutt and Secretary Young's signatures are necessary to execute the release agreement.

FIRE CHIEF'S REPORT

Historical Information – Strategic Plan: Bateman only has a single item to report on tonight; Bateman has been working extensively on the Administrative, Political, Financial, and Cultural portions of the new strategic plan. What follows is a draft and is primarily historical in nature, but Bateman would ask you each to read it over the next few days / weeks and send Bateman feedback via email. Bateman thinks it's critical that, as we begin a fire chief hiring process, that Bateman collects and put down as much of the information / data / etc. that has stuck in my brain over the past decade to set my successor on the best path possible. The financial part is the least "complete" portion. Bateman has not spoken to several other aspects, like the pension funds.

Administrative / Political

Historical

The Johnstown and Milliken Fire Protection Districts brought two very distinct financial and administrative plans to their expanded relationship in 2011. Crafted as a simple dichotomy, the JFPD had invested in equipment while the MFPD had invested in personnel. These separate paths left each agency in a distinctly different place financially, administratively and operationally in the early 2000s. For this discussion it left both agencies in a position to complement the other in their expanded relationship. The JFPD Board was proactive with regards to capital purchases and put a question on the May 5, 1987 ballot asking for 2.0 mills for capital investments. The measure passed easily (83% for / 17% against) with 342 votes cast. After the passage of the Taxpayers Bill of Rights (TABOR) in 1992, the JFPD Board of Directors decided to put a de-Brucing question on the November 1994 ballot. The question passed (67.9% for / 32.1% against) with 982 votes cast. This measure allows the District to retain and spend all available revenues for capital projects, general operations, and pension purposes. After a successful mill levy question in November 2001, the MFPD hired four RFT firefighters to cover the District during daytime, weekday hours. Over the years, various staffing models were used in the predominantly volunteer organization. In September 2009, the MFPD moved to a 48/96, 3 platoon system.

The JFPD asked a second de-Brucing question on the November 3, 2003 ballot. It passed (73.2% for / 26.8% against) with 1,411 votes cast. Because the 1994 question didn't reference the entire mill levy or cite the statutory provision in CRS Title 29, this measure can be viewed as a "housekeeping" measure going forward in perpetuity.

The JFPD took a path similar to the MFPD and asked for a 3.0 mill levy increase in May 2006. It was a divisive issue with part of the department actively campaigning against the question. Ultimately, it was successful by a narrow margin (51.2% for / 48.8% against). Voter turnout was 164. A PT Admin Chief was hired later that same summer and four RFT firefighters were hired in June 2008 to cover District daytime, weekday hours. Various staffing models were used and in October 2011, the JFPD, like the MFPD, moved to a 48/96, 3 platoon system.

The MFPD asked two questions in the November 2010 general election. One question, regarding de-Brucing, passed easily (61.92% for / 38.08% against). A second question asking for a 4.2 mill increase in tax funding failed (42.01% for / 57.99% against). Voter turnout was 2,302 for the unsuccessful question.

Discussion regarding the possibility of sharing a fire chief began in January 2011 and the decision to share a fire chief, beginning July 1, 2011 was confirmed by a unanimous JFPD board vote at the June 2011 meeting. This was the first big step towards the agency, as we know it today. This relationship was governed by an IGA between the two districts. The fire chief remained an employee of the MFPD and the JFPD paid 60% of salary and benefits for 60% time.

The MFPD returned in the November 2011 election and asked for a 4.8 mill increase to, "Save Your Fire Department." Voter turnout was substantially less than the previous year, with 1,464 total votes. The question passed (52.87% for / 47.13% against). The success of this question, as it ultimately affected the ability to discuss forming an authority, cannot be overstated. The MFPD was on financial fumes. The political action group received considerable citizen pushback for the language of campaign literature quoted above, but it merits mentioning that prior to the receipt of tax warrants in March 2012, the sum total of MFPD fund balances was only \$32,434.

The possibility of forming a fire authority was initially presented at a joint board meeting held September 13, 2012 in Milliken. Counsel was also supportive of the idea, but it sputtered politically. Ultimately, both the MFPD and the JFPD Boards did decide to do engage an outside consultant to facilitate separate master plans and reconvene in 2013 to see if sharing of further resources was desirable.

The MFPD was successful in obtaining a SAFER grant in October 2012. This 2-year grant in the amount of \$298,800 was for 100% of salary and benefits of 3 RFT firefighters. As the two districts became more and more operationally and culturally aligned, this grant was a second key element that allowed for the discussion of increased cooperation, as it allowed for parity with each agency able to bring 24 hour, 3-person staffing to the relationship.

The MFPD and JFPD Master Plans were developed with staff involvement and presented, in each agency's board meeting, in February 2012. They were discussed further at a March 21, 2013 joint work session. The JFPD Board was to adopt the plan at their April 9, 2013 meeting although minutes do not reflect as much. The MFPD Board voted to adopt that plan at their April 11, 2013 board meeting.

An arduous process, beginning in late 2012, to improve ALS response times to the MFPD and the JFPD resulted in a cooperative relationship with Windsor-Severance Fire Rescue and the co-location of Poudre Valley EMS assets in both stations. After signing a contract through the end of 2018, this partnership became effective May 15, 2013.

The catastrophic Northern Colorado flooding in September 2013 also brought the two agencies together. The event had a more damaging impact on the MFPD and the JFPD helped tremendously with coverage and with FEMA reimbursement requests.

The two districts did decide to expand the sharing of personnel resources, beginning January 1, 2014 with an Operations Chief, a Support Services Chief, and a part-time Training Officer also serving both agencies.

The idea of forming a fire authority was revisited in January 2014. At a joint meeting on February 6, 2014, the JFPD / MFPD Boards voted unanimously to begin work on forming a fire authority. The work of several project groups culminated at the November 5, 2014 joint meeting between both boards and another unanimous vote to sign the intergovernmental agreement forming the Front Range Fire Rescue Authority beginning January 1, 2015.

The JFPD asked a mill levy question on the November 10, 2015 ballot. The question asked for 2.0 mills with its primary purpose to hire two additional RFT firefighters. The question was successful (57.12% for / 42.88% against). Voter turnout was 2,677.

In the Spring of 2016, the Authority hired a consultant to explore the need for an RFT Life Safety Chief. In March 2017, after a lengthy search and assessment center, this position was filled.

The 2014 IGA forming the FRFRA asserted that the two, "Districts desire to take the necessary steps to combine Milliken and Johnstown into a single unified fire protection district that will serve the geographic area of the Authority..." (Page 12, Article 8.1). Work began in earnest at the November 9, 2016 meeting with the board of directors directing staff and counsel to present multiple options for formally combining the two entities into one.

Both boards voted in a meeting February 8, 2017 to begin a dissolution / inclusion process with multiple questions being placed on the November 2017 ballot. It was also decided that the JFPD would formally change its name to the Front Range Fire Rescue Fire Protection District, hopefully, making the process more palatable to voters in the MFPD.

In June 2017, the FRFR was again successful in securing a SAFER grant. This 3-year grant in the amount of \$200,550 was a cost share with FEMA paying 75% in 2018 and 2019 and 35% in 2020. The grant was for a single training officer whose time would also be spent recruiting.

The November 2017 had three questions for the voters of the MFPD. All three questions needed to be successful for the process to be complete. The question to dissolve the MFPD passed (59% for / 41% against). The question to include the MFPD into the FRFR passed (66.71% for / 33.29% against). And the question to increase the mill levy by 0.716 mills passed (57.34% for / 42.66% against). All three questions had approximately 1430 votes cast.

The FRFR transitioned from a fire authority to a single district January 1, 2018 with a mill levy of 11.461 (2.0 mills for capital, a minimum of 0.25 mills for pension, and the remainder towards general / operations). The district also increased its RFT staffing by four on January 1, 2018, with eight RFT members are assigned to each shift and six in administration, life safety, training and operations.

The board of directors chose to put a question on the November 2018 ballot, asking the public to “de-Gallagherize.” The question passed (55.33% for / 44.67% against). Voter turnout was 9,567.

Cultural

Historical

The MFPD and JFPD were both born as volunteer organizations. While both were created in the early part of the twentieth century they didn't formally organize as fire protection districts until much later. The MFPD formally organized as a fire protection district, per CRS, on May 24, 1949 and the JFPD a couple of years later on June 27, 1952. For many years, both agencies served their respective communities in this capacity, but as Northern Colorado grew so did the demand for services. The transition from a volunteer department to combination system is a common and precarious leadership challenge; both agencies navigated this slippery slope in earnest in the early 2000s. Most of the stories are anecdotal and unnecessary for this document, but best summed up with a singular sentiment expressed in 2009, when the MFPD moved to the 48/96 shift system, and one volunteer member exclaimed, “You're taking our weekends.”

Another piece of the cultural puzzle is the organizational pride that frequently left individual fire protection districts siloed from their neighbors. Metaphorical walls went up and cooperation was seldom explored and even more infrequently executed. Again, there are many stories that affirm this reality, but one interview from the 2011 JFPD SWOT analysis speaks volumes. One member said, “we'd go help Milliken on a fire and come back and make fun of them, but truthfully they were doing things better than we were.”

A final cultural challenge was the insistence upon state and national certifications to be an active and contributing member. In a litigious society, an individual's willingness or desire to be a firefighter doesn't affirm their ability to do the job effectively, efficiently and safely. Without certifications (and the demonstration of certain cognitive and psych-motor skills for each position) it left each agency vulnerable. Both the MFPD and the JFPD experienced significant pushback from elements of their organizations as they began to insist upon fire and EMS certifications to be a member.

The willingness of the JFPD Board in 2011 to explore the idea of sharing a fire chief was landmark. It was a brave act of cooperation – one that wasn't universally received – that began to break down decades-old divisions. Furthermore, when the MFPD financial situation took an even further dive in 2012, the JFPD Board didn't attempt to capitalize and scavenge personnel. When the going got tough, they remained resolute in their commitment to their new partner.

It merits citing the 2006 JFPD Master Plan, prepared by Short Elliott Hendrickson, Inc., that stated, “the location of the Milliken fire station...must lead to a strong working relationship that supports and encourages the use of automatic...aid... [that] could easily develop into an operational agreement that could lead to some level of consolidated service in the future.” The JFPD Board was deliberate, methodical, and committed to future planning; they contracted independent consultant and conducted long-range planning and frequently followed to the recommendations presented by those outside agencies.

After the hire of an RFT Fire Chief, the leadership focus became one of consistency and accountability. The former had to do with the level of service provided to the community and the latter with the manner in which we conducted ourselves, on and off duty. Consistency was addressed primarily with the shift schedule and providing 24-hour a day coverage from the station. A 2010 JFPD Master Plan spoke to the inconsistency with response time averages during the weekday at 6.2 minutes and weekday evenings at 10.7 minutes.

As more and more resources were shared between the MFPD and the JFPD, the leadership encouraged the membership to focus on the similarities between the two organizations, not the differences. Organizationally, the MFPD and the JFPD came from very different places; it seems a natural, human tendency to focus on how differences equate to incompatibility, but leadership and membership didn't take this easier path. Each agency wanted to be technically and tactically good at their job and this was pursued through the development of a common operational deployment model.

Between 2012 and 2019, two important classes, *The Leadership Journey* and *The (Next) Leadership Journey*, were delivered a total of six times with FRFR direction / involvement. Beyond expressed learning objectives, like ethical decision-making and improved emotional intelligence, these two classes had a significant cultural impact on the organization, fostering leadership at every level of the FRFR. Adaptive instruction was introduced and reinforced as an equal piece of the professional development puzzle.

In 2014, several project groups were created to work on the various elements of creating the FRFRA. One group was tasked with working collaboratively on the values that they wanted to define the Authority going forward. In October 2014, after several meetings, they eagerly presented, "Courage, Compassion, and Professionalism" as the azimuth they wanted to follow. The process, and more specifically the dialogue within the group itself, made organizational buy-in to these values incredibly easy.

In December 2015, an organizational vision was formally articulated – "we would further evolve a culture and structure to outlast us." Operational success – both on the fireground and with EMS delivery – allowed for a further hardening of FRFRA ditch banks.

In February 2016, the FRFRA sent three members to a 40-hour peer support training course. It was the next logical and important step in growing a culture of compassion. Additional members have been trained and the FRFR now has a team with six dedicated members. This team may seem like the locus of organizational compassion, but each FRFR member endeavors to be our brother / sister firefighters – on and off the fireground, at the station or at home.

As the 2018 Operations Budget was prepared, staff began discussion about the viability of presenting to the board of directors a 457 match (up to \$100 per pay period) for the RFT membership. At that time, only seventy-five percent of the full-time firefighters made contributions to the 457 plan and only fourteen of twenty-six contributed more than \$100. FRFR leadership believed that taking care of our people meant not just their present selves, but their future self as well and proposed making a up to a \$100 match to a 457 contribution. Currently, one hundred percent of the RFT staff participates fully.

In 2018, the FRFR unveiled its mission statement "Deliver Exceptional Service. Honor Humanity. Transform Lives." This mission statement and the foundational principles / goals that support it are discussed later in the document.

Financial

Historical

As previously mentioned, the MFPD and the JFPD came into the Authority relationship in very different positions, none more significant than their financial portfolios. The first FRFRA Operational Budget, prepared and adopted in December 2014, showed that remarkable difference with the MFPD bringing only \$280,000 and the JFPD bringing \$1,300,000. On the surface, it's easy question the obvious financial disparity, but MFPD / JFPD leadership refused to "keep score" and let transactional thinking define or restrict the organization's potential. It was deliberate, aligned with earlier master plans and a reflection that the rapidly increasing call volume / proliferation of concurrent calls could most rapidly be addressed with collaboration between both agencies. Beyond the immediate benefit to the citizens and guests of the Authority, the cooperative relationship had a tremendous impact on firefighter safety.

In November 2015, the FRFRA Board directed staff to finalize the 2016 Operations Budget with an 80% Operational Fund reserve. The JFPD Board had historically worked towards having a full year in reserve. This directive is a slippery slope for a number of reasons. First, it far exceeds guidance from SDA or CML (with respect to reserve funds) and may open the organization to criticism with regards to ballot questions going forward. Another challenge is that, as expenses increase each year, that fund reserve must also increase. For example, an operational decision to add three RFT personnel would necessitate an increase by an amount equivalent to the salary and benefits of those three firefighters. Staff has moved forward in subsequent years with that direction and been very successful in exceeding board guidance.

Rapidly rising health insurance costs are the crux of most budgeting processes. Employer contributions to health insurance are the largest single line-time on the budget. In 2012, the average of the MFPD / JFPD monthly contribution to employee health insurance premiums was \$700. For the 2019 Budget, the contribution is up to \$984 per month. This reflects a 40.6% increase in seven years, 5.7% per year. Administration has done a good job of increasing employer contributions, relative the growth of the budget as a whole.

Employee salaries are another challenging item on the budget. With larger, often municipally-funded, departments within a short drive of the FRFR, the department is often on slippery footing with employee compensation. The FRFR pays a very decent wage, but it's been a challenge to be competitive regionally. In the 18 months between January 1, 2016 and July 1, 2017, the FRFR lost seven RFT firefighters to other agencies. Administration presented a dramatic increase the board for 2018 with operational salaries increasing, on average, 16%. It was effective in stemming departures and, in the subsequent 18 months from July 1, 2017 to January 1, 2019, there were no RFT departures for other agencies.

Financial management in a Colorado special district is a tricky prospect. So much so, that FRFR foundational principles speak to it as, "nebulous." Dramatic fluctuations in gas and oil (the largest single slice of the FRFR AV) can make budgeting problematic. This reality is the key driver in the FRFR Board's operational reserve direction. The graph included in this section shows the volatile movement of gas and oil. Overall, the trend is for AV to increase 6.99% per year on average.

OLD BUSINESS

Fire Chief Process Discussion: Bateman gave information and suggestions to the BoDs.

EXECUTIVE SESSION: Hobler moves to enter into an Executive Session per §24-6-402(4)(a), C.R.S. for purposes of discussing real property acquisition for a new station at 19:37. Rutt seconds. Roll call: All "aye." Motion passes.

Adjournment of Executive Session at 20:12.

ADJOURNMENT: Young moves to adjourn at 20:13. Howe seconds. Roll call: All "aye." Motion passes and meeting adjourns at 20:13.