



**Board of Directors Meeting
October 5, 2018
9:00 AM
3561 N. Stagecoach Road, Longmont, CO 80504**

MINUTES

I. OPENING OF MEETING

A. Call to Order

The regular meeting of the Board of Directors of the Mountain View Fire Rescue District was held at the Administration Building, 3561 N. Stagecoach Road, Longmont, Colorado, on October 5, 2018, and was called to order by President Tim Parker at 9:00 AM.

B. Roll Call

The following Board members attended the meeting: Tim Parker, Chad Christian, Harold Osborn, and Colleen Whitlow. Laura McConnell, absent and excused by the Board.

Other persons present were Chief Beebe, Assistant Chief Long, Assistant Chief Jeff Webb, Tonya Olson, Melissa Meehan, attorneys Joan Fritsche and Rick Shearer, and Martha Dexter.

C. Pledge of Allegiance

D. Approval of Agenda

Director Chad Christian moved to approve the Agenda, as written. Director Colleen Whitlow seconded the Motion, and it was unanimously approved.

II. PUBLIC/MEMBER PARTICIPATION

A. Introduce Michelle White – Community Outreach Coordinator

Chief Dave Beebe introduced Michelle White. Michelle gave a brief description of her experience and thanked the Board for the opportunity.

III. CONSENT AGENDA

- A. The Board deferred approval of the September 17, 2018 meeting Minutes to the November Board meeting as the draft minutes are not yet available.

IV. PRESENTATIONS

A. 2019 Proposed Budget Presentation

Chief Dave Beebe asked Tonya Olson to present the Preliminary 2019 Budget, and noted that the Board will receive a revised draft of the Budget before the next Board meeting and the Board will have an opportunity to make changes and corrections. The final Budget will be presented to the Board for approval in December.

Tonya Olson reviewed some of the highlights of the Budget, including the 3-year summary and she discussed that the revenue budgeted for 2019 has an anticipated increase of 22.5% over 2018 and includes 14.5% for property tax revenue, and much of the increase relates to oil and gas revenue. The expenditure portion of the General Fund went up 5.4% 2018, approximately \$900,000. Of the \$900,000, \$700,000 is personnel costs. Other operating expenses went up very little. The Capital Reserve Fund in the 2019 Budget has been refined to show what the money is intended to be used for, and it now includes more projections of capital expenses that need to be funded every year versus a single strategic capital category that may have big one-time expenditures. The Capital Reserve Fund Budget now breaks out apparatus replacement, facilities repairs, maintenance, and some general equipment replacement on a regular cycle.

President Tim Parker asked about employee funds and true reserves.

Ms. Olson said it is the goal of Administration to fund that expense this year. Another major change is a baseline of \$4 million from oil and gas for operations every year. Any remainder is going to be included in the Capital Reserve Fund or in a general fund.

President Tim Parker stated that he would like to see more than 20% in reserve, regardless of what the funds are called. We need to be prepared for downturns in revenue

Chief Dave Beebe asked President Tim Parker what his comfort level is for the amount to be kept in reserve. President Tim Parker answered about \$2 million. This amount will give the District two months of operating expenses. Ms. Olson noted that the reserve fund balance has been growing over the past three years.

Director Chad Christian commented that the concept of the reserve fits in with the District's goals and helps with sustainability of the District, and it is consistent with the amount of the mill levy increase the District has asked the taxpayers to approve.

President Tim Parker remarked that many would be adversely affected if the District does not have adequate reserves.

Chief Dave Beebe stated that the 2019 Budget is based on the current. It does not assume the mill levy increase will pass. The proposed 2019 Budget is conservative. If the mill levy increase passes in November, the 2019 Budget will be adjusted.

Ms. Olson commented that if the mill levy increase does not pass, and if oil and gas revenues do not go down, the District may still be able to improve its reserves for a couple of years.

President Tim Parker stated that he would like to see the District in a position where the oil and gas revenue is not used for operations.

Chief Dave Beebe commented that prior Administration and Boards desired to get away from oil and gas for operational revenues, but the District has not been able to do so. The proposed 2019 Budget is less dependent on oil and gas revenues for operations.

Ms. Olson also stated that ownership tax increased to 17% Budget to Budget. The low was in 2016.

Ms. Olson also stated that changes to TIF revenue is anticipated to result in an additional \$91,000 in 2019. Ms. Olson noted the fee schedules for transports have been increased, and the number of transports continue to rise. The 2019 proposed Budget takes these factors into consideration.

The Maintenance facility has been doing more work for other agencies and billing more. Revenue from maintenance services is expected to increase.

The average base salary will increase 3% this year and an 8% increase to all medical personnel. The increase includes corresponding workers' comp insurance payments.

The Maintenance Facility is busy and needs another FTE. The District has a temporary employee on staff now.

President Tim Parker would like more information regarding the Maintenance Facility workload before approving another FTE and would like to have more information regarding how increasing Maintenance Facility staff will affect the organization as a whole.

Ms. Olson noted that 2019 is an assessment year and revenue in 2020 will be different depending on the Residential Assessment Rate as adjusted (usually down) by the Gallagher Amendment.

Ms. Olson advised the Board that interest rates are going up, and interest rate increases give the District better returns on the funds it invests.

Ms. Olson suggested that the Board adopt an investment policy.

Ms. Olson highlighted some other Budget information:

- Capital purchases this year have been about 30% of the Budget for 2019, strategic and routine.
- Compensation 3% for salaries and 8% for medical.
- FPPA contributions increased because there are now more pay components that are being included as “pensionable income” and FPPA contributions are based upon “pensionable income.”
- Matching for other retirement plans will increase.
- Reserves: 3% of the 2019 Budget for the TABOR reserves to be used for expenses in the beginning of the year before tax revenues are received from the Counties.
- Expect the 2019 General Fund balance to grow by 12% year to year.
- The amount to be transferred to the Capital Reserve has been increased.

President Tim Parker asked about how employee compensation compares to other entities.

Dave Beebe advised the Board the goal is to reach parity for all positions by 2020, and the District is continuing to collect data from surrounding districts.

Colleen Whitlow asked how the amount of pay for administrative employees and line employees is determined.

Chief Dave Beebe explained that Employers Council (formerly Mountain States Employers Council) collects salary and benefits information and performs an analysis which reviews salaries, but not other benefits. The District uses the information collected by Employers Council and the information the District collects directly to determine administrative and line employee salaries.

Director Chad Christian asked if the current Resolution regarding the scope of the CBA allows the parties to negotiate benefits. Chief Dave Beebe responded “yes”.

Ms. Olson continued her discussion of the preliminary 2019 Budget

- She noted that the Capital Reserve Fund included approximately \$2.6 million carried over from 2018.
- Detail sheets will be revised for next meeting.
- Ms. Olson noted that the Capital Reserve Fund Budget tab has a summary of proposed items not in this draft Budget.
- Department and Program Budget have been tied to strategic goals; some in the Capital Reserve Fund and some in the General Fund.

Chief Dave Beebe advised the Board the District has an excess pumper and Staff would like to convert the pumper to a foam truck. The cost to do so is in the Capital Fund portion of the Budget.

Ms. Olson stated that the biggest capital expenditures next year will be the new Maintenance Facility, purchasing new SCBAs and purchasing new engines. Ms. Olson went on to say she

believes the District should have a replacement plan for capital equipment purchases. She also noted that there is a small amount in the proposed budget for each station for repairs, vehicles, fleet, radios, prams, ambulance monitors, mannequins, engines, workout equipment, and technology.

President Tim Parker questioned the budgeted amount for maintenance of Station 5 and why the District continues to put money into that building.

Chief Dave Beebe said we are looking at options for the Station, but the District currently uses the building to store reserve engines.

Ms. Olson continued to review the proposed 2019 Budget:

- A proposed transfer out of the General Fund \$28,000 transferred to the Pension Fund for 2019 contributions.
- That the Debt Service Fund owes the General Fund and that there will be a Fund-to-Fund transfer, and that there is \$3700 in the Debt Service account that must be re-allocated by the Board so the account can be closed. The District is paying fees because the account is inactive.

President Tim Parker would like to see the amounts carried over in 2019 in addition to the 3% TABOR Reserve clearly identified. He and the other members of the Board want the District's finances to be easy to understand and transparent. President Tim Parker also requested that changes in the next draft of the 2019 Budget be presented to the Board in advance of the meeting to adopt the Budget.

President Tim Parker also said the Board would like to see percentage changes per line items in the 2019 Budget.

Director Chad Christian asked if categories in the 2019 Budget have been changed and moved. Ms. Olson stated some items have been removed and some have been moved to make the Budget easier to understand and easier to use. Ms. Olson does not foresee additional changes.

Director Chad Christian stated that he likes the idea of having reserves, but would like to have a strategy and a written policy in place.

B. Introduction of MVFRD Pay Philosophy

Melissa Meehan advised the Board she worked with Employers Council to get a pay philosophy, and would like the Board to adopt a pay philosophy at the next meeting. Once the pay schedule is adopted, it will be easy for the employees and the public to understand.

President Tim Parker asked if the Board needs a Resolution to approve the proposed Pay Philosophy at the next meeting?

Chief Dave Beebe said "yes."

-Five-minute break-

V. ACTION ITEMS

A. Inclusion Into Northern Colorado Water Conservancy District

Assistant Chief Roger Rademacher reported that New Division Homes is going through the planning and approval process with the Town of Erie. During this process, the Town realized that the property was not included in the Northern Water Conservancy District's service area. The portion of the property on which Station 8 is located also has not been included in the Northern Water Conservancy District. Inclusion should have been a requirement of annexation, but it was not.

The District must petition for inclusion into two Water Districts, the Northern Colorado Water Conservancy District and a Water Subdistrict because Erie receives water from the Northern Colorado Water District then supplies it to the property. Erie waived the fee due to the error in not requiring the inclusion at the time of annexation. The Fire District only pays its legal fees. Erie will not proceed with the planning and approval process for New Division Homes until it receives the inclusion Petitions.

The Board was asked to approve:

- a) Petition for Inclusion of Lands in Northern Colorado Water Conservancy District
- b) Petition for Inclusion of Lands in Municipal Sub-district Northern Colorado Water Conservancy District; and a
- c) Statement of Authority to execute the Petitions.

Director Colleen Whitlow moved to approve the Petitions and Statement of Authority. Director Harold Osborn seconded the Motion, and it was unanimously approved.

B. Approval of Vista Ridge Land Sale Documents

The Board considered the following:

- a) First Amendment to Purchase and Sale Agreement;
- b) Agreement to Amend/Extend Contract; and
- c) Earnest Money Release (transfer to a new title company)

Director Colleen Whitlow moved to approve the Amendment, related Agreement and Release to Transfer the Earnest Money. Director Chad Christian seconded the Motion, and it was unanimously approved.

C. Approval to Pursue Contract with the Selected Auditor

Ms. Olson advised the Board that Administration recommends hiring Haynie and Company as the District's Auditor. An engagement letter will be presented to the Board at the next Board meeting.

D. Approval of the DOLA Grant for the New Maintenance Facility

Chief Dave Beebe presented the Agreement with DOLA to the Board. The Agreement sets forth the terms of the grant for funds that will be used for the new Maintenance Facility. Chief Beebe asked the Board to consider and approve the Agreement.

Director Colleen Whitlow moved to approve the Agreement with DOLA. Director Harold Osborn seconded the Motion, and it was unanimously approved.

E. Approval of the Selected Contractor for the New Maintenance Facility

Chief Dave Beebe advised the Board the District sent an RFP for a General Contractor for the new Maintenance Facility. The District received three proposals. One was too high. The other two contractors were interviewed, and Staff has selected Elder Construction subject to a mutually agreed written contract and Board approval. Staff does not yet have a proposed contract to submit to the Board. The terms are still being negotiated.

Assistant Chief Jeff Webb is compiling a list of items that were not included in the contractor's bid and which will be negotiated. The total Budget for the project will not exceed \$4 million.

F. Approval of the Joint Representation Waiver for the Olson Property Inclusion/Exclusion

Assistant Chief Roger Rademacher explained that we have a homeowner that has property that is half in MVFRD and half in the Hygiene Fire Protection District. The property owner would like to have the entire property in the MVFRD. Chief Rademacher stated that providing services to all of the property will not increase the cost of service to the area or other portions of the District. The property is agricultural and the amount of additional tax revenue to MVFRD, and the loss of revenue to HFPD will be nominal.

Director Chad Christian moved to approve the Joint Representation waiver, which will allow the Lyons Gaddis firm to represent both the landowner and MVFRD with respect to the inclusion. (Lyons Gaddis also will represent the landowner in the exclusion from HFPD.) Director Colleen Whitlow seconded the Motion, and it was unanimously approved.

VI. OLD BUSINESS

Attorney Rick Shearer asked the Board if the Directors received the Nepotism policy, and asked if the Board would like to take action. No substantive action was taken on the policy. After discussion of the matter, the Board directed legal counsel and Staff to make a recommendation to the Board regarding inclusion of the nepotism policy in the Employee Handbook.

Director Colleen Whitlow moved to approve adding the Nepotism Policy to the Employee Handbook. Director Chad Christian seconded the Motion, and it was unanimously approved.

VII. BOARD MEMBER ITEMS

VIII. REPORTS

A. Oral Division Reports

Assistant Chief Keith Long reported the District would be receiving an \$85,000 from Anadarko

Assistant Chief Roger Rademacher reported that the District is moving forward with the MDT project; Boulder dispatch goal is to have us switched over by January 1.

Assistant Chief Jeff Webb reported that there will be an Accreditation site visit in December.

The Board also received updates regarding: implementing Telestaff; SIPA target for accepting credit cards for ambulance transports next month; Station 8 bay floor and cracking and heaving investigation and claims; and the Station 10 roof and A/C units work.

Melissa Meehan reported that the fire-medical job posting closes on the 26th of October, and that benefits open enrollment will be in November

Tonya Olson provided additional information regarding Telestaff.

Chief Dave Beebe reported he made a presentation to the Town of Erie with Captain Eckstine and Doug Saba.

IX. EXECUTIVE SESSION

A motion was made by Director Colleen Whitlow and seconded by Director Harold Osborn to go into Executive Session at 11:22 a.m. to receive advice of legal counsel pursuant to C.R.S. §24-6-402(4)(b) and to discuss matters that may be subject to negotiations pursuant to C.R.S. §24-6-402(4)(e). The Motion was approved unanimously.

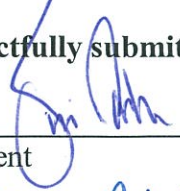
Attorney Shearer noted that during Executive Session, legal counsel would like to provide updates on: Station 8, FPPA, Eris URAs, and discuss the exclusion process, and that all matters discussed will involve advice of legal counsel and the recording device could be turned off.

The Board came out of Executive Session at 1:03 p.m.

X. ADJOURNMENT

There being no further business to come before the meeting, Director Colleen Whitlow moved to adjourn. Director Chad Christian seconded the Motion, and it was unanimously approved to adjourn the meeting at 1:05 PM.

Respectfully submitted,



President

12-10-18

Date



Secretary

12-11-18

Date