



**Board of Directors Meeting
November 19, 2018
Station #6 6:00 PM
50 Bonanza Dr. Erie, CO 80516
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 on Monday, November 19, 2018 at #50 Bonanza Drive, Erie, CO and was called to order by President Tim Parker at 6:00PM.

B. Roll Call

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

Other persons present were: Chief Dave Beebe, Assistant Chief Roger Rademacher, Assistant Chief Jeff Webb, Tonya Olson, Melissa Meehan, Attorney Rick Shearer, Dustin Sorenson, Doug Saba, Tim Losh, Jim Leist, Andrew Bruckner, Charlie Beckman, Ben Carter, Brian Fanning, Chad Rademacher, and Martha Dexter.

C. Pledge of Allegiance

D. Approval of Agenda

Director Colleen Whitlow moved the agenda, as written. Director Laura McConnell seconded the motion and it was unanimously approved.

II. PUBLIC/MEMBER PARTICIPATION

Ben Carter and Dustin Sorensen invited all staff to the Union's Holiday Party on December 1. Details will be sent.

Ben Carter stated that the Local was proud to support 7J, and thanked everyone who helped with this.

Over \$10,000 in personal funds were raised and used to support 7J.

III. CONSENT AGENDA

A. September 17, 2018 Meeting Minutes

Director Colleen Whitlow moved to approve the September 2018 regular meeting Minutes, as written. Director Harold Osborn seconded the Motion, and it was unanimously approved.

B. October 5, 2018 Meeting Minutes

Attorney Rick Shearer will review the minutes and will have for the December Board meeting.

IV. PRESENTATIONS

A. Auditor Information: Haynie and Company

Tonya introduced Ty Holman, the Managing Partner from Haynie & Company.

Ty described the firm as a mid-size regional firm and said they consider themselves a large firm with a small firm feel.

He stated that they audit approximately 90 special districts, cities and towns, and about 10% are fire industries, and they consider fire district audits to be one of their specialties.

Abbey Irvine is a senior auditor with the firm. Abbey works at the Loveland office and will do most of the “legwork” for the District’s audit.

This first year the firm audits the District it will look at internal controls, and identify and outline potential deficiencies for the District.

The firm will be at the District Administrative offices in December to do pre-audit work and to better understand how the District handles financial matters to help with preparation of the Audit Plan. Ty and Abbey will work primarily with Tonya, and District management, but the Board is welcome to observe and ask questions.

V. ACTION ITEMS

A. Engagement Letter for Haynie and Company

President Tim Parker asked Tonya to review the process of selection of the auditor. She stated the District prepared an RFP and asked the three companies that made proposals to attend interviews. Haynie and Company was the best fit for the District.

Director Laura McConnell moved to approve the engagement letter for Haynie and Company, as presented. Director Colleen Whitlow seconded the Motion and it was unanimously approved.

B. Approval of the October 2018 Financials

Tonya Olson presented the September and October Financials. The Statements of Revenues, Expenditures, and Statement of Financial Position for each fund for both September and October 2018 were included in the Board Packet. The District has spent 78% of the General Fund budget and 49% of the Capital Reserve Budget at the end of October. The General Fund benchmark for October is 83% spent of the Budgeted amount for 2018. The General Fund currently has 22% remaining for 2018 expenditures, trending slightly below Budget for the year. The purchasing deadline for the 2018 Budget is November 15th, 2018 and Ms. Olson anticipates, based upon prior experience, that the amount of expenditures will increase before the purchasing deadline and 2018 budgeted expenditures will be close to the amount budgeted by the end of the year.

Highlights from the month of September and October:

- The new ambulance prams have been purchased, the District is waiting for the grant to reimburse the District for a portion of the expense
- We have currently billed \$1.2 mil for Wildland Deployments for the year
- There is a new category in the General Fund Financial Statement: “Other Revenue Sources.” This category has been added to record insurance claim checks the District receives after the deductibles are met.

President Tim Parker asked how long it takes the State to reimburse the District for Wildland fire services. Ms. Olson stated that the turnaround is about 90-120 days, and recently the payments have been faster because of electronic fund transfers from the State.

President Tim Parker asked about the deadline for PO’s for 2018 budget. Tonya replied that the deadline is November 15th to submit PO’s for 2018.

Director Colleen Whitlow moved to approve the September and October 2018 Financial Statements, as presented. Director Harold Osborn seconded the Motion and it was unanimously approved.

A roll call vote was taken:

Director Colleen Whitlow voted in favor

Director Harold Osborn voted in favor

President Tim Parker voted in favor

Director Laura McConnell voted in favor

C. 2019 Budget Update Presentation

Tonya Olson presented the proposed 2019 Budget.

President Tim Parker asked about the policy used when budgeting for oil and gas revenue. Chief Dave Beebe explained the “internal” policy regarding budgeting oil and

gas revenue is, generally, that the District does not want to be dependent on oil and gas revenue as it has significant annual fluctuations. The District is now putting quite a bit of the oil and gas revenue into the Reserve Fund to avoid having insufficient funds in years when oil and gas revenues are down.

Ms. Olson advised the Board the District has a new billing company and collection of ambulance transport revenue has increased. The District will be accepting credit cards in 2019.

The salary survey resulted in an increase between 3.9% - 9.0% for all members under the Collective Bargaining Agreement (CBA). All other employees will have a 3.7% increase.

President Tim Parker asked which category of employees received a 9% increase. Chief Dave Beebe explained that per the CBA, the District surveyed five comparable departments. The salary range for members of the CBA Bargaining Unit is based on position, and the Paramedics' salary increased the most.

Chief Beebe also advised the Board the District has not received the signed CBA from the union.

Tonya Olson continued with her presentation of the finances. The estimated cost of new hires is \$856,000. The amount includes uniforms, bunker and other personal gear, certifications, and tuition reimbursement for employees. Ms. Olson noted that the Fire Academy has increased to approximately \$14,000 per person.

Ms. Olson stated that the District was able to negotiate with CIGNA for 2019 health insurance, with an 8% premium increase, instead of the estimated 15-18%. Chief Dave Beebe said the plan coverage stayed the same.

Ms. Olson noted that overtime was not budgeted in 2018, for example Boulder HAZMAT, and that some FPPA overtime payments are higher for 2019 because they were not budgeted last year.

D. Ratification of FPPA Settlement

Rick Shearer explained that the problem was identified by District staff. More specifically, it was determined that "pensionable income" was not properly calculated, and as a result, both employee and employer contributions to the FPPA were underpaid for a number of years. District staff carefully analyzed past payroll and pension contribution records, then submitted their findings to independent auditors for review. Representatives of the District and union local met with the FPPA to discuss the issue and the District and the FPPA negotiated a settlement. The material terms of the settlement relate to payment of the amount of the last three years of pension and death and disability employer and employee contribution underpayments, plus late charges for the last three years, with the District reserving its right to have the employees reimburse the District for the amount of the employee contributions. In return, the FPPA will enter

the contribution payments as credits for each employee's account in the three highest-pay years. Application of the payment by the FPPA in this way will result in the employees receiving the amount of pension, death and disability benefits they would have received if there had been no underpayments.

Kevin Lindahl, General Counsel for the FPPA, originally suggested a Settlement Agreement. However, the FPPA is now concerned that a Settlement Agreement that allows MVFRD to pay less than the full amount of the contribution underpayments over many years may set a precedent. The result is that Mr. Lindahl now wants to give the District an "Acknowledgment" of payment, not enter into a binding Settlement Agreement. Using an Acknowledgment will still allow the District to pay the three-year underpayment amount previously negotiated, but it will not provide the protection of a Settlement Agreement.

Mr. Lindahl told Rick that the FPPA does not have a procedure to recover contribution underpayments because it usually takes care of itself by paying lower benefits. Mr. Shearer also said Mr. Lindahl observed that the FPPA is not in the business of monitoring how participants calculate "pensionable income."

Mr. Shearer reemphasized an "Acknowledgement" will guarantee that all employees will have the highest three years of "pensionable income" credited if they retire tomorrow and the employees would receive full benefits. Mr. Shearer noted that assuring that the employees would receive the full amount of benefits as if all of the employee contributions had been paid in full was the primary goal of the Board, and that goal will be achieved by the "Acknowledgment" procedure now proposed by the FPPA.

Although a Settlement Agreement would have been better, it is no longer an option. Mr. Shearer recommends accepting the FPPA Acknowledgement paying the last three years of employee and employer contributions, including the 6% late fee. This will allow the employees full benefits, and although it is unlikely, there is no guarantee the issue of underpayments for the prior years will not come up in the future.

Chad Christian asked Mr. Shearer whether MVFRD's employees will be "protected" from having to pay employee pension contribution underpayments for the time before the last three years by the "Acknowledgment."

Mr. Shearer answered "no," but in terms of pension benefits, the employees will be where they were supposed to be.

Tonya Olson commented that when an employee exits the FPPA looks at the last three highest years to calculate their benefit payments.

Rick stated that if the FPPA decides to "go back" it can, but it is unlikely because the FPPA does not have a system in place to do so.

Ben Carter asked to address the Board and was permitted to do so. Mr. Carter advised the Board that the four employees in the Drop Plan will receive a lesser amount because

the error was found after they entered into their Drop Plan Agreement with the FPPA and the FPPA will not reopen past retirement agreements, including Drop Plan Agreements.

Mr. Shearer explained that four MVFRD employees have entered into Drop Plan Agreements and the FPPA has paid the amount of agreed-upon benefits into the employees' individual retirement accounts. Mr. Shearer noted that he does not recommend jeopardizing the proposed settlement with the FPPA, a settlement that will benefit many District current employees participating in the FPPA Plan by continuing to negotiate on behalf of the four Drop Plan employees.

Mr. Shearer recommends supporting the Local if it wishes to pursue separate negotiations with the FPPA on behalf of the Drop Plan participants after settling on behalf of the large number of current employees in the FPPA Plan.

President Tim Parker stated, on his own behalf, that regardless of the legal duty the employees may have, it was a District error and it should not be a financial burden for the employees who are affected. President Parker said he thinks the District has an ethical responsibility to do what is right and, under the circumstances, he thinks not asking the employees to reimburse the District is the right thing to do.

On a separate issue, Mr. Shearer noted that although the District does not have a legal obligation to do so, the Board may, under the circumstances, decide not to seek reimbursement from the employees for the employee contribution portion of the amount paid to the FPPA.

Mr. Shearer said that if the Board chooses not to seek reimbursement for the employee contribution portion of what it pays to the FPPA, the District will be in better position to defend against any future request for more money. Mr. Shearer explained that his opinion is based upon two legal doctrines: "estoppel and "detrimental reliance."

President Tim Parker asked if there were any other comments on behalf of the Local or anyone affected by this matter.

Ben Carter VP Local 3214 appreciates the Board going forward with paying the employer an employee contributions pursuant to an "Acknowledgement" and hopes the Board does not seek reimbursement of the employee contribution portion of the FPPA payment because the employees trusted that their paycheck withholdings were correct. Many are worried about the underpayments and are concerned about how they will be able to pay the employee contribution portion of the past underpayments. Mr. Carter also asked the Board to do what it could to take care of the four Drop Plan employees.

Rick Shearer suggested signing off on the approximately \$166,000 payment to FPPA for the current employees in the FPPA Plan now, then do what can be done, if anything, for the Drop Plan employees later.

Chad Christian asked the Local to consider the situation in terms of how the mistake was caught (careful work by the District's current administrative staff), that the prior error has been corrected, look at the positive, and look to the future not the past, and to "trust."

Mr. Carter acknowledged that the employees appreciate the way their paychecks look in terms of clearly showing deductions and other information, and that the changes have helped with transparency.

Director McConnell echoed that the District now has a strong Board that will support the community, the organization and the employees and said she feels bad about what happened regarding the FPPA contribution error by past Administration.

President Tim Parker asked for any further discussion.

Director Laura McConnell moved to ratify the FPPA settlement as presented. Director Colleen Whitlow seconded the Motion, and it was unanimously approved.

A roll call vote was taken.

Director Colleen Whitlow voted in favor.

Director Harold Osborn voted in favor.

President Tim Parker voted in favor.

Laura McConnell voted in favor.

Chad Christian voted in favor.

E. **Employee Portion of Underpaid FPPA Pension, Death and Disability Contributions**

The now-approved approximately \$166,000 payment to the FPPA includes payment of employee contributions for 2015, 2016 and 2017, and the late charges related to those employee contribution underpayments. Director Chad Christian moved that the District not ask the employees to reimburse the District for the employee contribution portion of the payment to the FPPA. Director Laura McConnell seconded the Motion, and it was unanimously approved.

A roll call vote was taken.

Director Colleen Whitlow voted in favor.

Director Harold Osborn voted in favor.

President Tim Parker voted in favor.

Laura McConnell voted in favor.

Chad Christian voted in favor

Mr. Shearer stated that it is his understanding the Motion was intended to clarify, and assure the current employees in the FPPA Plan that the District will not ask the employees to reimburse the District for the portion of the payment to the FPPA for underpaid employee contributions and related late fees.

President Tim Parker said it may be appropriate to let the public know what has occurred.

Mr. Shearer said he would draft language that can be used for a press release or other public communication regarding the issue and how it has been handled.

F. Adopt MVFRD Pay Philosophy

Melissa Meehan discussed the District's pay philosophy that was provided in the Board packet.

Director Colleen Whitlow moved to Adopt MVFRD Pay Philosophy as presented. Director Laura McConnell seconded such motion, and it was unanimously approved.

G. Approve 2019 Board and Pension Meetings

The Board discussed and approved the dates for the 2019 Board and Pension Board meetings.

H. Approve 2019 Holidays

President Tim Parker asked why the Board is being asked to approve District holidays for 2019. President Parker suggested that District holidays should be approved by the Board as part of the Employee Handbook.

Chief Dave Beebe stated that Administrative Staff is reviewing the Handbook to make recommendations to the Board regarding Amendments. District Holidays will be added as a proposed Amendment.

Mr. Shearer suggested that if the Board feels strongly about the issue it can amend the Rules and Regulations to include holidays prior to 2019, rather than waiting for more comprehensive recommendations for amendments to the Rules and Regulations. Mr. Shearer offered to prepare a proposed Amendment for the Board to consider at the December Board meeting.

VI. OLD BUSINESS

NONE

VII. BOARD MEMBER ITEMS

President Tim Parker would like to get the Board Packets and other Board meeting information sooner. Chief Beebe stated that he and Ms. Dexter had already discussed the issue and they are going to target sending the Board Packets a week before the Board meetings.

President Tim Parker talked about having a video or live cast meetings as a link on the District's website. He asked staff to look into whether there is a way for the public to watch or listen during the meetings.

Director Laura McConnell stated that a live broadcast or a link to a video recording of the Board meeting would benefit Board members who cannot attend a meeting in person.

Chief Dave Beebe stated that Asst. Chief Jeff Webb and IT Manager Bill Humphries are researching options for recording meetings.

VIII. REPORTS

A. Division Reports

Asst. Chief Roger Rademacher:

- Operations
 - Incident summaries included in the Board Packet
 - Working with BC's and training on a tactical operations plan
 - Set up apparatus committees
- Fleet
 - Working on FTE for next year
 - Getting bids on new apparatus
- Maintenance Facility (new)
 - Responsibility for this project has been transferred to AC Webb
- Vista Property Sale
 - Moving forward, New Vision working toward Closing
- Station 8 bay floor
 - Informed of additional items this week, Dave sending to Rick. Now being handled by AC Webb
- Communications
 - Working on transitioning this responsibility to AC Webb, finalizing.
- Finance
 - Working on financial items with Tonya.

Melissa Meehan:

- Open Enrollment period has begun and goes until November 26
- Work on end of year processes with finance
- Attending training on PERA and Worker's Comp
- Revision of AOG's and Job Descriptions
- Coordinating Leaves of Absences/alternative duty/benefits (short & long term disability, return to work, etc.)
- Administration of Workers Compensation claims
- Handling of employee investigations and employee relations issues
- General HR work-responding to employee requests, addressing employee concerns, and administering payroll and benefit changes
- Recruitments In progress:
 - Community Outreach Assistants- position closes on November 19th
 - Firemedics-4 finalists awaiting Board approval
 - Firefighter/EMT posted until November 26th
 - Anticipated start date for line staff is February 2019

- Assisting the Chief and Mr. Shearer with two disciplinary matters

Asst. Chief Jeff Webb:

- Maintenance Facility – The District received approval from the Weld County Commissioners to move forward with the project. The District has met with Elder Construction to start specification and value engineering phase of the plans. The District is pricing out the cost/benefit of doing some site work for the fire station part of the project now, while the construction crews are mobilized and on-site working on the maintenance facility.
- Telestaff Project – The first round of database design is complete and the testing phase has begun. Testing will involve running the current scheduling and payroll systems in parallel with the Telestaff systems for a couple of pay periods. Telestaff will go live in early January.
- Accreditation – The District has been working with the evaluation team to make corrections and improvements to the District's records and documents. The evaluation team site visit is tentatively scheduled for the week of December 9th.

Chief Dave Beebe:

- Staff has been working diligently on implementation of the TeleStaff scheduling system. Beta testing will occur during the next couple of weeks while the systems are running parallel and before the Telestaff system goes live on January 6th.
- The District also will be making some changes to payroll on the first pay period of January 2019. Currently, the system is paying forward for some Administrative employees; essentially paying for work that has not yet been done. This system has many flaws and exposes the District to some risk of having paid employees for work never done and requires some adjustments after the work is done. The changes will result in all employees being paid in arrears, essentially paying for work after it is completed. Tonya will be available at the December Board meeting to answer any specific questions.
- Chief Beebe also advised the Board Local 3214 has not yet delivered a signed copy of the CBA extension.
- Chief Beebe expanded on Chief Webb's comments regarding selection of Elder Construction to be the contractor for the new Maintenance Facility subject to a mutually agreed written contract that will be presented to the Board for approval. Elder is currently reviewing the plans and looking for cost savings. Staff plans to bring a maximum cost contract to the Board for approval in December.
- Chief Beebe advised the Board the Maintenance Facility has been approved by both the Weld County Planning Commission and the Weld County Commissioners, and the District is currently working with the Town of Erie on access permits.

- As you know, the mill levy increase Ballot Issue passed. Administration has been working to revise the proposed 2019 Budget to address items that were contingent on a successful vote. Tonya will present a revised 2019 proposed Budget at the December Board meeting.

Other Items of note:

- The District will be replacing all desktop computers over the next couple of months. This is part of regularly scheduled technology upgrades. The majority of the equipment currently used by the District is pre-2010. Per the equipment disposal AOG, the District is required to dispose of surplus (excess) or outdated equipment by public auction. Due to the age of the current computers, the equipment will only bring recycle value. Several employees have asked to be able to purchase their computers for personal use. The AOG allows employees to purchase surplus equipment only if the Board of Directors approves. The Chief provided a proposed pricing schedule for the Boards consideration. (see attached)
- The Chief noted that attorney Joan Fritsche has been working with the attorney for the Erie Urban Renewal Authority on the proposed I-25 Corridor URA. The issue is addressed in the written Attorneys' Report. Mr. Shearer would like to provide the Board with more information, and receive direction from the Board, in Executive Session.
- The Chief reported that the District has, as Ms. Meehan previously mentioned, been conducting interviews in preparation for hiring in 2019. Based on the success of the mill levy increase election the plan is to hire enough individuals to place an additional ambulance in service in 2019. The ambulance will be assigned to Station 7 in Dacono. The target date for placing the unit in service is July 1, 2019. The timing is intended to new employees to complete the spring 2019 Fire Academy. The District also is looking at lateral firefighters and paramedics.
- The Chief also advised the Board he has been elected to the Metro Chiefs Association Board of Directors, and he thanked former Chief Steve Pischke for his "blindside" nomination.

IX. EXECUTIVE SESSION

Director Osborn moved to go into Executive Session to receive advise of legal counsel pursuant to C.R.S. § 24-6-402(4)(b), and to discuss the District's position in negotiations related to the settlement of the FPPA pension contribution matter, the Station 8 lawsuit and the I-25 Corridor Urban Renewal URA, and to instruct the District's negotiators pursuant to C.R.S. § 24-6-402(4)(e). Director Christian seconded the Motion, and it was unanimously approved.


The Board went into Executive Session at 8:21 p.m.

The Board came out of Executive Session at 9:45 p.m.

X. ADJOURNMENT

There being no further business to come before the meeting, Director Colleen Whitlow moved to adjourn. Director Laura McConnell seconded the Motion, and it was unanimously approved. President Parker adjourned the meeting at 9:50 p.m.

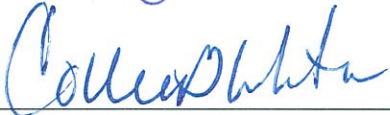
Respectfully submitted,



President

12-10-18

Date



Secretary

12-11-18

Date