

**CORTEZ FIRE PROTECTION DISTRICT
REGULAR BOARD MEETING
March 13, 2013**

CALL TO ORDER

President Bridgewater called the meeting to order at 6:00 p.m. in the meeting room at Station #1. Roll call followed and the board members present were Lori Johnson, Kent Lindsay, Keenan Ertel and Jim Bridgewater. Orly Lucero was absent. Administrative Assistant Wendy Mimiaga, Asst. Chief Charles Balke and Chief Jeff Vandevoorde were present for the meeting.

Keenan Ertel made a motion to excuse Orly Lucero from the meeting, Kent Lindsay seconded. The motion passed on the following vote:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	absent	yes	yes

APPROVAL OF MINUTES

The minutes from the regular meeting held February 13, 2013 were brought before the board for approval.

Kent Lindsay made a motion to approve the minutes for the meeting held on February 13, 2013, Lori Johnson seconded. The minutes for the meeting were approved on the following vote:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	excused	yes	yes

BILLS AND ACCOUNTS

The board reviewed the list of bills and accounts and the financials included in the Board packet. President Bridgewater asked how the dispatch fees compared to last year. Last year the fees were \$15,277.00, this year they are \$21,101.00. Ms. Johnson explained that the fees are based on call percentage and the percentage of the budget. The Sheriff's office and the City Police Department cover about 85% of the dispatch budget. The Cortez Fire District's portion is about 3%.

Lori Johnson made a motion to accept the bills and financials including the supplemental list of bills, Keenan Ertel seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	excused	yes	yes

PUBLIC COMMENT

There was no public comment.

CORRESPONDENCE

Included in the packet were several inclusions from the Cortez Journal, a thank you note from The Pinon Project for their Christmas for Kids program, and a \$500 donation check from Empire Electric.

REPORT FROM THE ADMINISTRATIVE ASSISTANT

A report of the current financial accounts was included in the packet. The county treasurers' office distributed a total of \$234,247.86 to the district for the month of February, 2013. \$168,250.52 for the

general mill levy, and \$65,997.34 for the additional two (2) mill levy.

The business money market account at 1st Southwest Bank had a balance of \$252,587.25 as of February 28, 2013 with Interest earned in February, 2013 of \$58.12. The annual percentage yield remained at 0.30%. The 24 month jumbo CD of \$252,500 at 0.90% earned \$194.68 as of February 13, 2013. Total interest paid to date is \$2,289.01. The current balance is \$254,789.01.

The balance in the State Farm account, as of February 28, 2013, was \$984,883.36 with interest earned in February, 2013 of \$528.72. Interest earned year to date is \$1,113.76. The interest rate remained at 0.70%. The total in our reserve accounts is \$1,492,259.62.

It was reported that the unemployment rate dropped from 7.9% to 7.7% in February, 2013, the lowest since December, 2008. The economy has added private sector jobs every month for three years, for a total of 6.35 million jobs. The Fed will continue to purchase \$85 billion in bonds each month, and keep the fed funds rate between zero and .25% to keep borrowing costs low and encourage growth. Retail Sales increased 1.1% for February, 2013 which is mostly attributed to tax refunds as it was mostly big ticket items being purchased.

With the spending cuts taking effect, it could hurt the district due to decreased funding to grant programs we count on. However, with the continuing resolution being voted on after the sequester, it could cancel or modify the sequester. This offers Congress a chance to revisit the budget cuts, and perhaps reverse some of them. Mr. Ertel commented that this, along with the low interest rates, just reemphasizes that we have to get the public to back and support us on the mill levy increase the same way they supported the school district. We are now a paid (combination) department, and need the funds to operate. The personnel cost have increased and will continue to increase. We need to let everyone know how important it is becoming to get the District funding.

REPORT FROM THE ASST. CHIEF

Asst. Chief Balke went over his report that was included in the packet along with a list of the trainings, meetings and events. Asst. Chief Balke reported that the Fire I course is continuing, along with CPR and first aid classes, EMS training and the wildland refresher course. There will be at least one more wildland class.

In the course of attending many meetings, Asst. Chief Balke was elected the Chair of the LEPC and the Secretary for the Montezuma Healthcare Coalition.

We have been denied for the AFG grant. Part of the justification for the denial was that our SCBA's are at the nine year mark, and their benchmark is ten years for replacement. If and when it opens again we will look into resubmitting. Asst. Chief Balke is also working on a VFA grant for wildland equipment.

We have just completed a week long orientation for the two new firefighters, and they have been assigned their areas of responsibility. Corey Adamy will take over facilities and equipment, and Stanton Morford will take over apparatus maintenance and testing.

Also included in the report was a graph of the monthly calls and response times for February broken down by district. The weighted average response time for the month of February, taking into consideration all districts, was five minutes, fifty-two seconds.

REPORT FROM THE FIRE CHIEF

Chief Vandevoorde went over the report and list of meetings he included in the packet. The Chief explained that we, the District, had received four request for proposals for the new fire truck from KME, Sparten, Rosenbauer and Pierce. The bids were as follows; KME \$450,000, Sparten \$467,000, Rosenbauer \$522,000 and Pierce had three different quotes, \$548,000 for the top of the line. The Chief and Asst. Chief chose KME, the lowest bid, and we really liked their engine. We are looking at \$450,000 for the engine. We want to add a CAV system at \$35,000, hose cover at \$2,300, and a rear access ladder at

\$1,300. This brings us to \$488,600. The grant is \$112,500, we will receive a pre-pay discount of \$3,300 off for putting down 25%, and the trade-in for the E-One of \$48,000, brings us to \$324,725. KME also offered the most for the trade in. We are looking to lease purchase \$200,000, so we will need to take \$124,725 out of the reserve funds. We had originally anticipated taking \$162,500 out of the reserves. KME builds a high quality unit without the high price tag. We will have a pre-construction conference with them, and we will be given schematics as built, not as proposed. KME will provide software so we will be able to download and diagnose problems locally without having to send the truck elsewhere.

President Bridgewater inquired about the exhaust system and if it was an DEF system. Asst. Chief Balke explained that it is, but he is looking into the possibility of not having a depth tank, exhaust filtration system, based on one of the NFPA allowances. President Bridgewater highly recommended that we not have it if at all possible. He explained that the exhaust goes into a platinum coated filter that is not capable of self-cleaning. The filter can get up to 1500 – 1800 degrees and thus cause the truck to be inoperable. This could be detrimental in many situations, especially on a wildland fire. The filters are very expensive to replace, they can be \$3,000 - \$5,200 each.

Ms. Johnson inquired about the life expectancy of the new fire engine. Chief Vandevoorde explained that it will serve fifteen years as a front line vehicle and then five years as a reserve, for twenty years of use.

KME will be here next week to review the contract. The Chief requested that the Board allow \$124,725 be taken out of the reserve account for the down payment. This will put us in the 25% range which will afford us a \$3,300 discount. KME is willing to take the trade out in a separate contract which will allow us the full amount of the grant, \$112,500. We are looking at financing, lease purchase, \$200,000 at 3.65% (current rate).

Keenan Ertel made a motion to approve between \$124,000 to \$150,000 for a down payment for the new fire truck to receive the discount, Kent Lindsay seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	excused	yes	yes

Chief Vandevoorde announced the District has hired two new firefighters, Corey Adamy and Phillip Moreford. They started shift on March 2, 2013.

There were 121 calls during the month of February, 101 EMS, 13 fire and 7 vehicle accidents. The total calls for the year, 2013, is 262.

Chief Vandevoorde received a letter of resignation from Michael Romine, as a reserve firefighter, and from Randon Grimes, as a fulltime firefighter. Mr. Grimes has taken a position with a fire district that is closer to his home town.

Mr. Ertel thanked Chief Vandevoorde for writing a letter of recommendation for his application to the Resource Advisory Council to the BLM.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Election – Chief Vandevoorde explained that the District needs to proceed with a ballot question for a mill levy increase, and the election in November, 2013 would be a good time as this is an off year election. The Chief included in the packet a spread sheet explaining what a 2, 2.5, 3, 3.5 mill levy increase would increase residences and businesses at the \$100K, \$150K, \$200K, \$250K value levels. He explained to the Board that what the administration had heard after the last election, May, 2012, was that the 3.5 mills we were asking for was too much, even though it was explained how the extra funding

would be used. After reviewing the budget, and the budget projections, the Chief stated that the District could work with 2.5 to 3 mills. After meeting with Orly Lucero, his thought process, after working on the mill levy increase for the school district, was to use an in-between number like 2.75 mills, it reads better and is more accepted by the voters. Also included in the packet was a sheet explaining what our current mill levy is, and how much it equates to based on a \$100K, \$150K, \$200K, \$250K residence and business. The difference in the taxed amount between the residences and the businesses (commercial, vacant land and agriculture) is due to the different assessment ratios. Residences are assessed at 7.96% and businesses at 29%.

President Bridgewater commented that it is not easy to ask for a tax increase, but he believes that the circumstances may be better this fall. We do not have the money the school district spent on their election, however, the ground work has been set. There were a lot of people that supported the District in the last election.

Chief Vandevoorde pointed out that we lost by only around three hundred votes last year. This time, if we have the Board and the firefighters play a more active roll in supporting the mill levy by getting out to the public and presenting information about the District, we can do better. The Chief also spoke to Ken Charles, Department of Local Affairs, who asked if we were going to ask for a mill rate increase again, and if the Board is 100% in support of it. Mr. Charles inquires because this came up recently during a presentation for a DOLA grant. The grant board inquired why the mill rate did not pass, and why they should support the fire district if the community did not. Mr. Charles also thought this November, 2013 would be a good time to have a question on the ballot.

Ms. Johnson stated that getting the mill levy to pass is going to depend on how much we request. She pointed out that 3.5 mills is half of our current mill levy. Mr. Ertel suggested that we do not use "mills", but rather use an amount, i.e ask for \$23 more a year as opposed to 3 mills.

Chief Vandevoorde stated that people ask how the extra money will be used. After reviewing the budget, the Chief stated that we need to review salaries and pay incentives so we can stay competitive. We do not want our District to become a stepping stone to departments offering larger salaries. As firefighters acquire more and advanced training, i.e. paramedic, they should receive a pay incentive. We also need to look at our vehicle and equipment replacement, facilities, trainings and the future of our organization. These questions were addressed during the last election and helped the public (*those who attended the presentations*) to better understand the needs of the fire district, and the associated costs.

Ms. Johnson suggested having community members start a group to support the mill levy and help promote it. The Chief and Asst. Chief made numerous informational presentations about the District and its future last year before the election. Asst. Chief Balke commented that the one negative thing he heard last year was that we did not have full internal support. The Board was asked if they wanted to move forward on this and if they would support a mill levy increase. Mr. Ertel said we need full internal support for this, and that he supports the mill levy increase. Ms. Johnson indicated that it depended on how high we will go as to whether or not she would support it. She could go with 2.5 mills, but does not think she could support anything higher than that. Chief Vandevoorde indicated that after reviewing the budget, 2.5 mills would bring in an amount that we could work with, and a better chance of getting it to pass. It was pointed out that the values presented are based on the valuation for 2013, and that the valuation for 2014 will probably come in a little lower. Mr. Ertel pointed out that we need to make sure we request enough so we do not have to go back to the voters in three more years. Mr. Lindsay stated that he thought 2.5 mills would be a good amount, but he was unsure about having the question in November, 2013 versus May, 2014. Chief Vandevoorde stated he believed it is important to separate the election for the ballot question from the Board of Directors positions. Mr. Ertel also pointed out that in the fall businesses, farmers and ranchers have money in their accounts after the tourist and growing season. This is the flush time for our county and people will be more likely to support the question. President Bridgewater added during the May election, the election for the Board of Directors, you open it up to political infighting, and you make the mill levy more of a political issue as opposed to the actual needs of the District. This was part of the problem and why it did not pass during the last election.

Mr. Lindsay asked what this election would cost the District. Ms. Mimiaga explained that it should not

cost more than the last election, and could come in a little lower since we would be coordinating with the County Clerk, and depending on what else was on the ballot. We would be totally responsible for our Tabor notice, but we would share the costs associated with the actual ballot in our district. We have budgeted \$10,000 for election expenses for 2013. We also budgeted \$10,000 in 2012 for the special district election, for which we spent \$11,424.

President Bridgewater again expressed his support for pursuing the mill levy increase in the November election. He is especially in favor of separating the ballot question and the election for the Board of Directors. He again stated that he would support the effort in any way he could, and as should everyone on the Board. Ms. Johnson also again stated that she would not want the District to ask for more than 2.5 mills. Chief Vandevorde replied that 2.5 mills would be the minimum we would need for the budget based on the projections and the five-year plan.

By-laws – A copy of the by-laws Ms. Johnson has been working on were presented to the Board for their review. The new proposed by-laws are more detailed and offer more information and explanations. It was discussed to combine the officers in Article V to mirror the officers we currently have on the Board, a President and a combination Secretary/Treasurer as allowed by C.R.S. 32-1-902.

President Bridgewater Brought up Article III section 3.12 (a) Conflict of Interest, Disclosure Required as it relates to "No Director receiving pension payments as a retired firefighter shall vote on issues involving the Director's pension payment." If it ended up that we had two retired volunteers on the Board, with the two volunteers on the pension board, it would render the Pension Board unable to have a quorum on certain issues. This is a possible conflict and something we need to pay attention to. It was also brought up that this is something that could present a problem for the District Board and budgeting.

President Bridgewater asked that this be on the agenda for the next meeting. Ms. Johnson asked if, before the bylaws are voted on, should they be reviewed by the attorney. Chief Vandevorde said he would also have Jeff Cunningham at VFIS look them over as well. These bylaws will be sent to the Board members before the packets go out for the next meeting for further review. Any questions or changes should be sent to Ms. Mimiaga.

EXECUTIVE SESSION

There was no executive session.

ADJOURNMENT

Having no further business to come before the board, Kent Lindsay made a motion to adjourn the meeting, Keenan Ertel seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	excused	yes	yes

The meeting adjourned at 7:18 p.m.

Jim Bridgewater – President

Attest:

Kent Lindsay – Secretary/Treasurer