

**CORTEZ FIRE PROTECTION DISTRICT
REGULAR BOARD MEETING
November 14, 2012**

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 Keenan Ertel, Lori Johnson, Kent Lindsay, Orly Lucero and Jim Bridgewater. Administrative Assistant Wendy Mimiaga, Asst. Chief Charles Balke and Chief Jeff Vandevoorde were present for the meeting.

APPROVAL OF MINUTES

The minutes from the regular meeting held October 10, 2012 were brought before the board for approval.

Kent Lindsay made a motion to approve the minutes for the meeting, Keenan Ertel seconded. The minutes for the October 10, 2012 meeting were approved on the following vote:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	yes	yes	yes

BILLS AND ACCOUNTS

The board reviewed the list of bills and accounts and the financials included in the Board packet. Ms. Johnson inquired how the \$1,895.77 raised for MDA compared to past years. Chief Vandevoorde said he believed it was more than last year, but not as much as it has been in the past.

Lori Johnson made a motion to accept the bills and financials, Orly Lucero seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	yes	yes	yes

PUBLIC COMMENT

Dawn Lightenberger and Ami Fair from the City of Cortez addressed the board about the City's new website redesign. The City is looking into designing a system similar to other cities including Montrose, CO, that utilize a "portal page" in which all entities, i.e. city, towns, county, police, fire department, etc., can be accessed from one unified page. This will make the search function much simpler for individuals looking for information in our area. All the partner web sites that participate in this endeavor will have a similar architecture in their website design. Ms. Lightenberger proceeded to demonstrate how it would work based on what is being done in Montrose. Each entity will have control of their own website, and their own domain name, i.e. cortezfire.com, and will input and control the information posted on their websites. Some of the info input on the individual sites will also be available on the portal page, i.e. events, job openings, etc., and users will be able to access information they are looking for from the portal page and be connected to the proper partner page.

The City has purchased the domain name www.southwestcolorado.com for the portal page. The City has also committed the funds to redesign their web page and the portal page. Bids from companies to design these pages are due mid January. Any entity signed up by then will have some input on the company and the overall design. Hoping for final decision by January 22, 2012.

CORRESPONDENCE

Included in the packet were several inclusions from the Cortez Journal and a thank you letter sent to CASA of the Four Corners for their donations of food to the firefighters.

Chief Vandevoorde commented on what a huge success the food and toy drive was at the Capitol Christmas Tree event.

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 \$16,605.49 to the district for the month of October, 2012.

The business money market account at 1st Southwest Bank had a balance of \$252,338.25 as of October 31, 2012 with Interest earned in October, 2012 of \$71.20 and year to date of \$1,258.88. The annual percentage yield decreased from 0.50% to 0.31%. The 24 month jumbo CD of \$252,500 at 0.90% earned \$187.83 as of October 13, 2012, and year to date of \$1,517.45. The current balance is \$254,017.45.

The balance in the State Farm account, as of October 31, 2012, was \$982,622.55 with interest earned in October, 2012 of \$582.42 and year to date earnings of \$6,153.38. The interest rate remained at 0.70%. The total in our reserve accounts is \$1,488,978.25.

The Federal Open Market Committee reported an increase in economic activity, however employment and business investments have been slow. Strains in the global markets continue to affect our economy as well. The Fed. will continue to purchase treasuries and mortgaged backed securities to keep interest rates low and drive down borrowing costs. The target range for the federal funds rate remains at 0 - .25% possibly through 2015. Retail sales decreased in October after increasing for the previous three months, in-part due to hurricane Sandy and pre holiday slowdown.

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 he attended throughout the month.

Asst. Chief Balke reported that the district is moving forward on the inventory project. With the current grant awards, including the award of the SAFER Grant, the district was able to purchase much needed equipment including hose, cardiac monitor, AED's, chain saw, portable and mobile radios, wildland PPE, and turnout gear. Demonstrations of nozzles has been conducted and we will soon be purchasing 6 new nozzles.

The AFG grant has suspended awarding. They are supposed to expend 90% of the awards by the middle of December, 2012. So far they have done three award sections. There is no information on why they have ceased awarding the grant money. We have not received a denial letter to date.

We received the new tank for rescue 2, and will start working on getting it installed. We sent Engine 1 to Denver for repairs. The valve assembly had to be rebuilt and part of the environmental controls. It was unsure whether it was an electronic or part issue. Either way it proved to be more cost effective to take the engine to Denver as opposed to having someone come here. We still need to send the Rosenbauer Tender to Denver to have the valve assembly rebuilt.

Fire Prevention Week was in October. We did a lot of public education during that week, interacting with 1,227 students.

Asst. Chief Balke also included a graph of the monthly calls and response times for October, broken down by district. The weighted average response time for the month of October, taking into consideration all districts, was six minutes.

REPORT FROM THE FIRE CHIEF

Chief Vandevoorde went over the report and list of meetings he included in the packet. The Chief reported that he and the Asst. Chief have been working off the five-year plan. Being able to free up

some money due to the receipt of the SAFER Grant, we have been able to purchase equipment that was necessary as lined out in the five-year plan. The plan called for replacing seven sets of turnout gear for \$21K, we purchased seven sets for \$17K, ten new pagers, we purchased twelve. We projected purchasing ten new portables, we purchased eight since we also had to get five new mobile radios, as five we had could not be narrow banded. The plan called for the purchase of ten sections each of 1 ¾ inch and 2 ½ inch hose, we were able to get 48 sections of 1 ¾ inch and 20 sections of 2 ½ inch hose at a cost of \$14K. We had planned to put on a fourth person in 2014, we were able to hire six full time firefighters, due to the receipt of the SAFER Grant, which enabled us to have the fourth person on in 2012. This has put us a few years ahead of schedule. Also accomplished this year was the Firefighter I and II academy, drivers training, and several other trainings in the five-year plan. We have accomplished many items on or ahead of schedule and within the budget. All the equipment that has been purchased was very much needed for the firefighters and the department. We have kept an eye on the budget and waited to make these purchases toward the end of the year to make sure the budget could sustain them. The next big project we will need to work on is getting new air packs.

The fulltime firefighters started on October 7, 2012. They will be working a 48/96 hour shift. The A shift is Jared Miller and Keadrick Kingery, B shift if Justin Lindsay and Randon Grimes and C shift is Roger Beckermeyer and Chris Byrne.

We have been awarded \$112,500 from the DOLA Limited Gaming Impact Grant, which we can use toward the purchase of a new fire engine.

There were 136 calls during the month of October, 93 EMS, 36 fire and 7 vehicle accidents. The total calls for the year is 1292.

Chief Vandevoorde and Asst. Chief Balke were part of the incident management team , spending two days assisting with the Roatcap fire. We will be able to submit for reimbursement from the state for the Roatcap fire. We have been reimbursed for the Webber fire, \$16,488.04, and the High Park fire, \$31,129.23.

NEW BUSINESS

A. Local Government Limited Gaming Impact Grant – The five-year plan outlined the purchase of a new fire truck, coming up with specs in 2012, going to bid in 2013 and purchasing the new truck in 2014. A new fire truck is something we really need. We applied for the grant to help offset the total cost of a new fire truck. There was a total of \$4 million in request for the grant. We did not get the total amount we requested, but were awarded \$112,500. We are looking into a partial lease purchase for the remaining cost of the truck. We estimated the cost of the truck at \$475K. We are looking at a ten year lease for either \$150K or \$200K at 2.65%. At \$200K we would have a payment of \$22,788.85 per year, we have budgeted \$25K per year to pay it off a little earlier. The Chief informed the board that we have spent a little over \$35K in the last eighteen months on truck repairs.

Mr. Ertel inquired if we would be trading in a fire truck. The Chief explained that we would be trading in a truck, possibly an E-One, and had hoped to get about \$20 - \$30K for it, but could possibly get about \$60 - \$70K for it. The trade in amount has not been figured into the cost and payment of the new truck due to the uncertainty of the amount.

Mr. Ertel also asked if it would be better to pay for the truck outright instead of paying the 2.65% in interest. We have \$1.4 million in reserves making less than 1% in interest. Asst. Chief Balke explained that he and the Chief are implementing an apparatus replacement program. We are looking at having to replace tenders, brush trucks and the ladder truck. This way we will have the reserve funds in place to help leverage outside money to help in the replacement of the equipment over time. The Chief further explained that once the money is taken out of the reserves, it will be very difficult to build it back up, or replace it. Mr. Ertel requested that we continue to look into a possible lower rate. The Chief explained that the companies that sell the apparatus, do not also finance them. The company he has been working with, Hutchinson, Shockey, Erley & Co., is a group in Denver that specializes in working with fire departments on lease purchases. He has estimated that we will pay

about \$27K in interest, at 2.65%, over ten years, but it would be lower if we pay it off early, incorporate the trade in amount, etc.

We are working with several companies to have them bring demo trucks here for the members to look at and test out.

Mr. Lindsay asked how a ten year lease purchase will work with TABOR. Ms. Mimiaga responded that she had specifically asked how a lease purchase would work in a TABOR class she attended at the SDA Conference. The attorney that taught the class explained that voter approval is not needed for a lease purchase. *(The contract is renewed each year with the leasing company)*

Mr. Bridgewater suggested we also talk to the State Farm Bank about a lease program.

Lori Johnson made a motion to proceed forward with the acceptance of the grant to purchase a new fire truck, Keenan Ertel seconded. The motion passed as follows:

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	yes	yes	yes

OLD BUSINESS

A. Public Hearing for 2013 Budget – At 6:55 p.m. President Bridgewater opened the discussion and public hearing for the fiscal year 2013 budget for the Cortez Fire Protection District.

A budget was presented in October before the award of the gaming grant, and better actual numbers for the budget have been attained. All of these factors have been worked into this updated budget, all changes have been highlighted. Chief Vandevoorde explained each of the changes. The S.O. taxes were increased to \$80K to better reflect the five year average of \$98K, and be more reflective of the actual income. A line was added for a carryover balance. This is the amount that has been calculated to be leftover at the end of the year. It is necessary to have this amount to begin the next fiscal year for general operating expenses as the tax warrants are not paid out in any surmountable amount until March or April. The amount in grants has changed from \$800K, the amount we are applying for, to \$415K which is the amount we have actually been awarded from the SAFER Grant and the Gaming Grant. This helps keep the budget to a truer amount. We will still be applying for the other grants, and if awarded we will then amend the budget. Under transfer in from capital we have added \$162,500, the amount needed from the reserve funds for the purchase of the new fire truck. Also increased was FPPA to \$30K and Insurance to \$70K. We did go a little over budget this year for insurance. We are also looking into working with a different company that is more familiar with the fire industry and better able to serve our needs. Vehicle repair and Gas and Oil were each increased a little due to the uncertainty in the oil markets. A line item was also added for Lease Purchase with \$25K budgeted for the new fire truck. The \$282,500 for Capital Outlay is the amount of the grant, \$112,500, and the transfer from capital of \$162,500, for the purchase of the new fire truck. With all these changes it will leave us with \$31,229 under revenues for the carryover amount for the 2014 budget. The main changes in the updated budget were to incorporate the award of the Gaming Grant and allow for the purchase of the new fire truck.

President Bridgewater acknowledged that the staff has worked hard on this budget and asked if Chief Vandevoorde was comfortable with this budget. The Chief responded that he was indeed very happy with this budget. He has gone over it multiple times line by line. He also pointed out that based on this year's budget, we are only at 83% of the budget based on the profit loss statement, and have set ourselves up for a comfortable amount for the carryover for 2013 to be able to pay the bills before the tax warrants are paid out.

Chief Vandevoorde thanked the Board of Directors for allowing him to accept the Gaming Grant and pursue the purchase of a new engine. It is definitely something that the district needs.

Ms. Mimiaga explained that the final valuations from the assessor's office are due by December 9, 2012. At that point she will be able to calculate the final mill levy to be certified with Montezuma County and then reported to the state. This could slightly change the fund revenue, but not by much. The property tax was estimated low for the budget, with the lower valuations for the county.

There was no comment from the public

President Bridgewater closed the public hearing at 7:10 p.m.

EXECUTIVE SESSION

There was no executive session.

ADJOURNMENT

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

Ertel	Lindsay	Lucero	Johnson	Bridgewater
Yes	yes	yes	yes	yes

The meeting adjourned at 7:11 p.m.

Jim Bridgewater – President

Attest:

Kent Lindsay – Secretary/Treasurer