

**CORTEZ FIRE PROTECTION DISTRICT
REGULAR BOARD MEETING
September 14, 2016**

CALL TO ORDER and PLEDGE OF ALLEGIANCE

President Orly Lucero called the meeting to order at 6 p.m. in the meeting room at Station #1. Roll call followed after the Pledge of Allegiance and the board members present were Rodney Branson (via conference call), Kent Lindsay, Buck Woodman, Sherri Wright and Orly Lucero. Administrative Assistant Wendy Mimiaga, Asst. Chief Shawn Bittle and Chief Jeff Vandevoorde were also present.

APPROVAL OF THE AGENDA

Sherri Wright made a motion to approve the agenda for the September 14, 2016 Board of Directors meeting, Kent Lindsay seconded. The agenda was approved on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
yes	yes	yes	yes	yes

APPROVAL OF MINUTES

The minutes from the regular Board meeting, held on August 10, 2016, were brought before the board for approval.

Sherri Wright made a motion to approve the minutes for the regular Board of Directors meeting held on August 10, 2016, Kent Lindsay seconded. The minutes for the meeting were approved on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
yes	yes	yes	yes	yes

BILLS AND ACCOUNTS

The board reviewed the list of bills, accounts and the financials included in the Board packet.

Ms. Wright asked about the charges on the credit card from San Antonio Texas. The Chief explained that they were from the IAFC conference and training that he and Lt. Beckermeyer attended.

Mr. Branson inquired about the Diesel Technology bill for \$21,861, and that he thought we had that bid for a much lower price, and if it did increase why. The Chief explained that the bid was only to remove the box from the old chassis and install it onto the new chassis as they were not sure what else they were going to run into regarding the lights, wiring, etc. The cost to transfer the 'box' was around \$4,000. Mr. Branson commented that is was \$16,000 for lights? The Chief mentioned the cost for labor was \$98/hr.

Mr. Lindsay asked why we needed new lights if we're just taking the box off and putting it on the new chassis. Asst. Chief Bittle explained that the cost was not just for the light, but to re-wire the entire truck. They did not know what that was going to entail, so it was not bid out. The chassis and the box both had to be modified as the lighting configuration did not work with the new computer system for the truck. This also required several hours. Also, to work on the engines on the new ford chassis, the entire cab is lifted off of the truck. This requires the all the wiring to be plug and play. The lights were also updated and upgraded to LED's for better scene lighting.

Mr. Branson questioned that with that major expense, shouldn't it have been brought to the Board. He was not saying anybody did anything wrong, but \$16,000 is a lot of money. The bid was for \$4,000, and then you get a bill for \$21,000. Also, on there is a bill for \$2,200 to paint the box for Rescue-2.

The Chief commented that the bill was a high, and he did talk with Diesel Tech about the cost, and reiterated that it was not a simple project, they did not know what the rewiring was going to entail, and that was the reason the bid was only to replace the box. Looking at the total cost we spent, we still came in about \$80 - \$90 thousand under the cost to purchase a new vehicle.

Mr. Branson continued that he knew we saved over buying a new vehicle, but did we put any lights on there that were not necessary. He saw six (6) on the running boards, three (3) on each side, and six (6) on the grill. It looks like a Christmas tree.

The Chief responded that it is not a Christmas tree, this is a vehicle that goes on every call, fire, rescue, EMS, brush, and needs to be very visible. The lights that are on there are based on NFPA requirement for vehicles.

Mr. Lindsay asked how many lights did we add. At one time that truck was NFPA standard lights. I don't know if anything has changed, but NFPA is a standard. It is not a law, rule or regulation. It is a standard that you can try and meet. For this department to meet NFPA standards would break us because these standards are built for the most highly response department in the nation. Even when we were volunteer doing 750-800 calls, there was no way we could meet NFPA standards. When we fall back to saying NFPA, I can't buy that, I'm sorry. *(Note: The National Fire Protection Association (NFPA) is an organization devoted to eliminating death, injury, property and economic loss due to fire, electrical and related hazards. We cannot meet all the standards, but we strive to meet those that most affect firefighter safety.)* What did the lights cost us.

Asst. Chief Bittle explained that we replaced the old lights and added twelve (12) more for optimal visibility. The lights themselves were roughly \$80 each.

Mr. Branson asked if the old light box on the cab was reusable. The Chief said that it was not.

Mr. Branson continued that now when you look at Resuce -2 it looks like we are undercover, we don't have a light bar on top, it is in the windshield like an undercover police car.

The Chief explained that it is not meant to be like that like that. We are replacing the light bars on the top of the trucks with interior lights because they are constantly being damaged.

Mr. Branson asked how do we achieve the ability to control spending when all of a sudden \$4,500 bucks we are paying \$21,000.

The Chief reiterated that the \$4,500 was only to remove the box from the old chassis and put it on the new chassis.

Mr. Branson said that was the bid, and all of a sudden we're way over the bid.

The Chief again pointed out the bid was not for the lights and wiring.

Mr. Branson asked this brush truck we're talking about, are we going to be in an open bid.

The Chief said it is out to bid, which will include the lights from the factory. He continued, that if we had purchased the Rescue from a factor, it would have the same type of lighting system as we asked for.

Asst. Chief Bittle added that any time you do a remount of a vehicle, there are unforeseen expenses that do come with it. After the \$4,500 to remount the box, we were going to have to send the unit to a different company to have all the wiring rerun on the entire truck. We were not completely happy with the last job done by this company, so Diesel Tech said they would be able to do the rewiring of the truck.

Mr. Branson stated for the time it was over there, he did not see anything about the fact that the price was going to go through the roof. \$21,000 is an exorbitant amount. Not that Chuck is over charging us, and not that Chuck didn't do it, I saw the wiring harness under there and it is huge. I'm looking at the dollars of it. If all of a sudden we have one month's worth of bills that is over \$71,000. That's just the way I am. There was no advanced warning. *(note: we did not receive any notice from Diesel Tech, until the final bill, regarding to cost estimated to rewire the vehicle. It was not anticipated to cost so much based on past rewiring jobs that we have done.)*

President Lucero asked if the \$21,000 was in the budget. The Chief said that is under capital.

Mr. Woodman asked about the twelve (12) lights and what standard they are for, and the benefits of meeting it. Does it help us with the insurance.

The Chief stated that it is a safety standard.

Ms. Wright turned it around and asked instead of what the benefits are, what could happen if we don't meet them. The lights are important, it is a person's safety.

Asst. Chief Bittle added that you should have 360 degrees of visibility.

Mr. Woodman added that sometimes when you go for a grant, you have to meet certain standards to get it. By meeting the standards will it help us with eligibility for grants, or is it just a guideline we go with.

The Chief said that it is not excessive, we need to be visible out there, it is for safety.

Mr. Woodman added that being able to see is important.

Asst. Chief Bittle added that it is not just for the firefighters to be able to see the scene better, but also for the firefighters and apparatus to be seen better. The lights can both flash red-white-blue, and with a switch all the lights can also shine white. Asst. Chief continued that second to cardiac arrest, more firefighters die in the line of duty responding to emergency calls, i.e collision, not being seen, etc.

President Lucero moved the meeting along and asked if there were any additional questions.

Mr. Lindsay asked what we bought at Ziems Four Corners. It was the deer guard for the F-350, and was covered by insurance.

Mr. Lindsay asked what is Colorado Love Outdoors. It is an outdoor store on Main St. We purchased carabiners and webbing for the academy class training.

Mr. Lindsay asked Fire Protection Pub-Web for \$1,400, what's that. It was the books for the driver operator class.

Kent Lindsay made a motion to accept the bills and financials including the supplemental list of bills, Sherri Wright seconded. The motion passed on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
yes	yes	yes	yes	yes

Mr. Lindsay asked for a breakdown of Rescue-2 and what it cost.

PUBLIC COMMENT

Heidi Trainor – 2015 Audit – Ms. Trainor presented the 2015 Audit to the Board. Starting on page 8, the statement of net position, this is the equivalent of the for profit balance sheet, with a comparison between 2014 and 2015. The cash and investments were up 10% this year over last year. The cash with the county treasurer is the amount of the property taxes levied in one year, but paid in January of the next year. The property taxes receivables is the tax levy for 2016 and is up 5.5%. The liabilities staid close to the same as the previous year. The net position has to be presented is unrestricted, temporarily restricted, and permanently restricted, i.e an endowment. We have unrestricted funds. Even though the funds are allocated by the Board, they can change their mind and allocate it for another purpose.

Page 9, statement of activities, essentially the profit and loss. This shows the expenses that were incurred by function. The admin costs went up about 25% over last year, fire protection went down about 29%, and training went down about 34%. The equipment and maintenance was not measures as there were quite a bit of purchases. The general revenues are listed, taxes, misc., investment income and grants. The transfer to fiduciary funds of \$40,000 is the transfer to the volunteer pension account. The change in the net position was \$356,929.

Page 10 is the same statement, but for government funds. The only difference is it does not include the fixed assets.

Page 11 is the reconciliation of the balance sheet to the statement of net position, and is basically the reconciliation of the two (2) statements.

Page 12, the statement of revenues, expenditures and change in fund equity governmental fund, is essentially the profit and loss without depreciation. In government wide statements we call purchases of capital assets, capital outlay, and it is expensed. There was \$452,089 in capital outlay in 2015.

Page 13 is the reconciliation between the previous two (2) statements.

Page 14, the statement of fiduciary position fiduciary funds, is the volunteer pension fund. The total assets are down just a little from the previous year at 2,222,180, but really seems to be holding steady.

Page 15 is the profit and loss for the pension fund. It shows where the money came from, where it was spent, the change in net position a loss of \$50,281 which is related to market fluctuation, and the year end value.

Page 16 starts the accounting policies. The notes to the financial statements is to help you understand the steps being taken and that all the accounting principles are being followed.

Page 22 talks about the cash and is similar to what you would see in the bank statements vs what is shown on the books, comparatively, these are the two differences. As you reconcile the bank statements, you can see the outstanding checks and/or deposits, those are the differences.

Pages 24 and 25 list the details of the investments in the pension account.

Page 26 is the detail of the assets owned by the District. It shows a large purchase or addition of equipment and vehicles which was the SCBA's and the new pickup truck. It goes on to show the depreciation associated with each category.

Page 28 begins the volunteer pension plan. The information comes primarily from the actuarial report, the most current was completed this year, for 2015. It shows that the pension fund is sound. It also shows that the total number of members has gone down.

Page 30 shows the pension liability, and what it will take to keep the pension fund sound. This is determined based on the portfolio of investments, along with the state and district funding, and project the future earnings and then calculate how many people will draw on the account and for how many years. i.e. an individual will retire at 50 years of age with a life expectancy of an additional 26.2 additional years. They then determine if the portfolio will be able to accommodate everyone. It is a very difficult calculation.

Page 31 discloses the sensitivity of the net pension liability based on an increase or a decrease of 1% of the discount rate.

Page 32 shows the transfer of money from the District's general fund to the pension fund, contingencies and the tax levy.

Page 33 outlines the subsequent events, the \$2 million grant the District has been awarded in the current year.

The following pages show the budget to actual comparisons. The District is under budget, therefore there is no need to do a supplemental.

Pages 38 and 39 are more required disclosures for the pension fund for seven (7) years. The following pages show the budget to actual for the pension fund. It is also within budget so no supplemental is needed.

Ms. Trainor finished saying that everything is going very well, internal control is good, and everything is being managed well.

It was also pointed out that over the past few years, more and more of the audit revolves around the pension fund. This is due to new standards from the State which requires more work from our auditor.

Kent Lindsay made a motion to accept the 2015 Audit, Sherri Wright seconded. The motion passed on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
yes	yes	yes	yes	yes

Ms. Trainor will file the 2015 Audit with the State the next day, Thursday, September 15, 2016.

CORRESPONDENCE

Included in the packet was one inclusion from the Cortez Journal from August 26, 2016.

REPORT FROM THE ADMINISTRATIVE ASSISTANT

A report of the current financial accounts was included in the packet. The county treasurer's office distributed a total of \$43,549.04 to the district for the month of August, 2016. \$28,631.69 for the general mill levy, and \$14,917.35 for the additional mill levy.

The balance in the State Farm account, as of August 31, 2016, was \$650,504.47 with interest earned in August, 2016 of \$248.57, year to date earnings are \$1,898.45. The interest rate remained at 0.45%.

The business money market account at 1st Southwest Bank had a balance of \$130,211.23 as of August 31, 2016, Interest earned in August, 2016 was \$27.65, year to date earnings are \$217.43. The annual percentage yield remained at 0.25%.

The 3 year jumbo CD of \$257,092.42 at 0.60% earned \$132.95 on August 13, 2016. Total interest paid on the CD to date is \$3,878.94 for an updated balance of \$260,971.36.

The \$250,000.00 CD deposited at the First National Bank of Cortez on February 14, 2014 for five (5) years with an interest rate of 0.98% has a current balance of \$254,942.22 as of February 12, 2016.

The \$300,000.00 CD deposited at the Community Banks of Colorado for five (5) year CD at 1.15% has a current balance of \$303,260.96 as of March 23, 2016. Neither of these accounts produce a monthly statement, and only update on a yearly basis. There was no current update for either of these CD's.

It was reported that the total earned on the reserve funds for August was \$409.17 and the total in the reserve accounts was \$1,599,890.24.

The unemployment rate remained at 4.9% in August, while adding only 151,000 jobs. Wages have been increasing, and we have the strongest economy we have had in the past eight years. The economy has added over one million jobs so far this year. A 5% unemployment rate is considered full employment, and it is determined that only 100,000 jobs need to be added each month to keep up with population growth and to keep the rate low.

REPORT FROM THE ASST. CHIEF

Asst. Chief Shawn Bittle included a copy of his report and a list of meetings, events and trainings he attended. Asst. Chief Bittle reported that he attended the National Fire Academy in Washington D.C. for two (2) weeks, working on emerging educational technologies. Asst. Chief Bittle thanked Chief Vandevoorde for allowing him to complete the course.

Many of the ongoing projects were completed. The Jack Click Training academy class will graduate on Saturday, October 8, 2016, at the Church of Christ, at 4 p.m. The current class average is 83.6%. They will be in the burn tower in Ignacio this month. The recruit class was also able to respond to a house fire in the Dolores area and put their skills to work, mostly doing mop-up and hitting hot spots. Chief Zion in Dolores appreciated the extra hands.

Asst. Chief Bittle announced that he has finally been granted administrative access to the Facebook page and has been able to post every two to three days. This has resulted in reaching many more people. The Asst. Chief is also looking into starting a twitter feed.

The Chaplain, Rob Hall, has been very active again with the District. He also responded to the house fire in Dolores. The Asst. Chief has also been working with the Good Samaritan center, and will possibly be setting up a bold pressure clinic once a month for their clients.

J.Fargo's will again host the Tip-A-Firefighter fundraiser on Saturday, October 29, 2016 from 11 a.m. to 4 p.m. and Trunk-Or-Treat from 4 p.m. to 7 p.m. This is the same day as the downtown children's parade. We will also have kids games set up in the back parking lot at J.Fargos's along with the apparatus. Asst. Chief Bittle also reported that he has given J.Fargo's one of his desert recipes, deep fried banana bread. They are calling it Hook-and-Ladder Banana Bread, and for every desert they sell, they will donate \$1.50 to the Cortez Fire public education fund.

REPORT FROM THE FIRE CHIEF

Chief Vandevoorde went over his report and list of meetings that were included in the packet. The Chief reported that an RFP was sent out for the new Brush Truck, and we have received five (5) bids. The committee will go through the bids to see which match up with the specs listed in the RFP. The bids will be evaluated based on price and if they met the specifications. Per price, one is very high, and the other four (4) are all within the same range.

The department physicals are also complete. There are only three (3) individuals who still need to be scheduled. It is important for the members to have a yearly physical.

The Chief, along with Lt. Beckermeyer, attended FRI, Fire Rescue International, in San Antonio, Texas, August 15 – 20, 2016. This is one of the biggest fire shows in the country. The Chief was able to talk with many representatives, and get information on many items that will be needed for the new station, i.e. doors, alerting systems, exhaust systems, etc.

There were 162 calls during the month of August, 127 EMS calls, 31 fire calls and 5 vehicle accidents. The total number of calls to date, for 2016, is 1,287.

The new Rescue-2 is complete and in service. The vehicle looks great, and Diesel Tech did a good job. Regarding the wiring of the new truck, we have worked with Audio Box in the past, and have had several problems with the work. Diesel Tech said they would be able to also do the wiring. They were very meticulous. The Chief said he did have sticker shock on the price charged for the job, but it was a very labor intensive job. There was not really a way they could have 'bid out' the job, as there were many facets to it. Keesee also do a great job re-painting the box to match it to the new chassis. Everything has turned out well on the new Rescue-2. There have been nothing but

compliments from the firefighters on the new truck, and we have saved \$80 – 90 thousand by not having to buy a new rescue unit from the manufacturer.

Mr. Branson asked what the old chassis will sell for. The Chief replied that he has someone checking on the blue book value and checking around the area to come up with a price. Currently it needs an injector for the engine, around \$1,000. It will be sold as is, and will be put out for bid.

Also included was the list of fire inspections for the month of August from Sean Canada.

NEW BUSINESS

DOLA Energy Impact Contract – The Chief stated that we are still waiting for the contract from DOLA for the Energy Impact Grant we have been awarded for \$2 million. Upon receipt, we will have our attorney review the contract and alert us to any changes they deem fit. As this process will need to be done in a timely manner, the Chief asked the Board to grant President Lucero the authority to sign the contract, after review and acceptance by our attorney, and submit to DOLA.

Sherri Wright made a motion to grant President Lucero the approval to sign the DOLA contract after review and acceptance by the attorney, Buck Woodman seconded.

Discussion ensued, Mr. Lindsay told a story about a contract for a past hospital addition and the conflicts and fight that ensued with the county commissioners. He stated that he will not approve anyone to sign a contract that he hasn't read.

Sherri Wright amended the motion to grant President Lucero the approval to sign the DOLA contract after review and acceptance by the attorney, and then the contract will be submitted to each Board member for review, and acceptance by a majority, with in two (2) days of receipt of the contract, Buck Woodman seconded. The motion passed on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
yes	yes	yes	yes	yes

Pacheco Ross Contract for Architectural Services – Chief Vandevoorde explained that after the June 14, 2014 Board meeting, a request for Proposal (RFP) was solicited for an architect to design the new fire station. We received many submissions, and after several presentations on November 17, 2014 we selected Dennis Ross of Pacheco Ross Architects as our architect. A contract was signed with Pacheco Ross on December 10, 2014 for the first phase of the design, Schematic Design. We also enlisted a third party estimator to evaluate the cost of the project based on the design.

The next phases of the project will be the Design/Development, then the Construction Documents, Bidding and Construction. The Chief requested that the Board grant approval to President Lucero to sign the next contract with Pacheco Ross Architects upon review and acceptance by our attorney.

Kent Lindsay made a motion to grant President Lucero the approval to sign the Pacheco Ross contract after review and acceptance by the attorney, and then the contract will be submitted to each Board member for review, and acceptance by a majority, with in two (2) days of receipt of the contract, Sherri Wright seconded. The motion passed on the following vote:

Branson	Lindsay	Woodman	Wright	Lucero
yes	yes	yes	yes	yes

OLD BUSINESS

There was no old business.

EXECUTIVE SESSION

President Lucero stated that the board would go into an executive session at the request of Chief Vandevoorde for the review of the Fire Chief, pursuant to C.R.S. 24-6-402(4)(f) to discuss personnel matters.

Sherri Wright made a motion to enter into an executive session to discuss the evaluation of the Fire Chief pursuant to C.R.S. 24-6-402(4)(f), Rodney Branson seconded. The motion passed as follows:

Branson	Lindsay	Woodman	Wright	Lucero
Yes	yes	yes	yes	yes

President Lucero stated that the board would enter into an executive session pursuant to C.R.S. 24-6-402(4)(f) to discuss personnel matters at 7:12 p.m.

The Board came out of executive session at 8:15 p.m.

Upon adjournment of the executive session, President Lucero stated that the board did not adopt any policy, position, resolution, rule, regulation or take any formal action.

ADJOURNMENT

The meeting adjourned at 8:15 p.m.

Orly Lucero – President

Attest:

Kent Lindsay – Secretary/Treasurer