

LAKE CITY AREA FIRE PROTECTION DISTRICT

AGENDA

May 31, 2022

Regular Meeting

6:00 p.m. – Lake City Fire Station, 131 N. Henson Street

Zoom Meeting Link for Guests:

<https://us02web.zoom.us/j/89185783323?pwd=NnpvQkE5Y2NpcmFISXZ3a016aGdSQ09>

CALL TO ORDER

ROLL CALL

MINUTES **

BILLS PAYABLE

TREASURER'S REPORT **

MANAGER REPORT (emailed separately)

FIRE CHIEF/FIRE MARSHAL REPORT (emailed separately)

1. BOARD OF DIRECTORS – Swear In Newly Elected Directors
2. ELECTIONS – Ballot Question Planning **
3. FIRE STATION – Propane Tank Upgrade **

ADJOURNMENT

** included in packet

RECORD OF PROCEEDINGS

Regular Meeting

April 26, 2022

Vice-Chairman Boyce called the regular meeting of the Board of Directors of the Lake City Area Fire Protection District to order at 5:06 p.m. in the fire station. Those Directors present were: Brent Boyce, Crystal Brown, Dennis Cavit (via phone) and Jim Rowe.

Director Hall was absent.

Also present were Bill Hagendorf, Manager (via phone) and Michelle Pierce, Secretary.

MINUTES OF PREVIOUS MEETING

Director Rowe moved, Director Brown seconded to approve the minutes of the March 29, 2022 regular meeting as circulated. The motion passed with all voting yes in a general vote.

(Chairman Hall entered the meeting at 5:08 p.m.)

BILLS PAYABLE

Director Rowe moved, Director Brown seconded to approve payment of the bills as circulated. The motion passed with all voting yes in a general vote.

TREASURER'S REPORT

Director Boyce moved, Director Rowe seconded to approve the Treasurer's Report for the month ending March 31, 2022 as circulated. The motion passed with all voting yes in a general vote.

QUARTERLY BUDGET REPORT

The Directors read the quarterly budget report for the 1st quarter 2022.

MANAGER REPORT

The Directors read the report submitted by Manager Hagendorf (see attached).

FIRE CHIEF/FIRE MARSHAL REPORTS

The Directors read the reports submitted by Fire Chief/Fire Marshal Wonnacott (see attached).

2021 AUDIT REPORT & MANAGEMENT LETTER

David Green, Green & Associates, LLC, joined the meeting via phone and presented the 2021 audit report.

The Directors read the accompanying management letter.

2022 INCLUSIONS OF TERRITORY – Public Hearing & Order Granting Inclusions

Chairman Hall opened the public hearing to consider comments regarding this year's inclusions of territory. Secretary Pierce stated that no comments had been received either verbally or in writing. There were no members of the public present.

Director Boyce moved, Director Rowe seconded to grant the following petitions for inclusion:

Thomas G. Arnold and M Susan R. Arnold. Lots 9, 10, 11, and 12, Block 2 Wades Addition and adjacent vacated Henson Street, Hinsdale County, CO.

John D. Bass and Shelley S. Bass. Lot 7, Block 5 Vickers Enterprises Ranch Estates Subdivision, Hinsdale County, CO.

Curtis N. Coates. Lots 17-18-19-20-21, Block 9 Wades Addition, Hinsdale County, CO.

DA5E 4 LLC. Lot 9 Monte Queen Subdivision, Hinsdale County, CO.

Hunter Lear, Taylor Lear, and Ted Norman Lear. Lots 11-12-13, Block 10 Wades Addition and Portion of adjoining former riverbed, Hinsdale County, CO.

Michael T. Murphy and Sandy K. Atkinson Murphy. Lots 4 & 6, San Juan Ranch Estates Subdivision, Hinsdale County, CO.

Gary S. Payne. Lot B, Replat of Lots 1-4, Park Creek Subdivision, Hinsdale County, CO.

The motion passed with all voting yes in a general vote.

RECORD OF PROCEEDINGS

Regular Meeting (2)

April 26, 2022

ELECTIONS – Ballot Question Planning

The Directors reviewed Director Rowe’s notes from the committee meeting held April 15, 2022, along with financial data provided by Manager Hagendorf. After some discussion, the Directors agreed to review the notes and financial data in detail and to discuss this matter further at the next regular meeting.

EQUIPMENT – Discussion Regarding Purchase of EForce Rescue Tool Ram

Manager Hagendorf stated that the recent grant received for the purchase of 4 sets of turnout gear has freed up \$10,400 in the Capital Reserve Fund that won’t be used this year. He proposed that the Directors consider spending some of those funds to purchase a ram for the District’s EForce Rescue Tool.

Manager Hagendorf stated that he found a reconditioned unit with a 12” extension of the same brand from the same vendor that provided the District’s rescue tool for \$6,948 with a one-year warranty. He stated that the reconditioned unit would be sent back to the factory for a full inspection prior to being purchased by the District. He noted that a brand-new ram with a 12” extension would cost \$10,850.

After some discussion, the Directors agreed to proceed with the purchase of the reconditioned ram and extension as proposed by Manager Hagendorf.

LEGAL SERVICES – Notice of New Firm for J. David Reed

The Directors read a letter from The Martin Law Firm notifying the District that J. David Reed will leave the firm on May 31, 2022 to join the Dufford Waldeck Law firm located at 510 S. Cascade in Montrose. In its letter, The Martin Law Firm asked the Directors to specify if they wish to continue to be represented by Mr. Reed or to be represented by themselves or another attorney.

After some discussion, the Directors agreed to continue to be represented by Mr. Reed.

<u>BILLS PAYABLE TO AND FOR:</u>	<u>AMOUNT</u>	<u>FUND</u>
Bill Hagendorf – Contract Labor, District Manager	1,800.00	Gen.
Bill Hagendorf – Reimburse for Mileage to Deliver Gates to Lake City	117.00	Gen.
Blue Spruce Building Materials – Metal Hose Nozzle	7.59	Gen.
CenturyLink – Phone/DSL	132.51	Gen.
Evan Milski – Meal Per Diem & Mileage Reimbursement, CB Training	173.50	Gen.
Gunnison County Electric Assn. – Electricity	89.04	Gen.
Hinsdale County – Diesel Fuel	60.73	Gen.
Joe Wonnacott – Contract labor, Fire Chief & Fire Marshal	1,000.00	Gen.
Michael Ralph – Per Diem for Meals, CB Training	77.00	Gen.
Michelle Pierce – Contract Labor, Secretary	700.00	Gen.
Municipal Emergency Services, Inc. – 4 Milwaukee 5 Amp Batteries	1,133.00	Gen.
Silver World Publishing Co. – Notice of Election Cancellation	26.40	Gen.
Silver World Publishing Co. – Notice of Inclusions	63.80	Gen.
Special District Association of Colorado – 2022 Dues	516.88	Gen.
VISA – E3 Air Brake Foot Valve, Battery Powered Sawzall	179.98	Gen.

ADJOURNMENT

There being no further business to come before the Board, Director Boyce moved, Director Brown seconded to adjourn the regular meeting at 6:18 p.m., but to meet again at the regular meeting on May 31, 2022. The motion passed with all voting yes in a general vote.

Chairman

ATTEST:

Secretary

LAKE CITY AREA FIRE PROTECTION DISTRICT

Treasurer's Report

April 30, 2022

	<u>BEGINNING BALANCE 4/1/2022</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>ENDING BALANCE 4/30/2022</u>
GENERAL FUND	\$122,957.85	\$12,046.84	\$6,518.57	\$128,486.12
CAPITAL RESERVE FUND	\$462,718.97	\$5,195.12	\$245.07	\$467,669.02
CONTINGENCY RESERVE FUND	\$68,502.68	\$296.86	\$14.00	\$68,785.54
FACILITIES FUND	\$7,700.00	\$0.00	\$0.00	\$7,700.00
TOTALS	\$661,879.50	\$17,538.82	\$6,777.64	\$672,640.68

Petty Cash	\$25.00
Checking Acct - CBANKS	\$100.00
MM Acct - CBANKS	\$567,340.40
MM Acct - ColoTrust	\$85,175.28
Certificates of Deposit	\$20,000.00
TOTAL	\$672,640.68

Respectfully submitted,

Treasurer

4-15 9-10:30. Notes from Mill Levy Meeting with Bill, Jim, Dennis and Michelle

Reviewed in detail Bill's handout on the 10 year financial trends along with his observations and notes.

Also reviewed the history of the existing 4.447 mill levy for the Fire District. When the Fire District was formed, the mill levy was set at 4.0. Under that statute, the FD was able to increase the ML by 5% per year resulting in the existing rate of 4.447. In 1999 when Tabor came into existence the local voters approved that the fire district would be allowed to maintain the 4.447 mill levy rate in spite of Tabor. However, any increase in that existing 4.447 amount would require approval of the voters. Therefore the mill levy was frozen at 4.447 and would not be reduced by the impacts of Tabor due to the successful vote (239-53). No increase in mill levy for FD has ever been requested for the town.

To add approx \$30K to our assessment (approx 10%) would require a 1 point increase to our Mill Levy rate and add approx \$25 to the tax bill for LC residents and other Fire District participants

We discussed four key areas to review to evaluate the Mill Levy issue and the timing of the Mill Levy (2022 or later).

1. Equipment.

Evaluated the current equipment replacement process and if it was adequately funded. The answer was yes, if we continue to follow the plan the equipment fund should be adequate to meet our needs. The challenge will be to locate good used equipment due to cost of the new equipment. However this area is in good shape financially.

2. Training and volunteer pay.

If we are successful with the FEMA grant that will provide the funding for the next 4 years for our plan to reimburse volunteers for training time, etc. If the grant is not renewable than we would need to finance the continuation of the program out of the general budget and if the trends continue the general budget will not be able to absorb that additional expenditure.

3. Maintenance.

As noted in Bill's bullet points, most of the maintenance that is done on the equipment is done in house. In the future, the amount of in-house maintenance may no longer be able to be done in-house if Bill is no longer in his position.

4. Personnel

The key issue we spent most time on was the future of the Fire District once Bill and Michelle are no longer involved. Also Joe's position as the key Operations Manager for the department at some point needs to be done by someone who is full time in LC. Also how do we hire/support and maintain their replacements.

The key issue we discussed was Personnel. Over the last 10 years, under Bill's leadership and Michelle's administration the fire district has risen to be benchmark for providing quality personnel, equipment, facilities and leadership for a small town volunteer group. Bill plans are to retire from the district in about 3 years when he turns 62. Michelle has been on board with the district since 1985. Our number one question is how do we maintain this the same level of excellence after they are no longer available.

We discussed what it would take to bring in someone with experience and leadership qualities to take on these two responsibilities. We discussed how we could potentially expand the administrator role to take on the paper work, grants, govt regs, etc. Leaving the Operations of the department to the second person. How do we attract someone to to town given the local housing situation.

We discussed other positions, in town such as Town Mgr and EMS Manager and how they are compensated and deal with the housing issue.

The discussion then turned to Housing. Given that the Fire Station property is 11 town lots with the Station on 4 lots, there is plenty of space to consider affordable housing on-site (or on another site). Bill and Michelle discussed options for FEMA grants, partnering with town/county on affordable housing. Talked about a 4-plex that would provide housing for volunteers as well as the Operations Leader and Administrator. Dennis discussed the option of a housing allowance.

Next Steps for the Committee

1. Develop two job descriptions based on adding much of Bill's budget/administrative/ grant work and combining that with Michelles responsibilities. (Bill and team)
3. Develop a projected salary for both positions with the thought to keep these positions as contractors, not employees. (Bill and team)
2. Research the Affordable Housing opportunities for rural CO towns and options for the FD to capitalize on this issue to provide a housing option that we could offer someone who came in to take a position with the FD. Also the apps would provide a revenue source for the FD and potentially replacing need for mill levy.

Cheers
Jim

Lake City Area Fire Protection District

Initial Workshop for Consideration of Mill Levy Ballot Question

Financial Data for FY2016 -FY2020

- 1) An assessed valuation reduction of \$2,333,540.00 during this five year period represented a 7.75% decrease in available annual revenue.
- 2) \$235,999.00 in local, state, & federal grant funding received.
- 3) \$48,184.00 in donations received from full time and seasonal residents.
- 4) Grants and donations during this five year period totaled \$284,000.00 and represented 52% of the LCAFPD operating budget revenue.
- 5) \$19,545.00 in revenue or \$3,909.00 average per fiscal year was collected for Out-of-District responses. This represented 3.5% of the LCAFPD operating budget revenue.

Financial Data for FY2011-FY2020

- 1) An assessed valuation reduction of \$2,125,916.00 during this ten year period represented a 7.0% decrease in available annual revenue.
- 2) \$363,640.00 in local, state, & federal grant funding received.
- 3) \$91,002.00 in donations received from full time and seasonal residents.
- 4) Grants and donations during this ten year period totaled \$454,642.00 and represented 43% of the LCAFPD operating budget revenue.
- 5) \$32,176.00 in revenue or \$3,218.00 average per fiscal year was collected for Out-of-District responses. This represented 3.0% of the LCAFPD operating budget revenue.

Other Information to Consider during the Last Ten Years

- 1) All preventative maintenance for apparatus and equipment, and apparatus and equipment repairs were performed in-house with no incurred labor cost.
- 2) Equipment and supply purchases were made utilizing best price practices. Vendor relationships acquired over thirty plus years were utilized for discounts on equipment. Cooperative Group Purchasing Contracts were also utilized from Texas relationships.
- 3) All Out-of-Service billing and collections were handled by in-house staff.
- 4) All grant applications, performance periods, and grant management was completed by in-house staff.

LAKE CITY AREA FIRE PROTECTION DISTRICT

Audited Fiscal Year Comparison General and Capital Reserve Fund

<u>General Fund</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
Assessed Valuation	\$30,370,233	\$30,556,820	\$28,615,020	\$29,151,790	\$30,556,580	\$31,118,850	\$29,129,374	\$29,266,050	\$28,223,040	\$28,088,782	\$29,488,839
As of Date 12/31	\$29,029	\$36,241	\$74,362	\$102,923	\$121,393	\$155,382	\$149,858	\$166,350	\$155,380	\$144,844	
Adopted Budget	\$107,020	\$111,881	\$88,138	\$91,830	\$122,550	\$124,370	\$118,695	\$119,100	\$118,185	\$119,350	\$128,750
Audited Budget	\$107,820	\$111,908	\$87,871	\$94,464	\$121,322	\$94,377	\$126,880	\$104,766	\$101,060	?	?
Grants Revenue	\$1,664	\$2,925	\$0	\$1,751	\$17,280	\$1,053	\$8,248	\$2,248	\$0	\$550	
Donations	\$2,000	\$10,304	\$9,971	\$8,729	\$5,950	\$8,265	\$4,013	\$8,908	\$2,820	\$11,814	
Fees for Service	\$0	\$0	\$1,864	\$10,767	\$4,630	\$8,246	\$3,085	\$1,725	\$1,859	\$475	
<u>Capital Reserve Fund</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
As of Date 12/31	\$267,157	\$231,671	\$262,992	\$283,885	\$321,905	\$330,046	\$366,929	\$346,155	\$383,970	\$419,195	\$452,853
Reserved for Equipment	\$0	\$101,731	\$169,966	\$197,559	\$234,935	\$272,311	\$309,687	\$303,230	\$334,406	\$369,232	\$411,305
Carry Over - Equipment	\$267,157	\$129,940	\$93,026	\$86,326	\$86,970	\$57,735	\$57,242	\$42,925	\$49,564	\$49,963	\$41,548
Percent of Difference	0.00%	127.73%	54.73%	43.70%	37.02%	21.20%	18.48%	14.16%	14.82%	13.53%	10.10%
Grants Revenue	\$0	\$0	\$0	\$99,834	\$0	\$0	\$207,170	\$0	\$0	\$0	\$12,917
Donations	\$0	\$0	\$0	\$0	\$7,638	\$1,530	\$0	\$500	\$3,505	\$0	
Sale of Equipment	\$16,000	\$19,485	\$5,000	\$0	\$0	\$15,000	\$800	\$0	\$0	\$0	
Purchased Equipment	\$62,283	\$82,196	\$0	\$105,497	\$0	\$0	\$197,589	\$48,233	\$10,600	7,110	

Fire Station Propane Tank Upgrade

Below is the initial proposal for Option 3 as of March 2021 and proposal for Option 3 as of May 24, 2022

Option 3 (These prices were from 3/2021)

Install new underground 1000-Gal LPG tank

\$3,500.00 – (1) New 1000-Gal underground LPG tank with anodes

\$100.00 – Tank transport fee

\$1,100.00 – Demo old tank slab, dig hole for tank, provide bedding material, backfill new tank and grade

\$125.00 – JC Propane pump propane from old tank

\$65.00 – JC Propane service call

\$150.00 – JC Propane labor for install

\$125.00 – JC Propane miscellaneous supplies

\$5,165.00 – Sub-total

-\$300.00 – Credit for existing tank

\$4,865.00 - Total

Option 3 (Prices as of 5-24-2022)

Install new underground 1000-Gal LPG tank

\$6,266.00 – (1) New 1000-Gal underground LPG tank with anodes (*Price is for tanks on hand and already spoken for. The next tank delivery will be in August, no guarantee on price*)

\$250.00 – Tank transport fee

\$1,400.00 – Demo old tank slab, dig hole for tank, provide bedding material, backfill new tank and grade

\$188.00 – JC Propane pump propane from old tank

\$85.00 – JC Propane service call

\$237.00 – JC Propane labor for install

\$150.00 – JC Propane miscellaneous supplies

\$8,576.00 – Sub-total

-\$300.00 – Credit for existing tank

\$8,276.00 - Total