

CARBONDALE & RURAL FIRE PROTECTION DISTRICT

MINUTES OF THE SPECIAL MEETING

BOARD OF DIRECTORS

CARBONDALE FIRE HEADQUARTERS

JULY 29, 2015

The Board of Directors of the Carbondale & Rural Fire Protection District met for a special meeting on July 29, 2015 at the Carbondale Fire Headquarters/Training Building.

President Gene Schilling called the meeting to order at 12:05 p.m. Directors present were Mike Kennedy, Louis Eller, Bob Emerson and Carl Smith. Also present were Ron Leach, Jenny Cutright, Eric Gross, Rob Goodwin, Bill Gavette, Frank Nadell, Dean Perkins, Logan Piccolo, Brandon Deter, Ron Kroesen, Jake Spaulding, Jeff Wadley, Will Grandbois, Hank van Berlo. Representing Almont Associates were: Mike Tucker, Keith Chapman and Stuart McElhaney. Representing Mark Chain Consulting were: Mark Chain and Leslie Lamont.

Gene Schilling said that the purpose of the meeting was to allow the master plan consultants to present their work to the Board of Directors and for the Board of Directors to ask questions to them.

Ron Leach said that Almont Associates were in attendance to present the draft of the master plan, which was received on July 11. He said that they are also requesting payment for that portion of the work as the contract states. He added that the final payment is due upon receipt of the final draft of the master plan, which is expected to be received Monday, August 3. He said that any necessary changes will be made after their presentation today and then the final plan will be submitted to the District.

MOTION: made to pay both the current and upcoming final invoice for the master plan to Almont Associates. It carried and passed unanimously.

MASTER PLAN CONSULTANT PRESENTATIONS

Almont Associates Mike Tucker introduced himself and the Almont Team. They reviewed the services they were hired to complete. They presented the attached slide presentation. Key points made during the each person's presentation are below.

Keith Chapman

- A strategic plan was meant to be part of the master plan document. It is a community driven strategic plan. A strategic plan is generally a five year plan. Almont Associates recommends refreshing the strategic plan in five years.
- The medical response time chart is critical. The District is not capable of meeting the times with the current staffing.
- Staff and Volunteers were very open with their comments during SWOT analysis.
- The current mission statement was refreshed with the words "professional dedicated force" of volunteers and paid staff, showing more of an accurate team approach to response.

- Core Values were identified as: Integrity, Respect, Honesty, Professionalism.
- Look at preparing for International Accreditation, there are 11 strategies in the master plan that fall in line with this.
- Internal Stakeholders were concerned with the ability to implement the master plan. Some did not think the previous master plan was fully implemented. Almont Associates encouraged the District to build annual goals for each fiscal year. They also said that measuring progress is very important.
- Celebrate successes and when goals are accomplished from the master plan, let the community know so they can celebrate District's success too.
- Fire RMS is underutilized. It can be used to help track, manage and maintain inspections. A common comment they heard was there needs to be better inspections and plan reviews.
- The District has phenomenal resources regarding equipment maintenance, but the mechanics are not EVT certified. EVT certification is a benchmark.
- Make sure there is a life cycle on everything and a capital replacement schedule for it.
- SCBA bottles were out of their lifespan during their first visit, but that has been corrected. He made a brief comment similar to what was listed on page 126 of the master plan.
- The District needs grooming standards for SCBA fit testing. The District is not fit testing for N95 masks.
- The maintenance staff is overwhelmed and seasonal staffing would be helpful.

Mike Tucker

Mike Tucker said that Almont Associates did not shy away from any of issues discovered. He said that the Board of Directors hired Almont Associates to look at the District and tell the Board of Directors what those are. He said the master plan is a recommendation, but it is up to the Board of Directors to set the standard and implement what portions they want.

- Even if the District does not want to receive International Accreditation, it is strongly encouraged to do the self-assessment piece.
- The District is an active participant with local and state agencies. This is good for staff to be able to go out and get to experiences they might not here, plus other agencies offer assistance when the District needs it. He said that the fire service is built around an average bad day, not an exceptionally bad day, such as a 10,000 acre wildfire.
- The District responds to areas that are not in the District or covered in an agreement. This puts the district at risk.
- The Board of Directors is tasked with making policy level decisions and not day to day oversight.
- The bylaws allow board members to serve as volunteers, which could be seen as a doctrine of incompatibility. There were concerns brought up during the internal stakeholder process about Board members serving as volunteers.
- Board members are in disagreement as to involvement in day to day operations.
- Administrative/Support staff serves as additional responders, including some who regularly are scheduled on nights and weekends. When they leave their offices that takes them away from their regular duties.

- Volunteers serve a variety of roles. There needs to be clarification on the specific roles (support versus response) of volunteers and volunteers need to be held to that standard.
- The District needs to decide if it wants to fall under NFPA 1710 or NFPA 1720, which says if the District is a substantially career or volunteer organization and then build the response and performance criteria around that standard.
- The District's response and reaction time is good response times in the state of Colorado. The District's average was 9:46 in 2013 and 9:57 in 2014. Almont Associates recommends moving to 'fractile' reporting at 80% and 90% levels.
- A majority of calls occur within the response area around Station 81. There are also a significant amount of calls within Station 84 & 85 response area. More than 50% of the District calls are over an hour, with some longer than 2 hours.
- Expected trends:
 - Call volume and demand for service will increase. Certain segments of the population are using EMS as their primary care, which impacts the District's ability to respond to day to day calls.
 - Wildfires will continue to impact the regular response to EMS calls
 - EMT-I NR is being discontinued and new tests will not be developed. Tests will not be current.
 - Grant funding is becoming less reliable.
- The ISO rating is important, but not the only thing to build your organization around. 95.51% of structures are within 5 road miles
- Concurrency is the number of calls that happen at the same time. This is a real issue. From 2011-2014, 13%-19% of the calls were concurrent. In 2011 there were 54 times calls were concurrent and 93 times in 2012.
- National Standards:
 - NIMS compliant
 - ISO graded better than 56% of Colorado fire departments and 68% of national fire departments and NFA 1001 compliant.
 - The District is not accredited by the Center for Public Safety Excellence but the master plan will help move the District in that direction and we will be able to compare CRFPD to other agencies national and internationally.

Stuart McElhaney:

- Community expectations tie to funding, with the community telling what level of service they want and will fund.
- The public wants transparency, but as a whole, the fire service is bad at telling people what we do and what it takes to do what we do.
- Almont Associates reviewed where the District has been, where we are now and reviewed audits, budgets and reports from auditor.
- 41.6% drop in assessed valuations over a four year period. A 25.5% increase in assessed valuations is expected for FY2016 but it is not enough to stop the fund balance from the continual decline.
- 2013 ambulance rate increase did not have much of an impact on revenues. Almont Associates suggests the District look at the rate structure and call severity. All types of ambulance payors are trending down in their amount of payments.

- Ratio between ambulance billing and funds collected, 50% is fair by industry standards, but it should be higher given District payor mix.
- There are more people without insurance, with limited insurance or just not paying their bills. The District may want to analyze commercial payors since we are not a network provider
- There is not a lot of opportunity to reduce operating expenses other than what has already been have done. Two-thirds of the expenditures are personnel services.
- The staff is light. If any more positions are cut, level of service will be significantly impacted.
- \$200,000-\$300,000 is reasonable for annual capital replacement budgeting. Almont Associates recommended spreading the capital replacement program over a number of years and planning for it. They noted the District is not currently replacing any capital equipment.
- Economic model assumptions:
 - 25.5% increased assessed valuation for 2016-2017, 5% for 2018-2020
 - Expenditures have inflation factor built in – personnel services 3%, rest of expenditures 2%
- Fund balance is being utilized at a high rate.
- It is acceptable to use the reserves to balance the budget in general accepted government accounting practices.
- Almont Associates recommend a minimum reserve balance of three months of tax revenues and 5% of the recurring expenditure budget.
- If there are no changes in revenues or expenditures, the District can continue the same service level through 2018. There is no capital replacement built in to this model.
- Different economic models with varying mill levy changes to support capital replacement and staffing were reviewed.
- The operating costs are not going down unless there is a decreased service level.
- The current funding and expenses are not sustainable.

Mike Tucker

- The master plan has more detail on the highlights that were reviewed. The master plan is a tool to help you make informed decisions.
- Almont Associates has 11 strategic themes with 75 specific recommendations for the District.
- Carbondale & Rural Fire Protection District is run by a competent staff of professionals
- The District has made significant cuts to curb operational expenses. Staff has stepped up to fill needs, but at some point the ability will decrease with increase in calls and duties.
- Further cuts to address budget shortfalls can only come from staffing cuts. Staffing reductions will impact the level of service the District currently provides.

Board of Directors Discussion Mark Chain reviewed the integration of information from both consultants. Mark Chain said that he has big picture recommendations that will be presented in the final document.

Mike Tucker noted that the Almont Associations portion of the master plan only deals with operations issues and they are two distinctly different sections. Leslie Lamont said that the integrated document will be in the Board packet on August 7, so it can be considered at the August 12 Board of Directors meeting. She said that there is a steering committee tonight and they are still gathering information.

Bob Emerson said that he would like the final document ready with enough time to review before the Board of Directors meeting, so the Board could take final action at the August 12 meeting. Carl Smith said that he is concerned there is not enough time for the steering committee and questioned if the CAC would provide input. He questioned why the master plan needs to be ready by August 12. Bob Emerson said that he was anxious to see the final project and take action. Carl Smith said that the other groups would not have a chance to comment. Bob Emerson said that the last few months have been about gathering information from the public so their input is included in the plan.

Carl Smith said that he wants to hear what the steering committee suggests at tonight's meeting. He said the steering committee may want to spend more time looking at the master plan and giving input. He said the master plan includes different options and the final valuation isn't in yet. Carl Smith said the next step is to look at a mill levy increase and when to do that.

Bob Emerson said the master plan draft has various scenarios that the Board can discuss. He said that the input has been coming in for months and it is time to look at doing something.

Mark Chain said that the property valuations for Garfield and Pitkin Counties are pretty close to what will be submitted to the District in August. He added that master plans are living documents that flows over time. It isn't that once it is accepted it is done.

Mike Kennedy said the Board could continue taking input for months, but at some point the Board of Directors needs to make decisions. He said the graphs clearly show the District financial situation is going down in a hurry. He said it is time to do something. Carl Smith said that he would like to take another month to review.

Louis Eller said that he would like a complete master plan on August 7. Bob Emerson and Mike Kennedy agreed. Carl Smith said he would prefer to wait. Gene Schilling said that a complete master plan will be sent to the Board on August 7.

Louis Eller requested 'Mill Levy Increase for Board Discussion and Potential Action' to be placed on the August 12 Board of Directors agenda.

Louis Eller asked what the value the residents of Carbondale & Rural Fire Protection District would see if the District was to become accredited. Mike Tucker said that there is not a specific dollar amount that will be realized, but the District would have increased ISO scores, faster response time, would be operating under best practices and the citizens would receive a high quality service. He added the goal is not a sticker on the truck, but the self-assessment portion and making it part of the District culture. Mike Tucker added that there are individual accreditations that certain job titles can obtain as well.

The Board of Directors recessed the special meeting at 1:49 p.m.

The Board of Directors reconvened the special meeting at 1:57 p.m.

Mark Chain Consulting Mark Chain said there has been an extensive public outreach process. He said he was charged with looking at what would happen if there was not a mill levy increase. He said that expenditures are cut to the bare bone. He said his financial assumptions are similar the ones used by Almont Associates but he budgeted a 12% assessed valuation increase in 2018. He said he had an 8% health insurance increase budgeted and used \$75,000 as the total cost for a full time employee.

Mark Chain said that he was also charged with determining a minimum fund balance. He said that with the expected 25.5% 2016 assessed valuation increase and 12% 2018 increase, the District is still deficit spending. Mark Chain said that he looked at different scenarios for capital replacement schedules and staffing increase. Mark Chain noted his recommendation is \$2 million fund balance. He said that a 2.5 mill levy increase in 2017 would increase the fund balance to about \$1 million by the end of 2020.

Mark Chain said his main recommendations were:

- Review revenue and mill levy status on bi-annual basis, including a message to the citizens
- Manage revenue resources, a maximum time for a mill levy increase would be five years
- Acquire a PIO
- Continue public outreach
- Website maintenance
- Look at the reserve balance. He said the District's reserves are what has kept the level of service the same over the past few years. He added to take in to consideration what the District would be required to pay out if there was a large incident.
- Stop the bleeding – have a 2.0 mill increase

Ron Leach questioned when Mark Chain suggested asking the voters for a 2 mill increase. Mark Chain said that no later than November 2016. He added that he does not think a mill levy increase should be held during the Board of Directors election in May since it will politicize that election. Mark Chain said that he thinks 2015 is the time to ask the voters for a mill levy increase. He said that it has been three years with a lot of pressure on staff and the discussion about the assessed valuations and revenues has been going on since 2008. Mark Chain noted that uncertainty is not a good place for staff to be.

Gene Schilling questioned how much an additional 2 mills would raise revenues. Mark Chain said about \$690,000. Gene Schilling said if a mill levy increase election is not held in 2015 then the District is \$1.2 million behind. He said the \$690,000 in tax revenues that were not collected and the \$510,000 that would be taken out of the reserves to keep the current level of service. He

added that it will take more years to make up the reserves as well. Louis Eller added that it could take a higher mill levy to make up the difference.

Carl Smith questioned if a mill levy increase can be done so it doesn't generate more than a certain amount. Gene Schilling said that an increase could be a certain number of mills or a certain dollar amount.

Mike Kennedy said it would make sense to ask for a mill levy increase with a two year sunset, then review when the assessed valuations are then.

General discussion regarding mill levies, funding and timing of a question followed. Carl Smith noted that he wants a 'no more than' dollar amount in the ballot question.

Eric Gross noted that an IGA must be signed with each county by August 25 and the question needs to be certified to the County Clerks by September 4. He said work on IGAs could begin without having to commit to an election.

Bob Emerson said that Gene Schilling would not be at the next meeting. He requested a special meeting after the August 12 regular meeting so Gene Schilling could be in attendance.

Discussion regarding dates, the work load for Jenny Cutright for an election and if the board would like to discuss a ballot question at the August 12 meeting followed.

MOTION: made to set a special meeting of the Board of Directors on August 19, 2015 at 5:30 pm. It carried and passed unanimously.

It was requested to add to the August 12, 2015 agenda "Discussion of Ballot Question".

MOTION: made to allow Jenny Cutright to order the voter registration and property owner lists to allow her to begin working on them. It carried and passed 4-1, with Carl Smith voting against.

Bob Emerson thanked Mark Chain, Leslie Lamont and Almont Associates for their work on the master plan.

MOTION: made to adjourn the Board of Directors meeting at 2:55 p.m. It carried and passed unanimously.

Respectfully submitted,

Jenny Cutright, Recording Secretary

Gene Schilling, President