



**SOUTH METRO FIRE RESCUE**  
**Special Board of Directors' Meeting**  
**February 17, 2020**  
**9195 East Mineral Avenue, Centennial, CO**

**I. SPECIAL BOARD MEETING – 6:00 P.M. – Meeting Rooms 1 & 2**

**A. MEETING CALL TO ORDER**

**B. PLEDGE OF ALLEGIANCE**

**C. ROLL CALL**

**D. PUBLIC COMMENT**

*Public Conduct at Meetings.* Comments by members of the public shall be made only during the “Public Comment” portion of the meeting or a specified “Public Hearing,” and shall be limited to three minutes per individual and five minutes per group spokesperson unless additional opportunity is given at the Board’s discretion. Each member of the public wishing to speak shall identify themselves by name, address, and agenda item, if any, to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are prohibited. Such conduct may result in removal of person(s) responsible for such behavior from the meeting, a request for assistance from law enforcement, and criminal charges filed against such person(s).

**E. CONSENT AGENDA**

*Consent Agenda items are provided for study in the Board packets and introduced in the General Session for the Board's review. They can be adopted by a single motion. All resolutions and proposed actions must be read by title prior to a vote on the motion. Any Consent Agenda items may be removed at the request of a Director and heard separately or tabled.*

**F. ACTION ITEMS**

1. SMFR Resolution No. 2020-05 Adopting the February 17, 2020 Restated Bylaws of the Board of Directors – Cole

**G. DISCUSSION ITEMS**

1. Self-Insured Fund and the Long-Term Plan - Miskimins

**H. INFORMATION ITEMS**

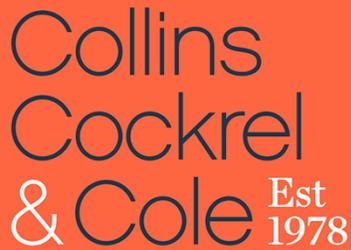
**I. EXECUTIVE SESSION (upon motion)**

1. Consult with Legal Counsel Pursuant to §24-6-402(4)(f), C.R.S., for the purposes of receiving legal advice regarding personnel matters related to the Fire Chief’s Performance Evaluation.

**J. NEXT MEETING**

Regular Board of Directors’ Meeting to be held on March 2, 2020, 6:00 p.m. at 9195 E. Mineral Avenue, Centennial, CO.

**K. ADJOURNMENT**



SHAREHOLDERS  
Paul R. Cockrel  
James P. Collins  
Robert G. Cole  
Timothy J. Flynn  
Evan D. Ela  
Linda M. Glesne  
David A. Greher  
Kathryn G. Winn  
Allison C. Ulmer  
Matthew P. Ruhland

ASSOCIATES  
Joseph W. Norris  
Bart W. Miller  
Ayshan E. Ibrahim

303.218.7197  
rcole@cccfirm.com

## MEMORANDUM

February 11, 2020

VIA E-MAIL

TO: Board of Directors  
South Metro Fire Rescue Fire Protection District

FROM: Robert G. Cole

RE: Board Bylaws

Attached for your consideration is Resolution No. 2020-05 Adopting Restated Bylaws of the Board of Directors. I have also included a redlined copy of the Bylaws showing revisions since your regular Board meeting on February 3<sup>rd</sup>.

The revisions include:

1. **Section 4.** Clarified the responsibility of the Fire Chief, with assistance of District staff under his/her supervision, and legal counsel to perform the duties imposed upon the District, unless specifically required to be performed by the Board or delegated by the Board otherwise. Other revisions consistent with this revision are contained in Section 8.a., 9.b., 9.j., 9.k., 10.b., 10.c., 10.e., 10.f., and 10.k.
2. **Section 4.c.** Listed the standing committees.
3. **Section 6.d.** Clarified that notice to Board members of multiple special meetings could be provided by a single notice.
4. **Section 7.c.** Noted the exception to majority votes for Board action to amend the Bylaws to conform to Section 18 (previously Section 17).
5. **Section 8.b.** Added the requirement that, in addition to communications, all documents discussing public business of the District be stored on the District technology system.

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6. **Section 9.l, 9.m. and 16.** Clarified the reference to “Executive Assistant” is the “Fire Chief’s Executive Assistant.”
7. **Section 10.i.** Clarified that in case of emergency if uncommitted money is transferred from one budgeted fund to another budgeted fund, it must be done by Board resolution amending the budget, but the Fire Chief has authority to transfer funds from accounts or line items within the same budgeted fund, without Board involvement. This is consistent with the Local Government Budget Law.
8. **Section 10.k.** Clarified the audit format requirements consistent with the language of the Local Government Audit Law.
9. **Section 17.** Added a new Section 17 requiring each Director, upon taking office and annually thereafter to sign and acknowledgement that they have received and reviewed the Bylaws, Rules of Procedure and Guidelines. An Acknowledgement form to accomplish this has been added as the last page, following the exhibits.

The appropriate action to consider is whether to approve Resolution No. 2020-05 Adopting the February 17, 2020 Restated Bylaws of the Board of Directors as presented, or as presented with revisions, or to table the Bylaws for additional consideration or revision.

The Bylaws Committee members and I will be available at your Board meeting to discuss any questions you may have.

**SOUTH METRO FIRE RESCUE FIRE PROTECTION DISTRICT**

**RESOLUTION NO. 2020-05**

**A RESOLUTION ADOPTING THE  
FEBRUARY 17, 2020 RESTATED BYLAWS  
OF THE BOARD OF DIRECTORS**

WHEREAS, the South Metro Fire Rescue Fire Protection District (“District”) is a quasi-municipal corporations and political subdivisions of the State of Colorado, operating pursuant to Article 1, Title 32, C.R.S.; and

WHEREAS, §32-1-1001(1)(m), C.R.S., authorizes the District to adopt, amend, and enforce bylaws not in conflict with the constitution and the laws of the state for carrying on the business, objects, and affairs of the District and its Board of Directors;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Metro Fire Rescue Fire Protection District that:

1. **Repeal of all Prior Bylaws.** All bylaws previously adopted by the Board of Directors are hereby repealed, including but not limited to the South Metro Fire Rescue April 19, 2016 Restated Bylaws.
2. **Adoption of Bylaws.** The February 17, 2020 Restated Bylaws attached hereto as Exhibit “A” are hereby adopted.
3. **Severability.** If any part, section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining provisions.
4. **Effective Date.** This Resolution shall take effect and be enforced immediately upon its approval by the Board.

Adopted this 17<sup>th</sup> day of February, 2020.

SOUTH METRO FIRE RESCUE FIRE  
PROTECTION DISTRICT

By: \_\_\_\_\_

Ronda Scholting, Chairman

Attest:

\_\_\_\_\_  
Danny Gaddy, Secretary

# EXHIBIT A

**SOUTH METRO FIRE RESCUE  
FIRE PROTECTION DISTRICT**

**FEBRUARY17, 2020 RESTATED BYLAWS**

**SECTION 1.**        **AUTHORITY.** South Metro Fire Rescue Fire Protection District (the “District”) is a governmental subdivision of the State of Colorado and a body corporate with those powers of a public or quasi municipal corporation which are specifically authorized by, and in compliance with, Section 32-1-101 et seq., C.R.S. The District was created by court order and is located in Douglas, Arapahoe and Jefferson Counties.

**SECTION 2.**        **PURPOSE.** It is hereby declared that the Bylaws hereinafter set forth will serve a public purpose.

**SECTION 3.**        **POLICIES OF THE BOARD.** It shall be the policy of the Board of Directors (“Board”) of the District, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide the quality services as authorized under the District Service Plan or by law.

**SECTION 4.**        **BOARD OF DIRECTORS.** Unless specifically required by law to be performed by the Board or otherwise delegated by the Board, all powers, privileges and duties vested in, or imposed upon, the District by law and as set forth herein shall be exercised and performed by the Fire Chief and District staff under the supervision of the Fire Chief, and with the assistance of District legal counsel, under the ultimate supervision of the Board, whether set forth specifically or impliedly in these Bylaws. The Board may delegate to officers, employees, and agents of the District any or all administrative, ministerial, and operational powers.

Without restricting the general powers conferred by these Bylaws, it is hereby expressly declared that the Board shall have the following powers and duties:

- a.** To appoint, hire, supervise, terminate, remove or suspend the Fire Chief and District legal counsel. The Board hereby confers upon the Fire Chief the power to appoint, hire, supervise, terminate, remove or suspend employees or agents upon such terms and conditions as may seem fair and just and in the best interests of the District.
- b.** To delegate by resolution to the Fire Chief and other management personnel who may make purchases of real and personal property, goods and services, and who may sign receipts, endorsements, checks, contracts, releases and other official documents on behalf of District.

- c. To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations. The following standing committees have been created by the Board:
  - 1. Conflicted Matters Committee;
  - 2. Bylaws and Policy Committee;
  - 3. Fire Chief Performance Committee;
  - 4. Salary and Benefits Committee; and
  - 5. Community Outreach Committee.
- d. To prepare or cause to be prepared financial reports covering each year's fiscal activities; and such reports shall be available for inspection by the public, as required by law.

**SECTION 5. OFFICE.**

- a. **Business Office.** The principal business office of the District shall be at 9195 East Mineral Avenue, Centennial, Colorado 80112, until otherwise designated by the Board.
- b. **Establishing Other Offices and Relocation.** The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

**SECTION 6. MEETINGS.**

- a. **Regular Meetings.** Regular meetings of the Board shall be conducted at the dates and times designated by Resolution of the Board at its first regular meeting of each year. When necessary and in its discretion, the Board may by motion change the time and date of regular Board meetings.
- b. **Special Meetings.** Special meetings of the Board may be called by the Chair or any two (2) Directors.
- c. **Meeting Public.** All meetings of the Board, other than executive sessions, shall be open to the public. Meetings include any and all sessions of the Board, at which a quorum of the Board (4 is a quorum if a full Board is in office) or three (3) or more Directors, whichever is less, are expected to be in attendance for discussion of District business, either in person,

telephonically, or electronically. Social gatherings at which no business of the District will be discussed are not considered meetings of the Board that are open to the public or for which notice is required.

- d. **Board Member Notice.** Section 6.a. and the annual Resolution designating regular meeting dates and times shall constitute formal notice of regular meetings to Directors, and no other notice shall be required to be given to the Board. Notice of special meetings shall be provided to Directors by email, telephone, or United States Postal Service (USPS) not less than twenty-four (24) hours in advance. Notice delivered by USPS shall be deemed delivered at 5:00 p.m. on the third (3<sup>rd</sup>) day following the day on which it was deposited, postage prepaid. Notice of multiple special meetings may be given by a single notice. Attendance by a Director at a regular or special meeting shall be deemed a waiver by the Director of the notice requirements of this subsection d.
- e. **Public Notice.** Public notice and an agenda for all meetings shall be posted not less than twenty-four (24) hours in advance as set forth in the Colorado Open Meetings Law. The District's webpage is designated for the posting of such notice pursuant to Section 24-6-401, C.R.S.
- f. **No Informal Action by Directors/Executive Sessions.** All official business of the Board shall be conducted at regular or special meetings. Executive sessions may be called at regular or special meetings, and conducted according to the following guidelines:
  - 1. **Calling the Executive Session.** The topic for discussion in the executive session shall be announced in a motion, and the specific statute that authorizes the executive session shall be cited. The matter to be discussed shall be described in as much detail as possible without compromising the purpose of being in executive session. An affirmative vote of two-thirds (2/3) of the quorum in attendance shall be required to go into executive session.
  - 2. **Conducting the Executive Session.** No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called. An electronic recording of the actual contents of the discussion in the executive session shall be kept. No electronic recording or other record is necessary to be kept for any portions of the discussion which the District's attorney reasonably believes constitute attorney-client privileged communication. The attorney shall state on the electronic record when any portion of the executive

session is not recorded as an attorney-client privileged communication or sign a statement to the same effect.

3. **Records of Executive Sessions.** The electronic record of any executive session shall be retained by the District for ninety (90) days from the date of the executive session and then destroyed. Electronic recordings of the executive session, or transcripts or other reproduction of the same, shall not be released to the general public for review under any circumstances, except as required by law.

**g. Adjournment and Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.

**h. Emergency Meetings.** Notwithstanding any other provisions in this Section 6, emergency meetings may be called, without notice if notice is not practicable, by the Chair, Vice Chair or any two (2) Directors in the event of a declared emergency that requires the immediate action of the Board in order to protect the public health, safety, welfare or property of the owners, residents and visitors of the District. If possible, notice of such emergency meeting shall be given to the Directors by telephone, email, or whatever other means are reasonable to meet the circumstances of the emergency. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety, welfare or property of the owners, residents and visitors of the District may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, it shall be deemed rescinded as of the date of such subsequent meeting, although the validity and effectiveness of the emergency action during its effective time shall not be invalidated. A declared emergency for purposes of this subsection h. is an emergency within the District that has been declared by county or municipal government, the State of Colorado, the United States government, of any department or agency thereof, or the Chair, Vice Chair, or any two (2) Directors of the Board.

**i. Email Meetings.** Section 24-6-402, C.R.S., requires that certain email correspondence between three (3) Directors (or, when two (2) Directors

constitute a quorum, two (2) Directors), if said email correspondence discusses pending resolutions or other District business shall be considered a public meeting subject to the requirements of the Colorado Open Meetings Law.

- j. **Attendance at Meetings.** It is the Board's expectation that Directors will attend in person not less than seventy five percent (75%) of Board meetings. Section 24-6-402(1)(b), C.R.S. defines a meeting as "Any kind of gathering to discuss public business, in person, by telephone, electronically, or by other means of communication." Although electronic participation in Board meetings as a frequent or regular course is not acceptable, Directors may periodically attend meetings by telephone (or other electronic means), so long as they are able to reasonably receive the comments from the audience and any comments and discussion among other Directors and staff, and they are able to participate in the discussion.

## **SECTION 7. CONDUCT OF BUSINESS.**

- a. **Board Meeting Rules of Procedure.** Meetings of the Board of Directors shall comply with the South Metro Fire Rescue Fire Protection District Board Meeting Rules of Procedure attached hereto as Exhibit A.
- b. **Quorum.** All official business of the Board shall be transacted at a regular or special meeting at which a quorum (majority) of the Directors are in attendance in person, telephonically, or electronically, except as provided in Section 6.h. above.
- c. **Vote Requirements.** Any action of the Board shall require the affirmative vote of a majority of the Directors in attendance and voting at a meeting properly called and at which a quorum is in attendance, except that to convene an executive session of the Board, a two-thirds (2/3) affirmative vote is required, and approval of amendments to these Bylaws shall be as set forth herein.
- d. **Electronic Signatures.** In the event the signature(s) of one (1) or more Directors or appointed signatories are required to execute a written document, contract, note, bond, deed, and/or other official papers of the District, and the appropriate individual(s) is unable to be physically present to sign said documentation, such individual or individuals are authorized to execute the documentation electronically via facsimile or email signature, unless said documentation provides otherwise. Any electronic signature so affixed to a document shall carry the full legal force and effect of any original, handwritten signature. Except as approved herein, this provision of these Bylaws shall not be interpreted as establishing the District's

consent or authorization to bind District to any transaction by the use of electronic records or electronic means. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

- e. **Setting Meeting Agendas.** Agendas for Board meetings will be set by the Fire Chief or his/her designee in consultation with the Board Chair. The Board Chair or any two (2) Directors may require a matter be placed on a meeting agenda by written request provided to the Secretary and the Fire Chief. Agenda items added with little advanced notice to staff shall be tabled, if necessary, to allow a reasonable time to provide necessary support or briefing for the Board.
  
- f. **Order of Business.** The business of all regular meetings of the Board shall be transacted generally in the following order, and as approved by the Board from time to time, and the agenda for such meetings shall describe in as much detail as is possible the topics within each category:
  - 1. Meeting Call to Order;
  - 2. Pledge of Allegiance;
  - 3. Roll Call and Approval of any Excused Absences;
  - 4. Approve the Agenda;
  - 5. Public Comment;
  - 6. Consent Agenda;
  - 7. Action Items (Action Items are intended for matters for which Board action is proposed.);
  - 8. Discussion Items (Discussion Items are intended for matters which need Board and staff discussion, obtain direction for future action or inaction, or to develop the Discussion Item for future consideration as an Action Item. No action can be taken on a Discussion Item, other than to schedule it again as a Discussion Item or as an Information Item or an Action Item for a future meeting. A properly posted Discussion Item could become an Action Item by approval of a Motion to Reconsider approval of the Agenda to add the matter as an Action Item and return to that portion of the Agenda, see Section 7.a. and Exhibit A.)

9. Information Items (Information Items are limited to short briefings by staff or Directors on matters with little or no discussion. No action can be taken on an Information Item, other than to schedule it again as an Information Item or as a Discussion Item or an Action Item for a future meeting.);
  10. Executive Session (as needed);
  11. Next Meeting; and
  12. Adjournment.
- g. Meeting Packets.** The Fire Chief shall be responsible for seeing that packets for regular Board meetings are generally provided or available to Board members on Wednesday before a regular Monday meeting, and similarly in advance of other meetings held on other days.
- h. Public Conduct at Meetings.** Comments by members of the public shall be made only during the “Public Comment” portion of the meeting or a specified public hearing. Public comments shall be limited to three (3) minutes per individual and five (5) minutes per group spokesperson unless additional opportunity is given at the Board’s discretion. Each member of the public wishing to speak may be asked to fill out a form indicating name, address, topic or agenda item to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are hereby prohibited and constitute a violation of District rules. Such conduct may result in removal of person(s) responsible for such behavior from the meeting and/or criminal charges filed against such person(s). To the extent such occurrences arise and the person(s) responsible refuses to leave the premises, law enforcement authorities will be summoned. Prosecution will be pursued under all applicable laws, including without limitation Sections 18-9-108, C.R.S. (disrupting lawful assembly), 18-9-110, C.R.S. (public buildings - trespass, interference), and/or 18-9-117, C.R.S. (unlawful conduct on public property). Law enforcement may be requested to attend meetings at any time in which the Board believes their presence will assist in keeping peace and conducting public business. 9-1-1 will be called at any time that the Board or staff feels threatened or endangered.
- i. Minutes.** Within a reasonable time after approval, all resolutions, motions and minutes of Board meetings shall be recorded in a visual text format that may be transmitted electronically and kept for that purpose, and shall be attested by the Recording Secretary. Minutes of regular and special meetings shall be available for public review as soon as practicable

following approval by the Board. Upon approval by the Board, such records shall be the official record of the Board meetings. Executive sessions shall be electronically recorded on audio tape or other electronic media, and such electronic recording or reproduction of the same shall be kept separate from minutes of regular sessions as described in Section 6.e of these Bylaws and shall not be open to the public except as required by law. Draft minutes are considered work product under the Colorado Open Records Act and are not available to the public until discussed by the Board in a public meeting or otherwise made public.

## **SECTION 8. POLICIES OF THE BOARD.**

- a. **Compliance with District Policies.** Directors shall comply with District Policies that are specifically applicable to the Board and its Directors, and also those that apply to District personnel to the extent the subject matter also extends to matters applicable to District Directors. Such policies include, but are not limited to, policies associated with conflicts of interest, sexual harassment, and use of technology and computing devices. District Directors shall participate in training and educational sessions called for in any such policies. The Fire Chief shall be responsible for coordinating with the Board for the scheduling of any such training or educational sessions, though it is the responsibility of individual Directors to attend such sessions.
- b. **Use of District Technology Systems.** To allow efficiency in meeting public records requests and complying with requirements under the Colorado Open Records Act and the Open Meetings Law, Directors shall only use District technology systems for electronic communications that discuss District matters. In addition to communications, copies of all documents that discuss the public business of the District shall be stored on the District technology system. Directors that do not use the District's technology systems for communicating regarding the public business of the District or to retain public records are subject to the potential that their personal devices and document storage systems may be ordered by a Court to be seized and reviewed. Directors shall abide by the District's policies on use of technology and electronic mail, including Policies and Procedures 3.3.3 regarding Acceptable Use Policy and 3.3.7 regarding Mobile Device Policy, and Board Resolutions No. 2009-07 Adopting an Electronic Mail Policy and No. 2009-10 Amending the Authority's Electronic Mail Policy.
- c. **Board Member Standards of Conduct.** In carrying out their responsibilities and representing the District, Board members shall comply with the Standards and Guidelines for Board Member Conduct attached hereto as Exhibit B.

**SECTION 9. DIRECTORS, OFFICERS AND PERSONNEL.**

- a. **Director Qualifications and Terms.** Directors shall be eligible electors of the Director district for which they are elected or appointed. The term of each Director shall be determined by relevant statutory provisions with regular elections held in even numbered years through 2022, and thereafter odd numbered years beginning in 2023, and conducted in the manner prescribed by Articles 1 through 13.5, Title 1, and Part 8, Article 1, Title 32, C.R.S.
- b. **Faithful Performance Bonds.** The Fire Chief shall see that for each Director there is furnished, at the expense of the District, an individual, schedule or blanket surety bond or crime insurance in the sum of not less than one thousand dollars (\$1,000) each, conditioned on the faithful performance of the duties of his/her office. In addition, Fire Chief shall see that for the Treasurer there is furnished, at the expense of the District, a corporate fidelity bond or crime insurance in a sum of not less than five thousand dollars (\$5,000), conditioned upon the faithful performance of the duties of his/her office.
- c. **Director's Performance of Duties.** A Director of the District shall perform all duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner which the Director reasonably believes to be in the best interests of District, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the Director's duties, the Director shall be entitled to rely upon information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs 1, 2 and 3 of this subsection c. The Director shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause such reliance to be unwarranted, and does not disclose such knowledge in a manner to call into question the information otherwise being relied upon. A person who in good faith performs the Director's duties shall not have any liability by reason of being or having been a Director of the District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely upon are:
1. One (1) or more officers or employees of the District whom the Director reasonably believes to be reliable and competent in the matters presented;

2. Legal counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional knowledge or expertise; and
  3. A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of the Bylaws, as to matters within the committee's designated authority, which committee the Director reasonably believes to merit confidence.
- d. **Oath of Office.** Each Director, before assuming the responsibilities of his/her office, shall take and subscribe an oath of office in the form prescribed by law.
- e. **Election of Officers.** The Board shall elect from its membership a Chair/President, Vice Chair/Vice President, Secretary, and Treasurer. The Board may, from time to time, appoint an acting officer in the absence of any individual officer. The election of the officers shall be conducted annually at the first regular meeting of the Board following each regular special district election, and at such times as deemed appropriate by the Board. Each officer so elected shall serve for a term of office until the first regular meeting of the Board following the next regular special district election, or as otherwise directed by the Board. Any officer may be removed by the Board, with or without cause, whenever in its judgment the best interests of the District will be served thereby. Under any circumstance, the term of a Board Officer shall continue until the election of his/her successor.
- f. **Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as prescribed by law, with the appointee to serve until the next regular special district election, as prescribed by statute. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election. A Board member's office is vacant upon:
1. Failure to meet qualifications;
  2. Failure to satisfy oath and bond requirements;
  3. Written resignation;
  4. Failure to remain qualified for office;
  5. Conviction of a felony;
  6. Removal from office or voidance of election by court;

7. Failure to attend four (4) consecutive, regular Board meetings where the absences have been entered into the meeting minutes as unexcused. Absences shall be excused for temporary mental or physical disability or illness; or
  8. Death.
- g. Resignation and Removal.** Directors may be removed from office only by recall as prescribed by statute. Any Director may resign at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.
  - h. Chair and President.** The Chair shall preside at all meetings. The Chair shall also be the President of the District. The President is authorized to sign all legal instruments on behalf of the District.
  - i. Vice Chair and Vice President.** The Vice Chair shall be a member of the Board of Directors and, in the absence of the Chair or in the event of his or her inability or refusal to act, shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all restrictions upon the Chair.
  - j. Secretary.** The Secretary need not be a member of the Board of Directors and shall maintain or, through the Fire Chief, cause to be maintained the official records of the District, including the by-laws, rules and regulations established by the Board of Directors, minutes of the meetings of the Board of Directors, and a register of the names and addresses of the Directors and officers, and shall issue notice of meetings, and attest and affix the corporate seal to all official documents of the District. A separate Recording Secretary and records custodian may be appointed by the Board under the supervision of the Secretary and the Fire Chief to assist with carrying out the duties of the office of Secretary.
  - k. Treasurer.** The Treasurer shall be a member of the Board of Directors, and shall be chair of the Audit Committee. The Treasurer shall keep or, through the Fire Chief, cause to be kept, strict and accurate accounts of all money received by and disbursed for and on behalf of the District. The accounting function shall be provided by District personnel or independent contractor under the supervision of the Fire Chief and Treasurer, and shall be reviewed at least quarterly by the Board of Directors. The Treasurer shall have such other financial duties and authorities as specified by the Board.

- l. Recording Secretary.** The Board shall have the authority to appoint a Recording Secretary who need not be a member of the Board of Directors. The Recording Secretary shall be responsible for assisting with carrying out the duties of the office of Secretary, under the supervision of the Fire Chief and the Secretary. The Board hereby appoints the Fire Chief’s Executive Assistant as the Recording Secretary.
- m. Designated Election Official.** Unless otherwise designated by resolution calling for an election, the Fire Chief’s Executive Assistant is hereby appointed the designated election official for all District elections.
- n. Additional Duties.** The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, these Bylaws or the rules and regulations of the District, by law, or by special exigencies, which shall later be ratified by the Board.
- o. Fire Chief.** The Fire Chief shall be an employee of the District. Subject to the appointment, employment, termination and supervision of the Board of Directors, the Fire Chief shall have all powers and authorities provided for a fire chief under §32-1-1002, C.R.S., and any other applicable state or federal law, and shall oversee and manage all business and affairs of the District, including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel, in the manner typically associated with a fire and emergency rescue agency for which the fire chief has been delegated authority by the governing body to manage all aspects of the agency, including the authority associated with a chief executive, administrative, and operational officer.
- p. Personnel Selection.** The selection of employees, volunteers, engineers, accountants, agents, contractors, special consultants and attorneys of the District will be based upon the relative qualifications and capabilities of the applicants and shall not be based upon political services or affiliations.

**SECTION 10. FINANCIAL ADMINISTRATION.**

- a. Fiscal Year.** The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- b. Budget.** On or before October 15th of each year, the Fire Chief shall have prepared and submitted to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement which shall describe the important features of the budget plan and by a general summary wherein shall be set forth the aggregate features of the

budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. The proposed budget shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.

- c. **Notice of Budget.** Upon the Board's receipt of the proposed budget, the Fire Chief or District legal counsel shall cause to be posted or published in substantial compliance with law, a notice that the proposed budget is open for inspection by the public at the District's business office; that the Board will consider the adoption of the proposed budget at a public hearing on a certain date; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption.
- d. **Adoption of Budget.** On the day set for consideration of the proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease expenditures and revenues as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall adopt a budget by resolution, either immediately following the budget hearing or at a later date. The budget shall set forth the expenditures to be made in the ensuing fiscal year and shall provide for sufficient revenues.
- e. **Levy and Collection of Taxes.** On or before December 15<sup>th</sup> of each year, the Board shall approve by resolution and the Fire Chief or District legal counsel shall cause to be certified to the Board of County Commissioners of Douglas, Arapahoe and Jefferson Counties the mill levy rate established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners shall levy such tax upon the assessed valuation of all taxable property within District. The mill levy rate shall not be increased above that for the prior year, except for Board approved levies for abatements and refunds, without prior voter approval, and as set forth in applicable constitutional and statutory provision.
- f. **Filing of Budget.** On or before January 30<sup>th</sup> of each year, the Fire Chief or District legal counsel shall cause a certified copy of such budget to be filed with the Division of Local Government in the Colorado Department of Local Affairs.

**g. Appropriating Resolution.**

1. At the time of adoption of the budget, the Board shall, within the same or separate resolution, appropriate funds for expenditure in the ensuing fiscal year. The amounts appropriated shall not exceed the expenditures fixed in the adopted budget.
2. The income of the District, as estimated in the budget and as provided for in the resolution setting the District's property tax mill levy rate, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution.

**h. No Contract to Exceed Appropriation.** The District shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes, for which provision is not made in an appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to the terms of this Section shall be void ab initio, and no District funds shall be expended in payment of such contracts.

**i. Contingencies.**

1. In cases of emergency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of appropriations, by resolution duly adopted by a majority vote of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of such meeting.
2. A copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the Colorado Department of Local Affairs and shall be published in compliance with statutory requirements.

**j. Payment of Contingencies.**

1. If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall, by resolution amending the budget, transfer such available money to the fund from which the emergency expenditure is to be paid. Transfers between accounts within the same budgeted and appropriated fund may be

made by the Fire Chief without Board approval or budget amendment.

2. To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money as set forth in Section 29-1-112, C.R.S. or through any other lawful and approved method.

**k. Annual Audit.**

1. The Fire Chief, on behalf of the Board, shall cause an annual audit to be made at the end of each fiscal year of all financial affairs of the District through December 31st of such fiscal year and submitted to the Board. The audit report shall be submitted to the Board within six (6) months of the close of the fiscal year or as otherwise provided by law. The audit shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant, who has not maintained the books, records and accounts of District during the fiscal year. The auditor shall prepare, and certify as to its accuracy, an audit report, including financial statements that are representations of the District setting forth the financial position and results for each fund and activity of the District and a comparison of actual figures with budgeted figures for each fund or activity for which a budget has been prepared, an unqualified opinion or qualified opinion with explanations, and a full disclosure of any violation of Colorado law.
2. There shall be a permanent Audit Committee composed of the Treasurer and Board Chair or such other Director appointed by the Board Chair. The Audit Committee shall be responsible for the appointment, compensation, recommendation (to be approved by the Board), retention, and oversight of the work of an independent certified public accountant engaged to prepare the audit report or perform other audit, review or attest services for the District. The Audit Committee may, as necessary and to the extent of its ability, provide independent review and oversight of the District's financial reporting processes, internal controls and independent auditors. All auditors thus engaged shall report directly to the Audit Committee.
3. A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times.
4. A copy of the audit report shall be forwarded to the State Auditor within thirty days after the Board receives it.

**SECTION 11. CORPORATE SEAL.** The seal of the District shall be a circle containing the name of the District and shall be used on all documents and in such manner as seals generally are used by public and private corporations. The Recording Secretary shall keep, or cause to be kept, the seal and shall be responsible for its safekeeping and care.

**SECTION 12. DISCLOSURE OF CONFLICT OF INTEREST.** A potential conflict of interest of any Director shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3)(b) and 18-8-308, C.R.S.

**SECTION 13. COMPENSATION.** Each Director shall receive the maximum compensation authorized by statute, unless otherwise determined by the Board. No Director shall receive compensation as an employee of the District. Directors shall also be reimbursed for their actual and reasonable expenses incurred on behalf of the District, as approved by the Board.

**SECTION 14. INDEMNIFICATION OF DIRECTORS AND EMPLOYEES.** The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, whether elective or appointive, against any tort or liability, claim or demand, without limitation, arising out of any alleged act or omission occurring during the performance of official duty, as more fully defined by law or by an indemnification resolution, if any. The provisions of this Section shall be supplemental and subject to and, to the extent of any inconsistency therewith, shall be modified by the provisions of the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S.

**SECTION 15. BIDDING AND CONTRACTING PROCEDURES.** The District shall adopt, maintain and comply with policies as reasonable for the conduct of local government contracting and necessary for compliance with applicable laws regarding contracting and construction. Such policies shall address procurement of goods and services, construction and contract execution. Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work, materials, or both, involving an expense of sixty thousand dollars (\$60,000) or more of District funds. The District may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with law. Notwithstanding the foregoing, the District may award an integrated project delivery contract pursuant to § 32-1-1801, et seq., C.R.S. upon (i) the determination of the Board that integrated project delivery represents a timely or cost-effective alternative for a project; (ii) publication of a request for qualifications and/or request for proposals; and (iii) compliance with Part 18 of Article 1, Title 32, C.R.S. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with.

**SECTION 16. RECORDS MANAGEMENT.** The District shall adopt, maintain and comply with policies as reasonable and necessary for compliance with, applicable records retention, destruction, and disclosure requirements, including the Colorado Open Records Act, State Archives and Public Records law, and various consumer privacy legislation. The Fire Chief’s Executive Assistant, is hereby designated as the Official Custodian of Records (“Custodian”) pursuant to the Colorado Open Records Act. The fees and charges imposed for responding to Colorado Open Records Act records requests shall be automatically increased to the maximum amounts allowed by law without additional Board action.

**SECTION 17. ANNUAL ACKNOWLEDGEMENT.** Each Director shall upon taking office and annually thereafter sign an acknowledgement that they have received and reviewed these Bylaws and the attached Rules of Procedure and the Guidelines for Board Member Conduct.

**SECTION 18. MODIFICATION OF BYLAWS.** These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board by a two-thirds (2/3) majority of the Directors in office, to become effective immediately or at a subsequent date, as specified.

**SECTION 19. SEVERABILITY.** If any part or provision of these Bylaws is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of these Bylaws, it being the Board’s intention that the various provisions hereof are severable.

**SECTION 20. TERMINATION OF PRIOR BYLAWS.** These Bylaws amend, supersede and replace in their entirety all prior Bylaws, and any amendments thereto, previously adopted by the Board of Directors.

**ADOPTED** this 17<sup>th</sup> day of February, 2020, by the Board of Directors of the South Metro Fire Rescue Fire Protection District.

\_\_\_\_\_  
Ronda Scholting, Chair

\_\_\_\_\_  
\_\_\_\_\_, Secretary

**EXHIBIT A**  
**South Metro Fire Rescue Fire Protection District**  
**Board Meeting**  
**Rules of Procedure**

1. **Quorum to Conduct Business.** Simple majority of the District Directors.
2. **Motions.** All motions shall be distinctly worded.
  - (a) The following rules shall apply to motions:
    - (i) If a motion does not receive a second, it dies.
    - (ii) The Board will discuss a motion at length only after the motion has been moved and seconded. Nothing prevents general discussion or expression of opinions before a motion is made.
    - (iii) Any motion shall be reduced to writing if requested by a Director.
    - (iv) A motion to amend can be made to a motion that is on the floor and has been seconded.
    - (v) No motion shall be received when a question is under debate except for the following:
      - (1) To lay the matter on the table;
      - (2) To call for the previous question (close debate);
      - (3) To postpone;
      - (4) To refer; or
      - (5) To amend.
    - (vi) A motion may be withdrawn by the mover at any time without the consent of the Board.
    - (vii) Amendments are voted on first, then the main motion is voted on, as amended if amendments are approved.

- (viii) A Director may have a motion which contains several elements divided, but the mover shall have the right to designate which element will be voted on first.
- (ix) A call for the previous question is intended to close the debate on the main motion; does not require a second and is not debatable.
  - (1) Debate on the main motion resumes if the motion fails.
- (x) A motion that receives a tie vote fails.
- (xi) The chair shall repeat the motion prior to a vote.
- (xii) A motion to adjourn cannot be amended.

(b) **Motion to Reconsider.** A motion to reconsider may only be made by a Director who voted on the prevailing side. Any Director may second the motion.

- (i) No motion to reconsider shall be made more than once.
- (ii) The motion to reconsider shall be made before the final adjournment of the meeting at which the Board approved the item to be reconsidered.

(c) **Non-debatable Motions.** The following motions are non-debatable:

- (i) Call for the previous question;
- (ii) Motion to adjourn (if less than a quorum is present, the meeting shall automatically be adjourned without action of the Board);
- (iii) Motion to recess;
- (iv) Motion for executive session.

3. **Debate.** The following rules shall govern the debate of any item being discussed by the Board:

(a) Every Director desiring to speak shall address the chair, and, upon recognition by the chair, shall confine him/herself to the question under debate, at all times acting and speaking in a respectful manner.

(b) A Director, once recognized, shall not be interrupted when speaking unless it is to be called to order, or as herein otherwise provided.

4. **Appeal Ruling of Chair.** If the Chair makes a ruling with which a Director disagrees, that Director may, by motion, appeal the ruling of the Chair. This motion requires a second and is debatable. If the motion passes, the ruling of the Chair is reversed.

5. **Points of Privilege and Points of Order.**

(a) **Points of Privilege.** These are points that relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, a Director may be unable to hear or not have the correct information on a matter before the Board. Points of privilege do not require a second, are not debatable, do not require a vote, and are ruled upon by the Chair.

(b) **Points of Order.** These are points that relate to anything that would not be considered appropriate conduct of the meeting. For example, not following the agenda, voting on a debatable matter without calling for debate before the vote. Points of order do not require a second, are not debatable, do not require a vote, and are ruled upon by the Chair.

6. **Voting.** A majority of the Directors in attendance at a meeting at which a quorum is present voting in favor of a motion is required to approve any motion, unless a different requirement is set by these Rules of Procedure or by law. As provided by law, to convene an executive session requires the favorable vote of 2/3 of the quorum present.

(a) **Affirmative or Negative Vote Required.** A vote of yes or no (or another form of affirmative or negative declaration) shall be taken upon motions. Each Director, when present, must vote yes or no unless:

- (i) The Director is excused by the Chair because of a conflict of interest at the introduction of the agenda item or immediately upon discovery of a legally recognized conflict of interest; or
- (ii) The Director is excused by the Chair as a result of the Director having insufficient information upon which to enable an informed vote as a result of an absence at a prior meeting, e.g., the Director did not attend the meeting for which meeting minutes are moved for approval.

(b) **No Abstention.** An unexcused Director's vote to "abstain" or other similar declaration other than "yes" or "no" shall be recorded as a "no" vote on the pending motion or matter.

(c) **No Explanation of Vote.** Directors shall not explain their vote except during discussion and deliberation prior to the calling of the vote on the question. Any attempt to explain a vote or to condition the vote immediately prior to casting the vote is out of order.

## **Exhibit B: Guidelines for Board Member Conduct**

### **Our Role**

The Board of Directors of the South Metro Fire Rescue Fire Protection District is committed to representing those who live, work and play in the District by supporting the mission, vision and values of the organization through excellence in leadership, policy-making, and financial stewardship.

### **Our Standards of Conduct**

In order to succeed in our role in governance, we strive to hold ourselves as individuals and a governing body to the highest standards of ethics and conduct. The following are guidelines to help achieve that success:

1. **BE AN ACTIVE BOARD MEMBER.**
  - a. Board Meetings are the most important events in which we participate – it's where the Board's business gets done.
    - i. Be there.
      1. Being physically together is best.
      2. Electronic participation is allowed but not ideal.
    - ii. Be productive.
      1. Prepare for the meetings and discussions.
        - a. Read board packets, staff summary sheets, and seek helpful clarification prior to the meeting.
        - b. Attend trainings, retreats, study sessions and special board meetings to learn more about the district and help shape the future.
        - c. Stay on top of e-mails and other communications from staff and respond in a timely manner.
      2. Follow the process for proposing agenda items (action/discussion items).
      3. Participate and contribute in the proceedings.
      4. Make informed decisions, even if they're tough.
    - iii. Be constructive.
      1. Treat other board members, staff, and the public with respect.
      2. Conduct yourself with courtesy and professionalism.
      3. Listen.
      4. Be open to different viewpoints.
      5. Focus on issues, policies, and ideas and not personalities.

- 6. Avoid negative forms of interaction.
  - 7. Avoid dominating a discussion and encourage the participation of others.
  - 8. Honor the role of the Board Chair to focus discussions, encourage participation and maintain order.
  - iv. Be unified.
    - 1. Once the Board takes action all Directors should support the action and not create barriers to the implementation of such action.
    - 2. There are no minority reports in good boards.
  - b. Represent South Metro and the Board internally and externally.
    - i. Seek out and participate in opportunities to support and represent the Board and SMFR.
      - 1. Attend SMFR and community events where possible to support the organization, build relationships with our community stakeholders, and enhance SMFR's presence in the community.
      - 2. Help to enhance connectivity with the cities, counties, and service providers in and around the District.
2. LEAD & GUIDE / DON'T OPERATE.
- a. Our primary responsibility is the formulation and evaluation of policy.
  - b. Keep discussions and decisions at the appropriate policy level; avoid the minutia where not helpful or appropriate.
  - c. The Board has delegated to the Fire Chief the authority and responsibility to oversee and manage all business and affairs of the District, including all authority and responsibility typically associated with a chief executive, administrative, and operational officer. Individual Directors shall not involve themselves in the personnel, operation, maintenance, management, administration, and provision of facilities, improvements, equipment, and services unless requested by the Fire Chief or authorized by the Board of Directors.
  - d. Maintain appropriate Board/staff interactions.
    - i. Follow the chain of command.
      - 1. Work with the Fire Chief or designee to determine the best way to communicate with staff, visit facilities, observe operations, etc.
      - 2. Express any concerns with staff to the Fire Chief.
    - ii. Avoid providing direction or requesting extensive information from staff when not authorized by the whole board or a committee of the board.
    - iii. Avoid last-minute requests from staff.

- iv. Be professional and respectful to staff and expect the same in return.
- v. Non-election-related interactions with Union (Local 2086) representatives should follow the same coordination through the Fire Chief as any other staff interactions.
- e. Any media interactions should be coordinated with the Fire Chief whenever possible. Board members should refer to the Board reference documents for Communications and Social Media policies.

3. **BE TRUSTWORTHY.**

- a. We serve in a position of trust and have a responsibility to use public resources prudently.
- b. Avoid conflicts of interest.
  - i. No self-dealing or business with SMFR by a Board member.
  - ii. Provide at least annual disclosures of involvement with other organizations, vendors, or other associations that might be reasonably seen as representing a conflict of interest.
  - iii. Withdraw from deliberation and voting on any matter where a conflict exists.
  - iv. Do not use position to obtain employment, advantages or favors for yourself, family members, or close associates.
- c. Conduct personal affairs in such a manner that we cannot be improperly influenced in the performance of our duties.
- d. Comply with SMFR’s “Ethics and Standards of Conduct” and “Firefighter Code of Ethics” Policies.
- e. Be transparent and open with information-sharing and decision-making while respecting and maintaining confidentiality where required.

**Breach of Standards of Conduct**

While the Board as a body cannot exercise authority over individual Board members, the Board can take steps to attempt to align conduct with the principles and values stated in these bylaws. These include, but are not limited to:

1. Hold the Fire Chief accountable to ensure the Fire Chief and staff are providing the appropriate response to Board members’ individual comments, opinions, direction, or instructions.
2. The Board, either privately through the Board Chair or as a whole during a Board meeting, may re-iterate the expectations of Board members and attempt to provide guidance that will correct improper behaviors of individual members.

3. The Board may publicly reprimand or censure an individual or group of Board members or enact other forms of sanctions as deemed appropriate by the Board.
4. The Board may direct an investigation of individual or group behavior to ensure laws have not been violated.

**Acknowledgement of Receipt and Review of District Bylaws**

I, \_\_\_\_\_, acknowledge that I have received and reviewed the South Metro Fire Rescue Fire Protection District February 17, 2020 Restated Bylaws and the attached Rules of Procedure and the Guidelines for Board Member Conduct, as required by Section 17 of the Bylaws.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

**SOUTH METRO FIRE RESCUE  
FIRE PROTECTION DISTRICT**

**FEBRUARY ~~317~~, 2020 RESTATED BYLAWS**

**SECTION 1.**        **AUTHORITY.** South Metro Fire Rescue Fire Protection District (the “District”) is a governmental subdivision of the State of Colorado and a body corporate with those powers of a public or quasi municipal corporation which are specifically authorized by, and in compliance with, Section 32-1-101 et seq., C.R.S. The District was created by court order and is located in Douglas, Arapahoe and Jefferson Counties.

**SECTION 2.**        **PURPOSE.** It is hereby declared that the Bylaws hereinafter set forth will serve a public purpose.

**SECTION 3.**        **POLICIES OF THE BOARD.** It shall be the policy of the Board of Directors (“Board”) of the District, consistent with the availability of revenues, personnel and equipment, to use its best efforts to provide the quality services as authorized under the District Service Plan or by law.

**SECTION 4.**        **BOARD OF DIRECTORS.** Unless specifically required by law to be performed by the Board or otherwise delegated by the Board, all powers, privileges and duties vested in, or imposed upon, the District by law and as set forth herein shall be exercised and performed by the Fire Chief and District staff under the supervision of the Fire Chief, and with the assistance of District legal counsel, under the ultimate supervision of and through the Board, whether set forth specifically or impliedly in these Bylaws. The Board may delegate to officers, employees, and agents of the District any or all administrative, ministerial, and operational powers.

Without restricting the general powers conferred by these Bylaws, it is hereby expressly declared that the Board shall have the following powers and duties:

- a. To appoint, hire, supervise, terminate, remove or suspend the Fire Chief and District legal counsel. The Board hereby confers upon the Fire Chief the power to appoint, hire, supervise, terminate, remove or suspend employees or agents upon such terms and conditions as may seem fair and just and in the best interests of the District.
- b. To delegate by resolution to the Fire Chief and other management personnel who may make purchases of real and personal property, goods and services, and who may sign receipts, endorsements, checks, contracts, releases and other official documents on behalf of District.

- c. To create standing or special committees and to delegate such power and authority thereto as the Board deems necessary and proper for the performance of such committee's functions and obligations. The following standing committees have been created by the Board:
1. Conflicted Matters Committee;
  2. Bylaws and Policy Committee;
  3. Fire Chief Performance Committee;
  4. Salary and Benefits Committee; and
  - e.5. Community Outreach Committee.
- d. To prepare or cause to be prepared financial reports covering each year's fiscal activities; and such reports shall be available for inspection by the public, as required by law.

**SECTION 5. OFFICE.**

- a. **Business Office.** The principal business office of the District shall be at 9195 East Mineral Avenue, Centennial, Colorado 80112, until otherwise designated by the Board.
- b. **Establishing Other Offices and Relocation.** The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

**SECTION 6. MEETINGS.**

- a. **Regular Meetings.** Regular meetings of the Board shall be conducted at the dates and times designated by Resolution of the Board at its first regular meeting of each year. When necessary and in its discretion, the Board may by motion change the time and date of regular Board meetings.
- b. **Special Meetings.** Special meetings of the Board may be called by the Chair or any two (2) Directors.
- c. **Meeting Public.** All meetings of the Board, other than executive sessions, shall be open to the public. Meetings include any and all sessions of the Board, at which a quorum of the Board (4 is a quorum if a full Board is in office) or three (3) or more Directors, whichever is less, are expected to be in attendance for discussion of District business, either in person,

telephonically, or electronically. Social gatherings at which no business of the District will be discussed are not considered meetings of the Board that are open to the public or for which notice is required.

- d. **Board Member Notice.** Section 6.a. and the annual Resolution designating regular meeting dates and times shall constitute formal notice of regular meetings to Directors, and no other notice shall be required to be given to the Board. Notice of special meetings shall be provided to Directors by email, telephone, or United States Postal Service (USPS) not less than twenty-four (24) hours in advance. Notice delivered by USPS shall be deemed delivered at 5:00 p.m. on the third (3<sup>rd</sup>) day following the day on which it was deposited, postage prepaid. Notice of multiple special meetings may be given by a single notice. Attendance by a ~~director~~ Director at a regular or special meeting shall be deemed a waiver by the Director of the notice requirements of this subsection d.
- e. **Public Notice.** Public notice and an agenda for all meetings shall be posted not less than twenty-four (24) hours in advance as set forth in the Colorado Open Meetings Law. The District's webpage is designated for the posting of such notice pursuant to Section 24-6-401, C.R.S.
- f. **No Informal Action by Directors/Executive Sessions.** All official business of the Board shall be conducted at regular or special meetings. Executive sessions may be called at regular or special meetings, and conducted according to the following guidelines:
1. **Calling the Executive Session.** The topic for discussion in the executive session shall be announced in a motion, and the specific statute that authorizes the executive session shall be cited. The matter to be discussed shall be described in as much detail as possible without compromising the purpose of being in executive session. An affirmative vote of two-thirds (2/3) of the quorum in attendance shall be required to go into executive session.
  2. **Conducting the Executive Session.** No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall take place in an executive session. The discussion in executive session shall be limited to the reasons for which the executive session was called. An electronic recording of the actual contents of the discussion in the executive session shall be kept. No electronic recording or other record is necessary to be kept for any portions of the discussion which the District's attorney reasonably believes constitute attorney-client privileged communication. The attorney shall state on the electronic record when any portion of the executive

session is not recorded as an attorney-client privileged communication or sign a statement to the same effect.

3. Records of Executive Sessions. The electronic record of any executive session shall be retained by the District for ninety (90) days from the date of the executive session and then destroyed. Electronic recordings of the executive session, or transcripts or other reproduction of the same, shall not be released to the general public for review under any circumstances, except as required by law.

**g. Adjournment and Continuance of Meetings.** When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting if the time and place of such meeting are announced at the meeting at which the continuance is taken. At the continued meeting, any business may be transacted which could have been transacted at the original meeting.

**h. Emergency Meetings.** Notwithstanding any other provisions in this Section 6, emergency meetings may be called, without notice if notice is not practicable, by the Chair, Vice Chair or any two (2) Directors in the event of a declared emergency that requires the immediate action of the Board in order to protect the public health, safety, welfare or property of the owners, residents and visitors of the District. If possible, notice of such emergency meeting shall be given to the Directors by telephone, email, or whatever other means are reasonable to meet the circumstances of the emergency. At such emergency meeting, any action within the power of the Board that is necessary for the immediate protection of the public health, safety, welfare or property of the owners, residents and visitors of the District may be taken; provided, however, that any action taken at an emergency meeting shall be effective only until the first to occur of (a) the next regular meeting, or (b) the next special meeting of the Board at which the emergency issue is on the public notice of the meeting. At such subsequent meeting, the Board may ratify any emergency action taken. If any emergency action taken is not ratified, it shall be deemed rescinded as of the date of such subsequent meeting, although the validity and effectiveness of the emergency action during its effective time shall not be invalidated. A declared emergency for purposes of this subsection h. is an emergency within the District that has been declared by county or municipal government, the State of Colorado, the United States government, of any department or agency thereof, or the Chair, Vice Chair, or any two (2) Directors of the Board.

**i. Email Meetings.** Section 24-6-402, C.R.S., requires that certain email correspondence between three (3) Directors (or, when two (2) Directors

constitute a quorum, two (2) Directors), if said email correspondence discusses pending resolutions or other District business shall be considered a public meeting subject to the requirements of the Colorado Open Meetings Law.

- j. **Attendance at Meetings.** It is the Board’s expectation that Directors will attend in person not less than seventy five percent (75%) of Board meetings. Section 24-6-402(1)(b), C.R.S. defines a meeting as “Any kind of gathering to discuss public business, in person, by telephone, electronically, or by other means of communication.” Although electronic participation in Board meetings as a frequent or regular course is not acceptable, Directors may periodically attend meetings by telephone (or other electronic means), so long as they are able to reasonably receive the comments from the audience and any comments and discussion among other Directors and staff, and they are able to participate in the discussion.

**SECTION 7. CONDUCT OF BUSINESS.**

- a. **Board Meeting Rules of Procedure.** Meetings of the Board of Directors shall comply with the South Metro Fire Rescue Fire Protection District Board Meeting Rules of Procedure attached hereto as Exhibit A.
- b. **Quorum.** All official business of the Board shall be transacted at a regular or special meeting at which a quorum (majority) of the Directors are in attendance in person, telephonically, or electronically, except as provided in Section 6.h. above.
- c. **Vote Requirements.** Any action of the Board shall require the affirmative vote of a majority of the Directors in attendance and voting at a meeting properly called and at which a quorum is in attendance, except that to convene an executive session of the Board, a two-thirds (2/3) affirmative vote is required, and approval of amendments to these Bylaws shall be as set forth herein.
- d. **Electronic Signatures.** In the event the signature(s) of one (1) or more Directors or appointed signatories are required to execute a written document, contract, note, bond, deed, and/or other official papers of the District, and the appropriate individual(s) is unable to be physically present to sign said documentation, such individual or individuals are authorized to execute the documentation electronically via facsimile or email signature, unless said documentation provides otherwise. Any electronic signature so affixed to a document shall carry the full legal force and effect of any original, handwritten signature. Except as approved herein, this provision of these Bylaws shall not be interpreted as establishing the District’s

consent or authorization to bind District to any transaction by the use of electronic records or electronic means. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

- e. **Setting Meeting Agendas.** Agendas for Board meetings will be set by the Fire Chief or his/her designee in consultation with the Board Chair. The Board Chair or any two (2) Directors may require a matter be placed on a meeting agenda by written request provided to the Secretary and the Fire Chief. Agenda items added with little advanced notice to staff shall be tabled, if necessary, to allow a reasonable time to provide necessary support or briefing for the Board.
  
- f. **Order of Business.** The business of all regular meetings of the Board shall be transacted generally in the following order, and as approved by the Board from time to time, and the agenda for such meetings shall describe in as much detail as is possible the topics within each category:
  - 1. Meeting Call to Order;
  - 2. Pledge of Allegiance;
  - 3. Roll Call and Approval of any Excused Absences;
  - 4. Approve the Agenda;
  - 5. Public Comment;
  - 6. Consent Agenda;
  - 7. Action Items (Action Items are intended for matters for which Board action is proposed.);
  - 8. Discussion Items (Discussion Items are intended for matters which need Board and staff discussion, obtain direction for future action or inaction, or to develop the Discussion Item for future consideration as an Action Item. No action can be taken on a Discussion Item, other than to schedule it again as a Discussion Item or as an Information Item or an Action Item for a future meeting. A properly posted Discussion Item could become an Action Item by approval of a Motion to Reconsider approval of the Agenda to add the matter as an Action Item and return to that portion of the Agenda, see Section 7.a. and Exhibit A.)

9. Information Items (Information Items are limited to short briefings by staff or Directors on matters with little or no discussion. No action can be taken on an Information Item, other than to schedule it again as an Information Item or as a Discussion Item or an Action Item for a future meeting.);
  10. Executive Session (as needed);
  11. Next Meeting; and
  12. Adjournment.
- g. Meeting Packets.** The Fire Chief shall be responsible for seeing that packets for regular Board meetings are generally provided or available to Board members on Wednesday before a regular Monday meeting, and similarly in advance of other meetings held on other days.
- h. Public Conduct at Meetings.** Comments by members of the public shall be made only during the “Public Comment” portion of the meeting or a specified public hearing. Public comments shall be limited to three (3) minutes per individual and five (5) minutes per group spokesperson unless additional opportunity is given at the Board’s discretion. Each member of the public wishing to speak may be asked to fill out a form indicating name, address, topic or agenda item to be addressed. Disorderly conduct, harassment, or obstruction of or interference with meetings by physical action, verbal utterance, nuisance or any other means are hereby prohibited and constitute a violation of District rules. Such conduct may result in removal of person(s) responsible for such behavior from the meeting and/or criminal charges filed against such person(s). To the extent such occurrences arise and the person(s) responsible refuses to leave the premises, law enforcement authorities will be summoned. Prosecution will be pursued under all applicable laws, including without limitation Sections 18-9-108, C.R.S. (disrupting lawful assembly), 18-9-110, C.R.S. (public buildings - trespass, interference), and/or 18-9-117, C.R.S. (unlawful conduct on public property). Law enforcement may be requested to attend meetings at any time in which the Board believes their presence will assist in keeping peace and conducting public business. 9-1-1 will be called at any time that the Board or staff feels threatened or endangered.
- i. Minutes.** Within a reasonable time after approval, all resolutions, motions and minutes of Board meetings shall be recorded in a visual text format that may be transmitted electronically and kept for that purpose, and shall be attested by the Recording Secretary. Minutes of regular and special meetings shall be available for public review as soon as practicable

following approval by the Board. Upon approval by the Board, such records shall be the official record of the Board meetings. Executive sessions shall be electronically recorded on audio tape or other electronic media, and such electronic recording or reproduction of the same shall be kept separate from minutes of regular sessions as described in Section 6.e of these Bylaws and shall not be open to the public except as required by law. Draft minutes are considered work product under the Colorado Open Records Act and are not available to the public until discussed by the Board in a public meeting or otherwise made public.

## **SECTION 8. POLICIES OF THE BOARD.**

- a. **Compliance with District Policies.** Directors shall comply with District Policies that are specifically applicable to the Board and its Directors, and also those that apply to District personnel to the extent the subject matter also extends to matters applicable to District Directors. Such policies include, but are not limited to, policies associated with conflicts of interest, sexual harassment, and use of technology and computing devices. District Directors shall participate in training and educational sessions called for in any such policies. The Fire Chief ~~or his or her designee~~ shall be responsible for coordinating with the Board for the scheduling of any such training or educational sessions, though it is the responsibility of individual Directors to attend such sessions.
- b. **Use of District Technology Systems.** To allow efficiency in meeting public records requests and complying with requirements under the Colorado Open Records Act and the Open Meetings Law, Directors shall only use District technology systems for electronic communications that discuss District matters. In addition to communications, copies of all documents that discuss the public business of the District shall be stored on the District technology system. Directors that do not use the District's technology systems for communicating regarding the public business of the District or to retain public records are subject to the potential that their personal devices and document storage systems may be ordered by a Court to be seized and reviewed. Directors shall abide by the District's policies on use of technology and electronic mail, including Policies and Procedures 3.3.3 regarding Acceptable Use Policy and 3.3.7 regarding Mobile Device Policy, and Board Resolutions No. 2009-07 Adopting an Electronic Mail Policy and No. 2009-10 Amending the Authority's Electronic Mail Policy.
- c. **Board Member Standards of Conduct.** In carrying out their responsibilities and representing the District, Board members shall comply with the Standards and Guidelines for Board Member Conduct attached hereto as Exhibit B.

**SECTION 9. DIRECTORS, OFFICERS AND PERSONNEL.**

- a. **Director Qualifications and Terms.** Directors shall be eligible electors of the Director district for which they are elected or appointed. The term of each Director shall be determined by relevant statutory provisions with regular elections held in even numbered years through 2022, and thereafter odd numbered years beginning in 2023, and conducted in the manner prescribed by Articles 1 through 13.5, Title 1, and Part 8, Article 1, Title 32, C.R.S.
- b. **Faithful Performance Bonds.** ~~The Fire Chief shall see that for Each~~~~each~~ Director ~~shall furnish there is furnished~~, at the expense of the District, an individual, schedule or blanket surety bond or crime insurance in the sum of not less than one thousand dollars (\$1,000) each, conditioned on the faithful performance of the duties of his/her office. In addition, ~~Fire Chief shall see that for~~ the Treasurer ~~shall furnish there is furnished~~, at the expense of the District, a corporate fidelity bond or crime insurance in a sum of not less than five thousand dollars (\$5,000), conditioned upon the faithful performance of the duties of his/her office.
- c. **Director's Performance of Duties.** A Director of the District shall perform all duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner which the Director reasonably believes to be in the best interests of District, and with such care as an ordinarily prudent person in a like position would use under similar circumstances. In performing the Director's duties, the Director shall be entitled to rely upon information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by persons and groups listed in subparagraphs 1, 2 and 3 of this subsection c. The Director shall not be considered to be acting in good faith if he/she has knowledge concerning the matter in question that would cause such reliance to be unwarranted, and does not disclose such knowledge in a manner to call into question the information otherwise being relied upon. A person who in good faith performs the Director's duties shall not have any liability by reason of being or having been a Director of the District. Those programs and groups upon whose information, opinions, reports, and statements a Director is entitled to rely upon are:
1. One (1) or more officers or employees of the District whom the Director reasonably believes to be reliable and competent in the matters presented;

2. Legal counsel, public accountants, or other persons as to matters which the Director reasonably believes to be within such persons' professional knowledge or expertise; and
  3. A committee of the Board upon which the Director does not serve, duly designated in accordance with the provisions of the Bylaws, as to matters within the committee's designated authority, which committee the Director reasonably believes to merit confidence.
- d. **Oath of Office.** Each Director, before assuming the responsibilities of his/her office, shall take and subscribe an oath of office in the form prescribed by law.
- e. **Election of Officers.** The Board shall elect from its membership a Chair/President, Vice Chair/Vice President, Secretary, and Treasurer. The Board may, from time to time, appoint an acting officer in the absence of any individual officer. The election of the officers shall be conducted annually at the first regular meeting of the Board following each regular special district election, and at such times as deemed appropriate by the Board. Each officer so elected shall serve for a term of office until the first regular meeting of the Board following the next regular special district election, or as otherwise directed by the Board. Any officer may be removed by the Board, with or without cause, whenever in its judgment the best interests of the District will be served thereby. Under any circumstance, the term of a Board Officer shall continue until the election of his/her successor.
- f. **Vacancies.** Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors, as prescribed by law, with the appointee to serve until the next regular special district election, as prescribed by statute. The appointed individual must meet the statutorily prescribed qualifications for Directors and shall serve until the next regular election. A Board member's office is vacant upon:
1. Failure to meet qualifications;
  2. Failure to satisfy oath and bond requirements;
  3. Written resignation;
  4. Failure to remain qualified for office;
  5. Conviction of a felony;
  6. Removal from office or voidance of election by court;

7. Failure to attend four (4) consecutive, regular Board meetings where the absences have been entered into the meeting minutes as unexcused. Absences shall be excused for temporary mental or physical disability or illness; or
  8. Death.
- g. Resignation and Removal.** Directors may be removed from office only by recall as prescribed by statute. Any Director may resign at any time by giving written notice to the Board, and acceptance of such resignation shall not be necessary to make it effective, unless the notice so provides.
  - h. Chair and President.** The Chair shall preside at all meetings. The Chair shall also be the President of the District. The President is authorized to sign all legal instruments on behalf of the District.
  - i. Vice Chair and Vice President.** The Vice Chair shall be a member of the Board of Directors and, in the absence of the Chair or in the event of his or her inability or refusal to act, shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all restrictions upon the Chair.
  - j. Secretary.** The Secretary need not be a member of the Board of Directors and shall maintain or, through the Fire Chief, cause to be maintained the official records of the District, including the by-laws, rules and regulations established by the Board of Directors, minutes of the meetings of the Board of Directors, and a register of the names and addresses of the Directors and officers, and shall issue notice of meetings, and attest and affix the corporate seal to all official documents of the District. A separate Recording Secretary and records custodian may be appointed by the Board under the supervision of the Secretary and the Fire Chief to assist with carrying out the duties of the office of Secretary.
  - k. Treasurer.** The Treasurer shall be a member of the Board of Directors, and shall be chair of the Audit Committee. The Treasurer shall keep or, through the Fire -causeChief, cause to be kept, strict and accurate accounts of all money received by and disbursed for and on behalf of the District. The accounting function shall be provided by District personnel or independent contractor under the supervision of the Fire Chief and Treasurer, and shall be reviewed at least quarterly by the Board of Directors. The Treasurer shall have such other financial duties and authorities as specified by the Board.

- l. **Recording Secretary.** The Board shall have the authority to appoint a Recording Secretary who need not be a member of the Board of Directors. The Recording Secretary shall be responsible for assisting with carrying out the duties of the office of Secretary, under the supervision of the Fire Chief and the ~~secretary~~ Secretary. The Board hereby appoints the Fire Chief's Executive Assistant as the Recording Secretary.
- m. **Designated Election Official.** Unless otherwise designated by resolution calling for an election, the Fire Chief's Executive Assistant is hereby appointed the designated election official for all District elections.
- n. **Additional Duties.** The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, these Bylaws or the rules and regulations of the District, by law, or by special exigencies, which shall later be ratified by the Board.
- o. **Fire Chief.** The Fire Chief shall be an employee of the District. Subject to the appointment, employment, termination and supervision of the Board of Directors, the Fire Chief shall have all powers and authorities provided for a fire chief under §32-1-1002, C.R.S., and any other applicable state or federal law, and shall oversee and manage all business and affairs of the District, including the operation, maintenance, management, administration, and provision of all facilities, improvements, equipment, services and personnel, in the manner typically associated with a fire and emergency rescue agency for which the fire chief has been delegated authority by the governing body to manage all aspects of the agency, including the authority associated with a chief executive, administrative, and operational officer.
- p. **Personnel Selection.** The selection of employees, volunteers, engineers, accountants, agents, contractors, special consultants and attorneys of the District will be based upon the relative qualifications and capabilities of the applicants and shall not be based upon political services or affiliations.

**SECTION 10. FINANCIAL ADMINISTRATION.**

- a. **Fiscal Year.** The fiscal year of the District shall commence on January 1 of each year and end on December 31.
- b. **Budget.** On or before October 15th of each year, the Fire Chief ~~Financial Officer~~ shall have prepared and submitted to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement which shall describe the important features of the budget plan and by a general summary wherein shall be set forth the aggregate features

of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. The proposed budget shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.

- c. **Notice of Budget.** Upon the Board's receipt of the proposed budget, the ~~Board~~ Fire Chief or District legal counsel shall cause to be posted or published in substantial compliance with law, a notice that the proposed budget is open for inspection by the public at the District's business office; that the Board will consider the adoption of the proposed budget at a public hearing on a certain date; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption.
- d. **Adoption of Budget.** On the day set for consideration of the proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease expenditures and revenues as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall adopt a budget by resolution, either immediately following the budget hearing or at a later date. The budget shall set forth the expenditures to be made in the ensuing fiscal year and shall provide for sufficient revenues.
- e. **Levy and Collection of Taxes.** On or before December 15<sup>th</sup> of each year, the Board shall approve by resolution and the Fire Chief or District legal counsel shall cause to be certified to the Board of County Commissioners of Douglas, Arapahoe and Jefferson Counties the mill levy rate established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners shall levy such tax upon the assessed valuation of all taxable property within District. The mill levy rate shall not be increased above that for the prior year, except for Board approved levies for abatements and refunds, without prior voter approval, and as set forth in applicable constitutional and statutory provision.
- f. **Filing of Budget.** On or before January 30<sup>th</sup> of each year, the ~~Board~~ Fire Chief or District legal counsel shall cause a certified copy of such budget to be filed with the Division of Local Government in the Colorado Department of Local Affairs.

**g. Appropriating Resolution.**

1. At the time of adoption of the budget, the Board shall, within the same or separate resolution, appropriate funds for expenditure in the ensuing fiscal year. The amounts appropriated shall not exceed the expenditures fixed in the adopted budget.
2. The income of the District, as estimated in the budget and as provided for in the resolution setting the District's property tax mill levy rate, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation resolution.

**h. No Contract to Exceed Appropriation.** The District shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes, for which provision is not made in an appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to the terms of this Section shall be void ab initio, and no District funds shall be expended in payment of such contracts.

**i. Contingencies.**

1. In cases of emergency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of appropriations, by resolution duly adopted by a majority vote of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of such meeting.
2. A copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the Colorado Department of Local Affairs and shall be published in compliance with statutory requirements.

**j. Payment of Contingencies.**

1. If there is unexpended or uncommitted money in funds other than those to which the emergency relates, the Board shall, by resolution amending the budget, transfer such available money to the fund from which the emergency expenditure is to be paid. Transfers between accounts within the same budgeted and appropriated fund may be

made by the Fire Chief without Board approval or budget amendment.

2. To the extent that transferable funds are insufficient to meet the emergency appropriation, the Board may borrow money as set forth in Section 29-1-112, C.R.S. or through any other lawful and approved method.

**k. Annual Audit.**

1. The ~~Board~~Fire Chief, on behalf of the Board, shall cause an annual audit to be made at the end of each fiscal year of all financial affairs of the District through December 31st of such fiscal year and submitted to the Board. The audit report shall be submitted to the Board within six (6) months of the close of the fiscal year or as otherwise provided by law. The audit shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant, who has not maintained the books, records and accounts of District during the fiscal year. The auditor shall prepare, and certify as to its accuracy, an audit report, including financial statements that are representations of the District setting forth the financial position and results of the District for each fund and activity of the District and a comparison of actual figures with budgeted figures for each fund or activity for which a budget has been prepared upon which the audit is based, an unqualified opinion or qualified opinion with explanations, and a full disclosure of any violation of Colorado law.
2. There shall be a permanent Audit Committee composed of the Treasurer and Board Chair or such other Director appointed by the Board Chair. The Audit Committee shall be responsible for the appointment, compensation, recommendation (to be approved by the Board), retention, and oversight of the work of an independent certified public accountant engaged to prepare the audit report or perform other audit, review or attest services for the District. The Audit Committee may, as necessary and to the extent of its ability, provide independent review and oversight of the District's financial reporting processes, internal controls and independent auditors. All auditors thus engaged shall report directly to the Audit Committee.
3. A copy of the audit report shall be maintained by the District as a public record for public inspection at all reasonable times.

4. A copy of the audit report shall be forwarded to the State Auditor within thirty days after the Board receives it.

**SECTION 11. CORPORATE SEAL.** The seal of the District shall be a circle containing the name of the District and shall be used on all documents and in such manner as seals generally are used by public and private corporations. The Recording Secretary shall keep, or cause to be kept, the seal and shall be responsible for its safekeeping and care.

**SECTION 12. DISCLOSURE OF CONFLICT OF INTEREST.** A potential conflict of interest of any Director shall be disclosed in accordance with State law, particularly Article 18 of Title 24, C.R.S., and Sections 32-1-902(3)(b) and 18-8-308, C.R.S.

**SECTION 13. COMPENSATION.** Each Director shall receive the maximum compensation authorized by statute, unless otherwise determined by the Board. No Director shall receive compensation as an employee of the District. Directors shall also be reimbursed for their actual and reasonable expenses incurred on behalf of the District, as approved by the Board.

**SECTION 14. INDEMNIFICATION OF DIRECTORS AND EMPLOYEES.** The District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, whether elective or appointive, against any tort or liability, claim or demand, without limitation, arising out of any alleged act or omission occurring during the performance of official duty, as more fully defined by law or by an indemnification resolution, if any. The provisions of this Section shall be supplemental and subject to and, to the extent of any inconsistency therewith, shall be modified by the provisions of the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S.

**SECTION 15. BIDDING AND CONTRACTING PROCEDURES.** The District shall adopt, maintain and comply with policies as reasonable for the conduct of local government contracting and necessary for compliance with applicable laws regarding contracting and construction. Such policies shall address procurement of goods and services, construction and contract execution. Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work, materials, or both, involving an expense of sixty thousand dollars (\$60,000) or more of District funds. The ~~Board~~ District may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with law. Notwithstanding the foregoing, the District may award an integrated project delivery contract pursuant to § 32-1-1801, et seq., C.R.S. upon (i) the determination of the Board that integrated project delivery represents a timely or cost-effective alternative for a project; (ii) publication of a request for qualifications and/or request for proposals; and (iii) compliance with Part 18

of Article 1, Title 32, C.R.S. All other statutory requirements relating to performance bonds, retainage, and similar matters shall also be complied with.

**SECTION 16. RECORDS MANAGEMENT.** The District shall adopt, maintain and comply with policies as reasonable and necessary for compliance with, applicable records retention, destruction, and disclosure requirements, including the Colorado Open Records Act, State Archives and Public Records law, and various consumer privacy legislation. The **Fire Chief's** Executive Assistant, is hereby designated as the Official Custodian of Records (“Custodian”) pursuant to the Colorado Open Records Act. The fees and charges imposed for responding to Colorado Open Records Act records requests shall be automatically increased to the maximum amounts allowed by law without additional Board action.

**SECTION 16.SECTION 17. ANNUAL ACKNOWLEDGEMENT.** Each Director shall upon taking office and annually thereafter sign an acknowledgement that they have received and reviewed these Bylaws and the attached Rules of Procedure and the Guidelines for Board Member Conduct.

**SECTION 17.SECTION 18. MODIFICATION OF BYLAWS.** These Bylaws may be altered, amended or repealed at any regular or special meeting of the Board by a two-thirds (2/3) majority of the Directors in office, to become effective immediately or at a subsequent date, as specified.

**SECTION 18.SECTION 19. SEVERABILITY.** If any part or provision of these Bylaws is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of these Bylaws, it being the Board’s intention that the various provisions hereof are severable.

**SECTION 19.SECTION 20. TERMINATION OF PRIOR BYLAWS.** These Bylaws amend, supersede and replace in their entirety all prior Bylaws, and any amendments thereto, previously adopted by the Board of Directors.

**ADOPTED** this ~~3<sup>rd</sup>~~ 17<sup>th</sup> day of February, 2020, by the Board of Directors of the South Metro Fire Rescue Fire Protection District.

\_\_\_\_\_  
Ronda Scholting, Chair

\_\_\_\_\_, Secretary

**EXHIBIT A**  
**South Metro Fire Rescue Fire Protection District**  
**Board Meeting**  
**Rules of Procedure**

1. **Quorum to Conduct Business.** Simple majority of the District Directors.
2. **Motions.** All motions shall be distinctly worded.
  - (a) The following rules shall apply to motions:
    - (i) If a motion does not receive a second, it dies.
    - (ii) The Board will discuss a motion at length only after the motion has been moved and seconded. Nothing prevents general discussion or expression of opinions before a motion is made.
    - (iii) Any motion shall be reduced to writing if requested by a Director.
    - (iv) A motion to amend can be made to a motion that is on the floor and has been seconded.
    - (v) No motion shall be received when a question is under debate except for the following:
      - (1) To lay the matter on the table;
      - (2) To call for the previous question (close debate);
      - (3) To postpone;
      - (4) To refer; or
      - (5) To amend.
    - (vi) A motion may be withdrawn by the mover at any time without the consent of the Board.
    - (vii) Amendments are voted on first, then the main motion is voted on, as amended if amendments are approved.

- (viii) A Director may have a motion which contains several elements divided, but the mover shall have the right to designate which element will be voted on first.
- (ix) A call for the previous question is intended to close the debate on the main motion; does not require a second and is not debatable.
  - (1) Debate on the main motion resumes if the motion fails.
- (x) A motion that receives a tie vote fails.
- (xi) The chair shall repeat the motion prior to a vote.
- (xii) A motion to adjourn cannot be amended.

(b) **Motion to Reconsider.** A motion to reconsider may only be made by a Director who voted on the prevailing side. Any Director may second the motion.

- (i) No motion to reconsider shall be made more than once.
- (ii) The motion to reconsider shall be made before the final adjournment of the meeting at which the Board approved the item to be reconsidered.

(c) **Non-debatable Motions.** The following motions are non-debatable:

- (i) Call for the previous question;
- (ii) Motion to adjourn (if less than a quorum is present, the meeting shall automatically be adjourned without action of the Board);
- (iii) Motion to recess;
- (iv) Motion for executive session.

3. **Debate.** The following rules shall govern the debate of any item being discussed by the Board:

(a) Every Director desiring to speak shall address the chair, and, upon recognition by the chair, shall confine him/herself to the question under debate, at all times acting and speaking in a respectful manner.

(b) A Director, once recognized, shall not be interrupted when speaking unless it is to be called to order, or as herein otherwise provided.

4. **Appeal Ruling of Chair.** If the Chair makes a ruling with which a Director disagrees, that Director may, by motion, appeal the ruling of the Chair. This motion requires a second and is debatable. If the motion passes, the ruling of the Chair is reversed.

5. **Points of Privilege and Points of Order.**

(a) **Points of Privilege.** These are points that relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, a Director may be unable to hear or not have the correct information on a matter before the Board. Points of privilege do not require a second, are not debatable, do not require a vote, and are ruled upon by the Chair.

(b) **Points of Order.** These are points that relate to anything that would not be considered appropriate conduct of the meeting. For example, not following the agenda, voting on a debatable matter without calling for debate before the vote. Points of order do not require a second, are not debatable, do not require a vote, and are ruled upon by the Chair.

6. **Voting.** A majority of the Directors in attendance at a meeting at which a quorum is present voting in favor of a motion is required to approve any motion, unless a different requirement is set by these Rules of Procedure or by law. As provided by law, to convene an executive session requires the favorable vote of 2/3 of the quorum present.

(a) **Affirmative or Negative Vote Required.** A vote of yes or no (or another form of affirmative or negative declaration) shall be taken upon motions. Each Director, when present, must vote yes or no unless:

- (i) The Director is excused by the Chair because of a conflict of interest at the introduction of the agenda item or immediately upon discovery of a legally recognized conflict of interest; or
- (ii) The Director is excused by the Chair as a result of the Director having insufficient information upon which to enable an informed vote as a result of an absence at a prior meeting, e.g., the Director did not attend the meeting for which meeting minutes are moved for approval.

(b) **No Abstention.** An unexcused Director's vote to "abstain" or other similar declaration other than "yes" or "no" shall be recorded as a "no" vote on the pending motion or matter.

(c) **No Explanation of Vote.** Directors shall not explain their vote except during discussion and deliberation prior to the calling of the vote on the question. Any attempt to explain a vote or to condition the vote immediately prior to casting the vote is out of order.

## **Exhibit B: Guidelines for Board Member Conduct**

### **Our Role**

The Board of Directors of the South Metro Fire Rescue Fire Protection District is committed to representing those who live, work and play in the District by supporting the mission, vision and values of the organization through excellence in leadership, policy-making, and financial stewardship.

### **Our Standards of Conduct**

In order to succeed in our role in governance, we strive to hold ourselves as individuals and a governing body to the highest standards of ethics and conduct. The following are guidelines to help achieve that success:

1. BE AN ACTIVE BOARD MEMBER.
  - a. Board Meetings are the most important events in which we participate – it's where the Board's business gets done.
    - i. Be there.
      1. Being physically together is best.
      2. Electronic participation is allowed but not ideal.
    - ii. Be productive.
      1. Prepare for the meetings and discussions.
        - a. Read board packets, staff summary sheets, and seek helpful clarification prior to the meeting.
        - b. Attend trainings, retreats, study sessions and special board meetings to learn more about the district and help shape the future.
        - c. Stay on top of e-mails and other communications from staff and respond in a timely manner.
      2. Follow the process for proposing agenda items (action/discussion items).
      3. Participate and contribute in the proceedings.
      4. Make informed decisions, even if they're tough.
    - iii. Be constructive.
      1. Treat other board members, staff, and the public with respect.
      2. Conduct yourself with courtesy and professionalism.
      3. Listen.
      4. Be open to different viewpoints.
      5. Focus on issues, policies, and ideas and not personalities.

- 6. Avoid negative forms of interaction.
  - 7. Avoid dominating a discussion and encourage the participation of others.
  - 8. Honor the role of the Board Chair to focus discussions, encourage participation and maintain order.
  - iv. Be unified.
    - 1. Once the Board takes action all Directors should support the action and not create barriers to the implementation of such action.
    - 2. There are no minority reports in good boards.
  - b. Represent South Metro and the Board internally and externally.
    - i. Seek out and participate in opportunities to support and represent the Board and SMFR.
      - 1. Attend SMFR and community events where possible to support the organization, build relationships with our community stakeholders, and enhance SMFR's presence in the community.
      - 2. Help to enhance connectivity with the cities, counties, and service providers in and around the District.
2. LEAD & GUIDE / DON'T OPERATE.
- a. Our primary responsibility is the formulation and evaluation of policy.
  - b. Keep discussions and decisions at the appropriate policy level; avoid the minutia where not helpful or appropriate.
  - b.c. The Board has delegated to the Fire Chief the authority and responsibility to oversee and manage all business and affairs of the District, including all authority and responsibility typically associated with a chief executive, administrative, and operational officer. Individual Directors shall not involve themselves in the personnel, operation, maintenance, management, administration, and provision of facilities, improvements, equipment, and services unless requested by the Fire Chief or authorized by the Board of Directors.
  - e.d. Maintain appropriate Board/staff interactions.
    - i. Follow the chain of command.
      - 1. Work with the Fire Chief or designee to determine the best way to communicate with staff, visit facilities, observe operations, etc.
      - 2. Express any concerns with staff to the Fire Chief.
    - ii. Avoid providing direction or requesting extensive information from staff when not authorized by the whole board or a committee of the board.
    - iii. Avoid last-minute requests from staff.

- iv. Be professional and respectful to staff and expect the same in return.
- v. Non-election-related interactions with Union (Local 2086) representatives should follow the same coordination through the Fire Chief as any other staff interactions.
- d.e. Any media interactions should be coordinated with the Fire Chief whenever possible. Board members should refer to the Board reference documents for Communications and Social Media policies.

3. BE TRUSTWORTHY.

- a. We serve in a position of trust and have a responsibility to use public resources prudently.
- b. Avoid conflicts of interest.
  - i. No self-dealing or business with SMFR by a Board member.
  - ii. Provide at least annual disclosures of involvement with other organizations, vendors, or other associations that might be reasonably seen as representing a conflict of interest.
  - iii. Withdraw from deliberation and voting on any matter where a conflict exists.
  - iv. Do not use position to obtain employment, advantages or favors for yourself, family members, or close associates.
- c. Conduct personal affairs in such a manner that we cannot be improperly influenced in the performance of our duties.
- d. Comply with SMFR’s “Ethics and Standards of Conduct” and “Firefighter Code of Ethics” Policies.
- e. Be transparent and open with information-sharing and decision-making while respecting and maintaining confidentiality where required.

**Breach of Standards of Conduct**

While the Board as a body cannot exercise authority over individual Board members, the Board can take steps to attempt to align conduct with the principles and values stated in these bylaws. These include, but are not limited to:

- 1. Hold the Fire Chief accountable to ensure the Fire Chief and staff are providing the appropriate response to Board members’ individual comments, opinions, direction, or instructions.
- 2. The Board, either privately through the Board Chair or as a whole during a Board meeting, may re-iterate the expectations of Board members and attempt to provide guidance that will correct improper behaviors of individual members.

3. The Board may publicly reprimand or censure an individual or group of Board members or enact other forms of sanctions as deemed appropriate by the Board.
4. The Board may direct an investigation of individual or group behavior to ensure laws have not been violated.

**Acknowledgement of Receipt and Review of District Bylaws**

I, \_\_\_\_\_, acknowledge that I have received and reviewed the South Metro Fire Rescue Fire Protection District February 17, 2020 Restated Bylaws and the attached Rules of Procedure and the Guidelines for Board Member Conduct, as required by Section 17 of the Bylaws.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

# South Metro Fire Rescue

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SELF-FUNDED MEDICAL INSURANCE OVERVIEW



# Agenda

What is Self-Insurance

Benefits of Self-Insurance

Reinsurance (Stop-Loss)

Broker Relationship

Plan Performance

Consideration for 2021 Budget and Long Term Plan

# What is Self-Funded Insurance?

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## **Employer assumes the financial risk for providing health care benefits to its employees.**

- We are our own insurance carrier.
- The District pays for each medical claim as it is incurred instead of paying a fixed premium to an insurance carrier.
- Claims are paid from a special trust fund set up to hold both the District's and employee's premium contributions.
- Partner with Cigna, our Third-Party Administrator (TPA) to process and administer our claims.

## **We are not alone...**

A report published by the Employee Benefit Research Institute showed there are approximately **50 million employees** and their dependents that receive health care benefits through self-insured group plans. This is 33% of the 150 million total participants in private employment-based plans nationwide.

# Benefits of Self-Funded Insurance

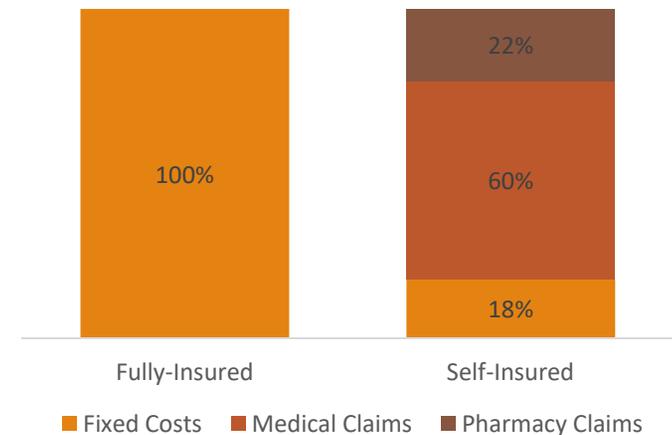
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- Can customize the plan to meet the specific health care needs of its workforce as opposed to purchasing a 'one-size-fits-all' insurance policy.
- Maintains control over the health plan reserves.
- Do not have to pre-pay for coverage by paying a monthly premium to an insurance carrier.
- Free to contract with the providers or provider network best suited to meet the health care needs of its employees

# Benefits of Self-Funded Insurance (cont.)

**Self-funded insurance models differ from fully-insured health plans which accept a fixed premium to assume financial risk for medical expenses.**

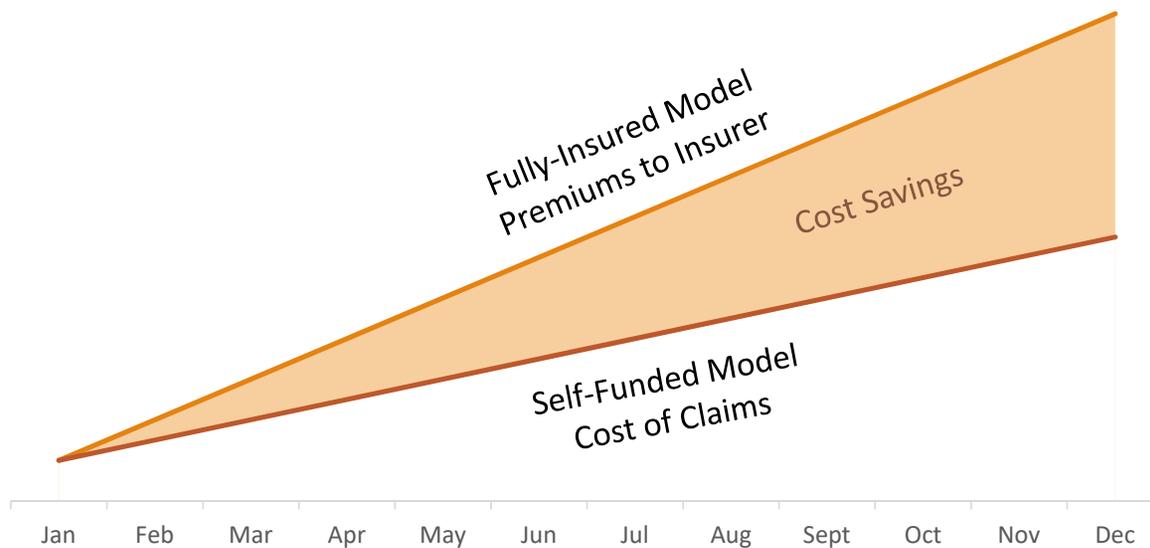
- Generally, 80% of total health plan costs consist of variable costs, leaving 20% of costs being made up of costs like administrative fees and reinsurance<sup>1</sup>.
- Under a fully-insured plan, 100% of the costs paid to an insurer are fixed costs.
- Self-Insured plans allow employers to manage and control 80% of the plan's costs rather than leaving it up to an insurer to manage.



# Benefits of Self-Funded Insurance (cont.)

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The employer's ability to effectively manage claim costs in a self-insured model, often results in cost savings relative to paying an insurance carrier to fully-insure the plan. This can mean lower premiums and/or richer benefits for employees under a self-funded plan.



# Reinsurance (Stop Loss Insurance)

**While SMFR is responsible for paying the actual costs of claims, we purchase stop loss insurance to protect ourselves against unpredicted or catastrophic claims.**

- Reimbursed for any claims over \$225,000 (Specific) and total claim costs \$10.6 million (Aggregate)
- 2019 premiums: \$1.4 million
- 2019 YTD Aggregate: \$9 million

	2019	2018	2017	2016	2015	2014	Benchmark
Stop Loss Level	\$225,000	\$225,000	\$200,000	\$200,000	\$200,000	\$175,000	
Number of Spec Claimants	2	6	2	3	0	1	3.8
Specific Premium	\$1,295,595	\$813,412	\$631,715	\$558,067	\$511,212	\$511,438	
YTD Reimbursements	\$304,850	\$570,296	\$975,603	\$663,361	\$0	\$68,009	
Performance	\$(990,708)	\$(243,190)	\$314,154	\$111,864			

# Benefits Broker - Lockton

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**We contract with a benefits broker, Lockton, who acts as a strategic partner to SMFR and a liaison between the insurers.**

- Strategic partner – suggesting plan design strategies to maintain / mitigate costs.
  - Help determine (underwrite) the annual claim costs which ultimately set the annual premiums.
  - Negotiate rates with insurers on our behalf.
  - Provide analysis and benchmarking to measure performance of the plan.
  - Compliance
- 

# Plan Performance

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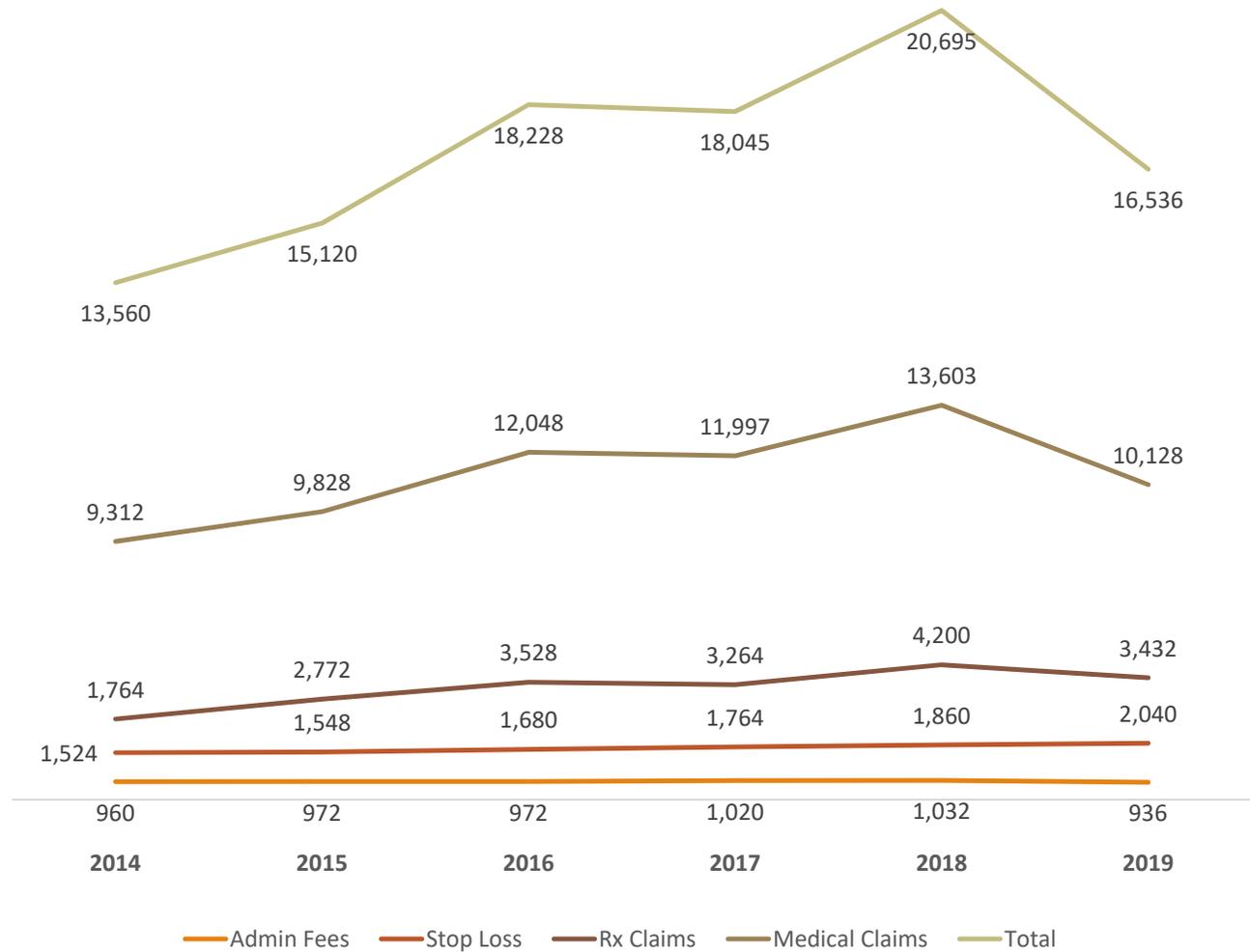
# Total Plan Costs

Total plan costs are increasing 5% per year on average.

Admin fees and stop loss premiums are increasing 1% per year on average.

Medical and Prescription costs are down 26% from the last 12 months and down 11% from the last 24 months.

### Plan Costs Per Employee Per Year

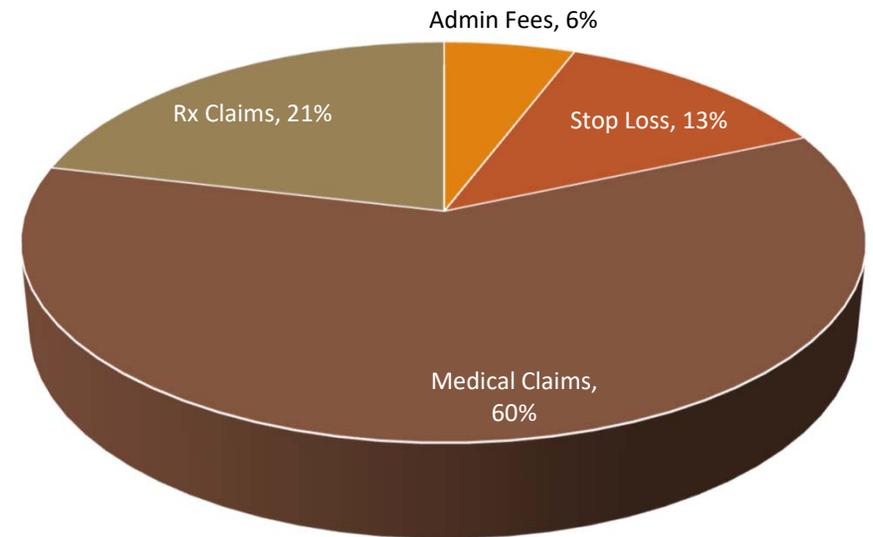


## 2019 Plan Costs

As mentioned earlier, 81% of total plan costs are directly related to claims.

2019 averaged 686 employees enrolled in the plan.

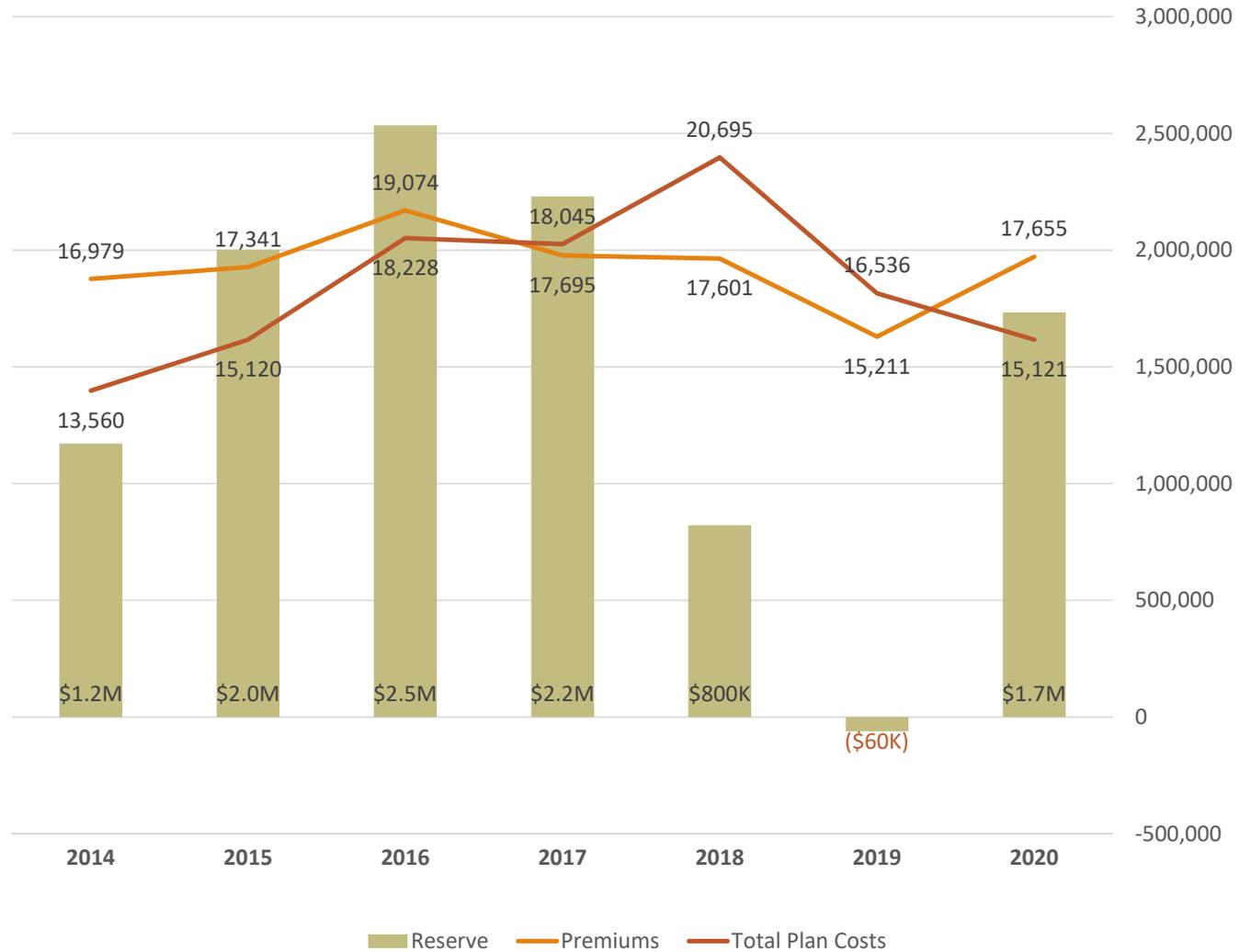
Category	2019 Total Costs
Administration Fees	\$640,864
Stop Loss Premiums	\$1,395,541
Medical Claims	\$6,638,897
Rx Claims	\$2,348,595
<b>Total</b>	<b>\$11,023,896</b>



# A larger reserve is necessary for cash flow

The variability in claims, requires a sufficient reserve to be established in order to manage the ebbs and flows of claim costs over the years.

The reserve peaked at \$2.5 million in 2016 and has since dropped to \$0.



# Consideration for 2021 Budget and Long Term Plan

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**2021: “Forgive” the \$1M loan from the general fund establishing a \$3 million\* reserve**

**2022: Transfer another \$1M from General Fund to self-insured medical fund**