

South Metro Fire Rescue Fire Protection District
Regular Board of Directors' Meeting Minutes
November 1, 2021 **AMENDED**

Present:

Jim Albee, Chair	Bob Baker, Fire Chief
Renee Anderson, Vice Chair	Mike Dell'Orfano, Assistant Chief
William Shriver, Treasurer	Tobias Kirschke, Assistant Chief
Hank Eng, Secretary	Kevin Milan, Assistant Chief
Sue Roche	Jon Adams, Assistant Chief
Cindy Hathaway	Dillon Miskimins, Chief Financial Officer
Alison Rausch	Kristin Eckmann, Chief Communications Officer (absent)
	Camie Chapman, Human Resources Director
	Bob Cole, Legal Counsel

Others Present: SMFR Staff Members

MEETING CALL TO ORDER

Chair Albee called the Regular Meeting of the South Metro Fire Rescue Fire Protection District to order at 6:00 p.m. and welcomed everyone to the meeting.

The meeting was conducted concurrent with the SMFR Volunteer Firefighter Pension Board of Trustees meeting.

Volunteer Pension Contribution Adjustment – Chair Albee stated the same motion needs to be made as made during the SMFR Volunteer Firefighter Pension Board of Trustees meeting.

A motion was made by Hank Eng and seconded by Sue Roche to approve increasing the current retirement benefits to \$800 for the Parker and South Metro Benefit Plans and all ancillary benefits for both plans equal to whichever plan has the higher benefit. All were in favor and the motion carried.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was cited at the South Metro Fire Rescue Volunteer Firefighter Pension Board of Trustees Meeting.

ROLL CALL

All members of the Board were present in person.

PUBLIC COMMENT

N/A

CONSENT AGENDA

October 4, 2021 South Metro Fire Rescue Fire Protection District Regular Board Meeting Minutes
October 18, 2021 South Metro Fire Rescue Fire Protection District Special Board Meeting Minutes

Director Shriver requested the abatement be corrected to reflect **.069** on page 3.

A motion was made by Renee Anderson and seconded by William Shriver to approve the consent agenda as amended. All were in favor and the motion carried.

PUBLIC HEARING – 2022 Budget

Chair Albee opened the public hearing at 6:40 p.m.

CFO Miskimins presented an overview of the 2022 Draft Budget, highlighting: Revenues, Components of Property Taxes, Components of Other Revenue Categories, Other Income, Expenses, Components of Total Salaries, Components of Benefits, Overtime, Operating Expenses, Capital Expenses, and Long-Term Plan.

At Director Anderson's request, CFO Miskimins confirmed that the distribution has adjusted slightly due to the repealing of the Gallagher Amendment and that the majority of the Sale of Assets is from the sale of the Lima property and approximately \$400,000 in apparatus.

At Director Eng's request, CFO Miskimins stated that although the District is self-insured, the premiums will increase for both the district and the employees to balance things out and build up the fund keeping it close to 5% annual increase.

At Director Anderson's request, Legal Counsel Cole clarified that the results of Proposition 120 do not go into effect until 2023 and any lawsuits would likely not be heard until 2024.

Chair Albee stated that from his perspective he would have done things differently, but he is very proud of the end product and that we are doing a lot of good things with the tax dollars, such as serving the people that live, work and visit the district, maintaining accreditation and ISO 1, providing the best service possible, forward thinking, good investments in the infrastructure, a fleet capital replacement schedule is in place, prioritizing capital and facilities to make sure we are not underfunding. The revenue in the district has gone up \$27 million and expenses have gone up to \$28 million and most of that has gone to the employees. There are two academies in **2022** for 60 additional people, salary and benefit increases, expansion in benefits, all of which underlies and really supports what is a non-quantitative concept of employer of choice, not just in the public sector but the private sector as well. We take money from the taxpayers and do good things with it.

Director Rausch thanked staff for all of the time that they took and information they provided during the budget work sessions.

Director Anderson reiterated the quality of the people that work in this organization, not only in this room but in the entire organization, which makes the organization what we want it to be and she couldn't be more proud to sit on the board and continue the awesomeness and, if possible, make it even better.

There was no public comment and Chair Albee closed the public hearing at 7:22 p.m.

Balance Sheet – At the Board's request, CFO Miskimins provided an overview of how budget items land in specific areas by providing definitions of the Non-Spendable, Restricted, Committed and Assigned funding groups.

After discussion, the Board directed Staff as follows:

- Move Excise Tax from the General Fund to the Capital Projects Fund
- Transfer the JACC Fund balance to the General Fund and close the JACC Fund
- Move \$15 million from the General Fund to the Capital Fund with any remaining balance used to build the fund
- Self-Insured Fund needs to either pay back the \$1 million loan to the General Fund or Board forgive the loan. Staff will confirm whether the funds can be transferred back to the General Fund from the Self-Insured Fund if it is not needed
- The board would like to have additional discussions on the appropriate level of reserves in 2022

ACTION ITEMS

September 2021 Financial Statements – Chief Financial Officer Miskimins reviewed the financial statements, highlighting:

1. Fund balance decreased by \$2.2 million compared to the prior month bringing fund balance to a total of \$97 million.

2. Through September, the District has collected \$114.3 million in property and \$7.1 million in specific ownership tax revenue, which reflects 99.20% collection vs. 98.93% at this time last year for property taxes, and 82.67% vs. 63.99% for specific ownership taxes. A total of \$773,253 of property taxes have been diverted to TIF in 2021.
3. As of September 30th, the District has expended \$97.9 million in the General Fund related to operations or 70.44% of the annual budget not including Capital Project transfers.
4. Third quarter excise taxes of \$161,238 have been recorded which brings the total excise tax amount to \$362,905 in 2021. This is the highest collection of all quarters.
5. Ambulance transports are on trend to exceed budget expectations in 2021 by 4% or \$453K. In September, number of transports decreased by 50 over August for a total of 1,876 transport calls this month and 15,623 calls year-to-date. Overall, the District has made 2,089 more transports year-to-date this year than in the same period last year and 1,817 transports over our expected amounts. The District's net revenue is \$932k over the year-to-date budgeted amount and \$2.2 million more than the same period last year.
6. Through September, the District has expended \$3.3 million or 51.96% of our total budgeted expenditures in the Capital Fund.
7. In September, the District received the annual Medicaid supplemental payment in the amount of \$6,191,645 compared to the budgeted \$5,076,521.
8. Through September, salaries are \$728k under budget while benefits are \$350k over budget. Much of the overage in benefits is due to a \$228k true up payment for worker's compensation insurance related to 2020 experience. Minimum staffing overtime is \$1.26m over budget and project/meeting overtime is \$475k under budget. Due to higher attrition than budgeted, we expect that salaries will continue to be under budget with increased savings realized as the year goes on. Minimum staffing should continue to trend upward to cover for the higher attrition rate.

A motion was made by Hank Eng and seconded by Alison Rausch to accept the September 2021 Financial Statements as presented. All were in favor and the motion carried.

Warehouse Lease – CFO Miskimins reported that Staff worked with Benchmark Commercial Real Estate Brokers to obtain RFPs from four landlords and ultimately chose to lease warehouse space located at 14353 E. Otero Avenue, behind the American Furniture Warehouse on E-470. The lease is for a term of seven years and roughly 31,500 square feet of space for an annual payment of \$294,000. The District will also be responsible for its share of the building's operating expenses, estimated to be around \$135,000 per year and anticipate rent increases of 3% per year. Staff recommends the Board approve the basic terms of the lease and direct Staff to finalize the lease and other necessary documents, as well as delegate the execution of the finalized lease to the Fire Chief or his delegates.

Logistics Director Luft stated this has been a long time coming and appreciates the Board allowing Staff to move forward adding that centralizing the resources supports the concept of putting an inventory management system in place, increasing buying power and helps support the District's needs. Chief Baker stated that at next month's meeting, Staff will provide an executive summary for the record as to why the decision was made to consolidate logistics.

A motion was made by Sue Roche and seconded by William Shriver to approve the basic terms of the lease with Otero Owner, LLC, allow staff to finalize the lease and authorize the Fire Chief or his designee to sign the lease. All were in favor and the motion carried.

Apparatus Replacement Purchase – 2022 Hazmat Unit – Fleet Manager Frank reminded that the current SMFR Fleet Capital Replacement Schedule reflects budget funding in 2022 for one Hazmat replacement unit at \$750,000. Keeping operational need, cost and safety at the forefront of the specification process, the apparatus committee contacted three vendors, of which one was unable to meet the specifications. The committee worked with the two remaining vendors to provide SMFR with proposals. The selected vendor, who was substantially lower in price, set their base price at \$729,534, before pre-payment discounts. A needed operational technology upgrade increased the base price to \$769,534 but with the pre-payment discount the final price with the added technology is \$748,321. Apparatus vendors are experiencing severe supply change challenges which has extended the build-to-delivery times and rapidly increasing costs but the chosen

vendor has notified that pricing can be held with the contract agreement, but the estimated delivery is 560 days for this unit, pushing the arrival into late 2023. It is Staff's recommendation to approve the purchase of one Hazmat Apparatus at the contracted price of \$769,534, before prepayment discount, to ensure SMFR will avoid projected cost increases and further delay in apparatus delivery.

At Director Eng's request, Fleet Manager Frank confirmed that this will be a replacement for the current unit, which will be 20 years old in 2022. Captains Wells and Becker provided an overview of the advantages of the new technology that will be a mobile command center allowing hazmat technicians to start assessing the call as soon as they roll out of the bay rather than waiting until on scene.

A motion was made by William Shriver and seconded by Hank Eng to approve the purchase of a 2022 Hazmat Apparatus unit for a contract price not to exceed \$769,534 as presented. All were in favor and the motion carried.

2022 Legal Contract Renewal – Legal Counsel Cole reported that effective January 1, 2022, the lawyers in Collins Cockrel & Cole will no longer be practicing together. Jim Collins, Bob Cole, Tim Flynn, Kathryn Winn and Allison Ulmer will be practicing together. As clients of the law firm, the District has the right to decide which lawyers to provide representation going forward.

Chair Albee stated that the district has been very well served by Bob Cole. Director Anderson added that she is glad that Cole's group is continuing with more of the established district. Bob Cole added the team that worked with Parker, Cunningham, and SMFR will continue to work together for the district.

A motion was made by Renee Anderson and seconded by Sue Roche to approve the Collins, Cole, Flynn, Winn and Ulmer representation of SMFR in 2021 and 2022, authorizing Chair Albee to sign the Authorization to Transfer Files and an engagement letter at the December meeting.

DISCUSSION ITEMS

Local 2086 Working Agreement – Chief Baker stated that the Board knows there would be verbiage added to the agreement to pursue two additional vacation days in 2024, moving back a year in order to have staffing to facilitate. With the new staffing plan, Staff felt it logical to ask the Board to codify the 2 additional vacation days and 3% pay increase in 2024, creating a three-year contract. This would reinforce the commitment to reduce exposure, keep within budget, within parameters of what has already been presented, and no negotiation in 2023. Staff feels this is reasonable and hopes to obtain direction from the Board, so Local President Heinemann can go back to his membership for a vote. Chief Baker added and Local President Heinemann confirmed that the Local is committed to taking care of folks but not at a cost of the stability of the organization.

Local 2086 President Heinemann stated it took a long time to get to this point and although they did not receive everything requested it has been a great collaboration process. Chief Baker thanked the Executive Team, Finance Team and other Staff members for the collaboration that went into this to make it work.

Chair Albee polled the board and there was a consensus to have the Staff and Local move forward with putting together a three-year contract.

INFORMATION ITEMS

Correspondence items in the Board's packet are summarized below as well as other information items that were communicated:

- Chief Dell'Orfano informed GIS will be hosting their annual event on November 17th from 10 a.m. to 1:30 p.m. in the Board Room, which will include an open house with different GIS demo stations, a GIS department update, games and prizes. Lunch will be provided along with geography facts and an opportunity to get to know the SMFR GIS team.

- Director Anderson mentioned that Yuma County had a couple of Volunteer FF deaths, one in an auto accident and others stopped en route to that volunteer's funeral to help with a fire, the fire turned direction and another volunteer was killed. Our hearts go out to them.
- Chair Albee expressed his disappointment that tonight is his 8th budget cycle and he has yet to see a member of the public attend the meetings and make a comment and become a part of the process. Although this is taken as an extreme expression of trust, his goal is to raise awareness of the process and get the citizens involved.
- Chief Baker stated crews responded to a residential structure fire near Holly & Dry Creek early Sunday morning. Unfortunately, Sunday night the fire rekindled. This is very unusual and the investigation continues into how this happened. Chief Baker stated he just wanted to keep the Board informed in case they receive inquiries.
- Chief Dell'Orfano reported that Lockheed Martin's fire marshal retired so the contract has been amended so that SMFR will serve as their fire marshal effective today.
- Chief Dell'Orfano will be emailing the Board this week as a reminder to send him items that they would like to continue to discuss/see, specific functions, types of facilities, apparatus, operations, demonstrations, presentations in 2022.
- Chief Curtis reported that staff is navigating the hospital emergency divert status, as they are inundated with patients and suffer staffing shortages. SMFR works closely with the hospitals and are continuing to provide patient care.
- Chief Dell'Orfano provided a summary of the December board meeting agenda.
- A thank you letter was received from Western Welcome Week for SMFR's VIP Station Tour Certificates to help raise funds for their annual event.
- A set of thank you notes were received from the Urban Family in appreciation of the District's Paternity Policy.

EXECUTIVE SESSION (UPON MOTION)

N/A

NEXT MEETING

The next Special South Metro Fire Rescue District Board of Directors' meeting will take place on December 6, 2021 at 6:00 p.m. at 9195 East Mineral Avenue, Centennial, CO.

ADJOURNMENT

The meeting was adjourned by Chair Albee at 8:52 pm.

Attested by: _____

James Albee

Date: _____

Dec 6, 2021